



**Western North Dakota Synod**  
**Evangelical Lutheran Church in America**  
God's work. Our hands.

**2011**  
**COMPENSATION AND BENEFITS GUIDELINES**

**FOR**  
**PASTORS**  
**DIACONAL MINISTERS**  
**AND**  
**ASSOCIATES IN MINISTRY**

**Effective January 1, 2011**

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## INTRODUCTION

A ministry review of the Western North Dakota Synod was conducted from April 11-13, 2008 at St John, Dickinson, House of Prayer, Bismarck, Bethany Lutheran, Minot and First Lutheran, Williston. Group size ranged from 6-19. The total number of participants was 120, with a slightly higher proportion of lay than clergy. Nearly all of the participants agreed that a **major part of addressing concerns within our synod is to place a high priority on recruitment of clergy.** The discussion groups and interviews were conducted by ELCA staff from Chicago- Marcia Johnson, Mark Grorud and Victoria Flood.

It is important for parishes in the Western North Dakota (WND) Synod to be able to attract and retain strong leaders. Compensation for all full time pastors, diaconal ministers (DMs) and associates in ministry (AIMs) is of major importance in accomplishing this task. Compensation includes base salary as well as monetary and non-monetary benefits.

The 2008 Western North Synod Assembly (Resolution #5) directed the synod council to form a task force to research and develop the computation of synod guidelines for clergy and associates in ministry. These compensation guidelines were provided as a starting point for determining compensation for those serving in our congregations.

The WND Synod Council encourages using these guidelines as a basis for compensating pastors, DMs and AIMs. The WND Synod council encourages all parishes within the synod to prayerfully consider the guidelines provided for clergy, DMs and AIMs and to use these guidelines as minimum standards. We also encourage parishes to be generous in compensating beyond these guidelines to attract and retain talented and dedicated clergy.

If meeting these guidelines would be a significant financial hardship for your parish, please contact the WND Synod staff and discuss this with them.

## MUTUAL MINISTRY

The WND Synod suggests every parish have a mutual ministry committee. The purpose of the committee is to affirm and strengthen the mission of the parish and the ministry of the staff.

The model constitution of the Evangelical Lutheran Church in America (C13.04) suggests “A mutual ministry committee shall be appointed jointly by the president and the pastor.” In this way, the committee becomes officially related to the council and reports in the same manner as do other committees. The committee should reflect the age, race, gender and economic composition of the parish. The pastor should be included as part of the committee.

A mutual ministry committee provides a place to begin to define the vision for building up the body of Christ within the parish. This is done through:

- Listening and clarifying – The committee needs to listen to one another. Listen to understand! All should be listened to, the called leaders, the parish and the pastor.
- Sharing and communicating – Take time to share the joys and frustration of ministry. Luther called for “mutual conversation and consolation of Christians.” This requires a commitment of confidentiality.
- Reviewing and revising – Often the “Annual Review” is misunderstood as an evaluation of staff. The review should be of both the ministry of the pastor and the mission of the parish. The goal of the review is to “Build up the Body of Christ” (Ephesians 4:12). If sharing and communicating is taking place the reviewing and revising phase of ministry is done in an atmosphere of “no surprises”. Concerns are not “saved” for the annual review!

### HOW TO START A MUTUAL MINISTRY COMMITTEE

The key to the success of a Mutual Ministry Committee is the selection process. Begin by defining expectations, purpose and job description for the committee. Characteristics and skills of the committee members should include:

- Ability to keep confidences
- Sensitivity to the feelings of others
- Ability to listen
- An understanding of the Christian faith and the vision of the ELCA as manifest in the parish, the Synod, and the churchwide
- Ability to provide constructive feedback in a caring manner

More information and resources for mutual ministry are available through the WND Synod office. Resources available include:

- *Mutual Ministry Committee, A Vision for Building Up the Body of Christ* by Reverend George E. Keck
- Performance Now. Knowledgepoint, 1129 Industrial Avenue, Petaluma, CA 94952  
Web site: <http://www.knowledgepoint.com>  
Email – [Kp@knowledgepoint.com](mailto:Kp@knowledgepoint.com)
- Exhibit 1 of this document titled, “Annual Summary of Compensation and Benefits.”

# MINIMUM COMPENSATION AND BENEFIT GUIDELINES

## OVERVIEW

When arriving at compensation and benefit levels for pastors, DMs and AIMs, the fundamental question should be, “How can we best provide appropriate care for our pastors, DMs and AIMs, recognizing financial issues are an integral part of that care”? Lay leaders and pastors/rostered leaders need to talk openly with each other about their ministry together, including details of compensation.

The compensation and benefits package is best arrived at by candid communication that takes into consideration financial realities for pastor, DM or AIM and parish. One financial reality that can be overlooked is the extensive investment made by pastors, DMs or AIMs prior to their first call. The process of becoming a pastor in the Evangelical Lutheran Church is normally an eight-year commitment leaving most with substantial debt. Diaconal Ministers are required to have earned a Masters Degree (usually an investment of 7 years). Associates in ministry must have a Bachelor’s Degree and may or may not have a Masters Degree (4-7 years) Investment in ministry and faithful pastoral or rostered leaders service needs to be recognized and compensated fairly and generously. Creative options should be explored when resources are limited.

Years of experience are a significant factor in determining compensation and benefits. However, many other factors should be taken into account as salary is discussed. Some of the factors include:

### PARISH

- Multiple point parish
- Complexity of call
- Ecumenically-yoked parish
- Ratio of members to paid staff
- Programming
- Travel time required for regular visitations.
- Level of related education attained (Bachelors degree, Masters Degree, M. Div., or advanced coursework beyond the M. Div.)

### PASTOR

### DIACONAL MINISTERS

### ASSOCIATES IN MINISTRY

- Prior career experience
- Staff supervision requirements
- Merit
- Churchwide or synodical experience and participation
- Related Education beyond M.Div. DM or AIM certification

Any of these factors may be considered a reason to pay more than the base salary guideline.

## 2011 Minimum base salary recommendations

**Congregations are encouraged to review and become familiar with these minimum base salaries. These salary guidelines represent single point parishes and do not include any benefits such as social security or housing.**

<u>Ordained Ministers</u>				<u>Diaconal Ministers</u> <u>Associates in Ministry</u>		
<u>Year</u>	<u>*Years of Service</u>	<u>Minimum Base Salary</u>		<u>Year</u>	<u>Years of Service</u>	<u>Minimum Base Salary</u>
2011	0	\$30,585	The WND Synod council will annually review the regional synod salaries and the SS COLA before salary recommendations are presented to the WND Synod Assembly.	2011	0	\$26,915
2010	1	\$31,114		2010	1	\$27,380
2009	2	\$31,643		2009	2	\$27,846
2008	3	\$32,172		2008	3	\$28,311
2007	4	\$32,701		2007	4	\$28,777
2006	5	\$33,230		2006	5	\$29,242
2005	6	\$33,759		2005	6	\$29,708
2004	7	\$34,288		2004	7	\$30,173
2003	8	\$34,817		2003	8	\$30,639
2002	9	\$35,346		2002	9	\$31,104
2001	10	\$35,875		2001	10	\$31,570
2000	11	\$36,404		2000	11	\$32,036
1999	12	\$36,933		1999	12	\$32,501
1998	13	\$37,462		1998	13	\$32,966
1997	14	\$37,991		1997	14	\$33,432
1996	15	\$38,520		1996	15	\$33,897
1995	16	\$39,049		1995	16	\$34,363
1994	17	\$39,578		1994	17	\$34,828
1993	18	\$40,107		1993	18	\$35,294
1992	19	\$40,636		1992	19	\$35,759
1991	20	\$41,165		1991	20	\$36,225
1990	21	\$41,694		1990	21	\$36,690
1989	22	\$42,223		1989	22	\$37,156
1988	23	\$42,752		1988	23	\$37,621
1987	24	\$43,281		1987	24	\$38,087
1986	25	\$43,810		1986	25	\$38,553
1985	26	\$44,339		1985	26	\$39,018
1984	27	\$44,868		1984	27	\$39,484
1983	28	\$45,397		1983	28	\$39,950
1982	29	\$45,926		1982	29	\$40,415
1981	30	\$46,455		1981	30	\$40,880
1980	31	\$46,984		1980	31	\$41,346
1979	32	\$47,513		1979	32	\$41,811
1978	33	\$48,042		1978	33	\$42,277
1977	34	\$48,571		1977	34	\$42,742
1976	35	\$49,100	1976	35	\$43,208	

\* Prior work experience should be considered and credit given at the rate of one-half year for each year of experience up to a maximum of 10 years.

## **SOCIAL SECURITY**

Parishes are required to pay one half of the social security taxes for all lay employees and to file federal tax Form 1099 or Form W-2 for both clergy and lay people. Because pastors are treated as self-employed (not as employees) for social security purposes, their social security tax is 15.3%. To offset this added tax burden required of pastors, the WND Synod strongly recommends and encourages all parishes to pay one half (7.65%) of the social security tax just as other employers do. The tax is applied to the social security tax base, which includes:

- Base salary
- Housing allowance (or parsonage fair market rental value)
- Furnishings allowance
- Utilities allowance
- Social security offset
- Other taxable income

## **HOUSING AND UTILITIES**

Parishes should pay their pastor a housing allowance or provide a parsonage. If located in an area where real estate moves rapidly, serious consideration should be given to granting pastors the option of owning or renting their own home. (The IRS requires that the amount of the pastor's compensation which is to be used as housing allowance be designated as a percentage of the base salary by the parish in advance.)

### *Housing Allowance*

If the pastor is given a housing allowance in lieu of a parsonage, the allowance should be enough to provide housing that is adequate for the pastor's family needs. The minimum standard recommended is a three bedroom house with garage. Also, the housing allowance should provide for the cost of heat and all utilities.

### *Parsonage*

When a parish provides a parsonage, the parish should assume all costs for maintenance (including replacement of major appliances), and utilities (electricity, gas, oil, telephone, cable TV, water, etc.). Utility and repair/replacement costs should be paid directly by the parish to the vendor/supplier. If not handled in this manner, those amounts are to be included in the pension contribution calculations.

The parish should work through the guidelines for the provision and use of parsonages with the pastor and establish a covenant for parsonage use. The parish should arrange for a regular program for upkeep and maintenance of the parsonage and property, including an annual assessment and walk through with the appropriate council representative. For more information see Exhibit 3 called, "Guidelines for the Provision and Use of Parsonages."

### *Housing Equity Allowance*

When a parsonage is provided, the parish should share with the pastor a modest portion of the equity being gained on the parsonage. It is strongly recommended the equity allowance be equal to four percent of the pastor's current base salary. This equity allowance should be paid monthly and be placed in a fund that will accumulate interest in the pastor's name. It is recommended the investment be made in either the ELCA Optional Pension Fund or other appropriate investment that will be available for the use of the pastor when purchase of a home becomes necessary. This benefit assists pastors in gaining equity for future housing needs. Without this benefit, pastors who live in parsonages may be unable to accumulate equity in a home and at retirement would have limited funds to provide for their housing needs.

### *Housing value*

The housing value is roughly 30% of the base salary. Congregations must approve in advance allowances for housing, furnishings and utilities in order for these to be excluded from income for IRS reporting. The pastor should determine the portion of his/her annual compensation to be designated housing allowance and assumes full responsibility for compliance with IRS definitions of "Cost to provide a home".

### *Furnishings Allowance*

Under IRS rules, a parish may designate a portion of the base salary as a furnishings allowance for furnishing purposes. For example, if the pastor's base salary is \$20,000 and \$2,000 of that is designated for furnishing allowance, the amount the pastor uses for furnishing the parsonage up to \$2,000 may be excluded from taxable income.

**NOTE:** In all tax matters, pastors and parishes are urged to obtain expert and up-to-date advice for guidance in tax reporting.

**PENSION AND MEDICAL/DENTAL**

The ELCA has a pension and benefit plan for pastors, DMs and AIMs that includes pension, medical and dental coverage, survivor benefits, and disability coverage. The rate for this coverage is based on defined compensation. The definition of “defined compensation” used for figuring payments for this plan is:

Base salary + Social Security Allowance + Housing Allowance = Defined Compensation

*Or when a parsonage is provided:*

(Base salary +Social Security Allowance) x 1.3 = Defined Compensation

<b>2010 contribution rates for sponsored members (sponsor paid)</b>			
<b>Type of coverage</b>	<b>Rate<sup>1</sup></b>	<b>Minimum</b>	<b>Maximum</b>
Medical and Dental Benefits			
- Member only	13.10%	\$514	\$ 695
- Member and spouse	22.90%	899	1,216
- Member and children	22.90%	899	1,216
- Member, spouse and children	32.80%	1,285	1,737
- Coverage waived	0		
Regular Pension	10.0 to 12.0 <sup>2,3,4</sup>		
Disability Benefits	2.60		
Survivor Benefits	0 <sup>5</sup>		
Administration and Retiree Support	0.7 <sup>6</sup>		

1. Rates are a percent of defined compensation.
2. Contribution for employees of ELCA church institutions is 6% to 12% as determined by the institution.
3. Contribution for lay employees of ELCA congregations is 6% to 12% as determined by the congregation.
4. If a member participated in a predecessor plan on Dec. 31, 1987, was at least age 45 on that date and continuously been a sponsored member of an ELCA retirement plan since Jan. 1, 1988, the total retirement contribution must be at least 11%.
5. Survivor Benefit Plan contribution is suspended.
6. Retiree support contribution helps provide health coverage during retirement for members who served one of the ELCA predecessor church bodies.

**NOTE:** Current rates reflected in this table may change annually!

For current rates and more information on pension and other ELCA benefits visit the website:

<http://www.elcabop.org/> or call 1-800-352-2876.

## **DISABILITY**

In the event of a pastor, DM or AIM disability due to accident, illness, surgery, etc., it is expected that the parish will continue to pay the full salary, housing (or housing allowance), pension and benefit contributions for the first 60 days of disability. Then the ELCA disability plan provides for a payment of 2/3 of the defined compensation reduced by any social security benefit, beginning in the third month of disability. The plan also provides for continuation of pension and benefit plan contributions for the duration of the disability.

## **WORKERS COMPENSATION**

Parishes are not required by law to pay into North Dakota worker's compensation for employees or ordained pastors, DMS or AIMS. However, it could be a definite liability to the ministry of the parish in the event of accidental death or disability during the course of employment.

It is recommended that all parishes carry a general "umbrella" insurance plan that covers all types of liability a parish may encounter including personal injury and professional liability.

## **WORK WEEK**

Pastors, DMs and AIMS are expected to take at least one weekday off each week as well as an additional day whenever a parish schedule interferes with taking a holiday off. Five and one-half days should be the normal maximum workweek for clergy and rostered leaders.

## **VACATION**

Pastors, DMs and AIMS are expected to receive and use four weeks (including 4 Sunday's) of vacation per year. After completion of 20 years of service (and in the fifth year of their call) it is recommended that pastors, DMs and AIMS receive a fifth week of vacation annually.

Annual vacation time may be taken periodically during the year, at the mutual convenience of the pastor, DM or AIM and parish, including the initial year of ministry to the parish. Since it is important that all staff use their vacation each year, accrued vacation time normally should not be carried over from one year to the next.

## **HOLIDAYS**

The following should be considered paid holidays:

- New Years Day
- President's or Martin Luther King Day
- Easter
- Memorial Day
- Fourth of July
- Labor Day
- Thanksgiving Day
- Christmas Day

## **PERSONAL LEAVE**

Reasonable time off may be granted due to illness or a death in the family. Pastors, DMs and AIMs should discuss needs and reach a mutual understanding with their parish leadership. This time would not be charged against vacation. In the event of a death in his/her immediate family (to include spouse, children, parents, brother, sister, grandparents, grandchildren, mother-in-law, father-in-law or legal guardian) a pastor, DMs, or AIMs will be allowed three (3) days with pay to attend the funeral and to deal with family affairs. In cases where there is a special need related to circumstances following the death of an immediate family member, up to a total of five (5) working days may be granted.

## **SICK LEAVE**

Reasonable time away from work due to personal illness may be provided to professional staff without recording as vacation. The ELCA churchwide office has a policy that sick leave is 10 days a year and may be carried over and accrued up to a maximum of 45 working days. For extended illnesses, pastors should discuss needs with parish leadership and reach a mutual understanding.

## **PARENTAL LEAVE**

Time off is important for pastors, DMs and AIMs in the event of the birth or adoption of a child. Parishes are expected to provide paid parental leave for up to six weeks.

## **MOVING EXPENSES**

It is expected that when a pastor, DM or AIM accepts a new call or appointment, reasonable moving expenses are to be paid by the parish or agency extending the call.

## **PROFESSIONAL EXPENSE REIMBURSEMENT**

Professional expenses designated by the parish and acknowledged by the IRS including books, robes, periodicals, professional dues, entertaining and hospitality costs incurred in the performance of the duties of the pastoral office should be shared by the parish. A minimum of \$250 should be provided annually.

## **AUTO EXPENSE REIMBURSEMENT**

The cost of travel as part of the responsibilities of the pastor's, DM's or AIM's call or appointment are considered business expenses of the parish and may be paid in one of three different ways.

- Reimburse the pastor, DM or AIM each month for actual miles driven at a rate of at least the current IRS rate.
- Pay a set travel allowance of at least the estimated mileage x the IRS mileage rate
- Purchase or lease a car for this use and pay all expenses. The pastor, DM or AIM would be responsible for taxes for personal miles driven.

## **MEETING EXPENSES**

Pastors, DMs and AIMs are expected to attend various meetings called by the synod and its conferences, especially, the annual Medora Rostered Leaders and Clergy and Spouse Conference and the Synod Assembly. The costs for attending these meetings are to be paid by the parish.

## **OTHER COMPENSATION OPTIONS**

A parish may wish to provide additional compensation in one of the following forms:

- Reimbursement of medical and dental expenses not paid for by the ELCA benefit plan. The recommended range for reimbursement is \$1000 to \$1,500.
- Additional pension contributions beyond the minimum required by the ELCA Pension and Benefit Plan.
- Additional personal holidays.
- Additional time off, including creative ways for occasional weekends when the pastor and family can leave without using vacation time.
- Flexible work hours.
- Creative methods to allow pastors to work less than full-time and receive pension and medical benefits that are similar to full-time.
- Creative methods to assist pastors, DMs and AIMs to reduce education debt.
- Hiring and retention bonuses. For example, pay the pastor, DM or AIM \$1,000 upon acceptance of the call and \$1,000 for each additional year of service to the parish.

## **CONTINUING EDUCATION**

Pastors, DMs and AIMs are expected to keep up with the current scholarship in their field, to grow in their faith and to improve their skills for ministry. They are expected to seek out continuing education opportunities appropriate for them and the setting in which they serve. This education program may be of a variety of formats. It may involve structured education programs available in the Synod and region or it may involve travel to other areas to observe faith and ELCA programs in action. The pastor, DM or AIM and the parish shall agree to the format for the education program.

The parish should allow for a minimum of two weeks (including two Sundays) of continuing education per year. The program should be funded by both the parish and the pastor, DM or AIM per the following guidelines:

- Parish provides approximately 70% of funding.
- Pastor, DM or AIM provides approximately 30% of funding.
- For year 2011, the minimum recommendations are \$700 from parish and \$300 from pastor, DM or AIM. These minimums shall rise as costs warrant changes.

For tax reasons it may be beneficial for the pastor's, DM's or AIM's contributions to continuing education be moved out of salary and into continuing education. This should be done with mutual agreement of pastor, DM or AIM and parish.

Both parish and pastor, DM or AIM shall agree to the accumulation of unused funds and days from year to year. It is recommended that unused funds provided by the parish be allowed to accumulate for future education uses. In the event that a pastor, DM or AIM leaves a parish, all unused funds contributed by the parish shall remain with the parish.

All newly ordained pastors, consecrated DMs and AIMs participate in programs of theological education during their first three years of service under call. The purpose of First Call Theological Education is to enhance the transition from seminary to parish. It is recommended that the parish support the pastor's, DMs or AIMs participation in this synod program by providing the time for and reimbursement of costs incurred by the pastor, DM or AIM while participating.

## **SABBATICAL LEAVE**

Because continuing education of professional staff is a priority of the ELCA, parishes in the WND Synod are encouraged to develop a sabbatical policy for renewal that will promote healthy and effective long-term relationships.

- One to three months of sabbatical after five years should be allowed with parish permission and agreement.
- Compensation during the sabbatical should be mutually agreed upon.
- The pastor, DM or AIM is encouraged to make a commitment to return to the parish for at least one year following the sabbatical.

\* Some policy examples are on file at the synod office.

### **COMPENSATION WORKSHEET**

On the following two pages is a worksheet to assist in making annual compensation and benefit calculations for pastors, DMs and AIMs.

**COMPENSATION WORKSHEET**

STEP 1: Figuring the annual defined compensation for ELCA pension and benefits. (Formula used to base ELCA pension and benefits costs on.)

STEP 2: Housing Equity (if parsonage is provided)

STEP 3: Determining the ELCA pension and benefits expense

STEP 4: Other congregational expenses

STEP 5: Computing the total Pastoral expense (The cost for your pastoral position.)

**STEP 1: Annual Defined Compensation** \*For ELCA Pension and Benefits calculation

	<b>Current</b>	<b>Projected</b>	<b>Guidelines</b>
1. Base Salary	_____	_____	_____
2. Social Security Allowance			
a. .0765 x [Base salary + housing allowance (if parsonage is not provided)]	_____	_____	_____
Or			
b. .0765 x [Base salary + fair rental value of the parsonage (if parsonage is provided)]	_____	_____	_____
3. Total Salary (line 1 + line 2a or line 2b)	_____	_____	_____
4. Housing Allowance (if parsonage is not provided)	_____	_____	_____
5. 30% of line 3 (if parsonage is provided) *This is not a direct cost to the congregation, and is only used to figure out ELCA pension and benefits costs.	_____	_____	_____
6. Household furnishings or utilities allowance (only if parsonage is provided, and Pastor pays the bills directly)	_____	_____	_____
7. <b>Annual Defined Compensation (line 3 + line 4 + line 5 + line 6)</b> *This figure is only used to calculate ELCA pension and benefits costs.	_____	_____	_____

**STEP 2: Housing Equity**

1. Housing Equity, if parsonage is provided (4% of cash salary)	_____	_____	_____
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**STEP 3: ELCA Pension & Benefits**

\*Current contribution percentage rates can be obtained by calling the ELCA Board of Pensions at 1-800-352-2876 or visit the web site at <http://www.elcabop.org/>. Also, be aware that there are minimum and maximum amounts charged for the medical portion. Remember to ask for those figures when calling.

1. Annual Defined Compensation (line 7 on Step 1)	_____	_____	_____
2. a. Pension _____ % of line 1	_____	_____	_____

b. Medical	_____ % of line 1	_____	_____	_____
c. Disability & Survivor Plan	_____ % of line 1	_____	_____	_____
d. Administration	_____ % of line 1	_____	_____	_____
<b>3. Total Pension and Benefits (line 2a + line 2b + line 2c + line 2d)</b>		_____	_____	_____

**STEP 4: Other Congregational Expenses**

1. Travel Expense		_____	_____	_____
2. Professional Expense		_____	_____	_____
3. Meeting Expense		_____	_____	_____
4. Continuing Education (\$750 expected)		_____	_____	_____
5. Additional Compensation (additional pension, etc.)		_____	_____	_____
6. Other (misc.)		_____	_____	_____
<b>7. Total Other Expenses</b>		_____	_____	_____

**STEP 5: Total Pastoral Expense (Salary, Housing Equity, Pension & Benefits, and Other Expenses)**

1. Base Salary (line 1 on Step 1)		_____	_____	_____
2. Social Security Allowance (line 2 on Step 1)		_____	_____	_____
3. Housing Allowance – if no parsonage is provided (line 4 on Step 1)		_____	_____	_____
4. Housing Equity – if parsonage is provided (line 1 on Step 2)		_____	_____	_____
5. ELCA Pension & Benefits (line 3 on Step 3)		_____	_____	_____
6. Other congregational Expenses (line 7 on Step 4)		_____	_____	_____
<b>7. Total Expense (line 1 + line 2 + line 3 + line 4 + line 5 + line 6)</b>		_____	_____	_____

**Definition of Terms**

**Housing Allowance – Funds paid to the pastor to rent or purchase a home or apartment, when a parsonage is not provided.**

**Housing Equity – Funds placed in an equity fund such as an optional pension plan to build up funds, so that the pastor will be able to afford housing whenever a parsonage is not provided.**

## **OTHER INFORMATION AND EXHIBITS**

**EXHIBIT 1: Annual Summary of Compensation and Benefits**

**EXHIBIT 2: Interim and Contracted Ministries**

**EXHIBIT 3: Guidelines for Provision and Use of Parsonages**

**EXHIBIT 4: Salary Survey of Ordained Ministers Serving in Congregations**

**EXHIBIT 5: Pastoral Ethics**

**EXHIBIT 1**

**ANNUAL SUMMARY OF COMPENSATION AND BENEFITS**

Prepared by \_\_\_\_\_

For \_\_\_\_\_ For the period \_\_\_\_\_ to \_\_\_\_\_

**A. COMPENSATION**

The parish will provide the following annual compensation:

- 1. Base Salary (including cash housing allowance, if any) \$ \_\_\_\_\_
- 2. Self-employed Social Security payment allowance (if provided) \$ \_\_\_\_\_
- 3. If parsonage is provided:
  - a. Utilities allowance \$ \_\_\_\_\_
  - b. Furnishings allowance \$ \_\_\_\_\_
  - c. Housing equity allowance \$ \_\_\_\_\_

**B. PENSION AND OTHER BENEFITS**

The parish will sponsor the pastor, DM or AIM in the Pension and Other Benefits Program of the Evangelical Lutheran Church in America, which provides retirement, disability, survivor, and medical/dental coverage. (*Sponsorship will include medical/dental coverage for the Pastor's spouse and children unless they have other employer-provided group medical insurance coverage and the pastor consents to waiving medical/dental coverage for them under the ELCA Pension and Other Benefits Program.*)

- 1. ELCA Pension at \_\_\_\_\_%
- 2. ELCA Medical and Dental Insurance (circle one):
  - a. Member only b. Member and spouse c. Member and children d. Member, spouse, and children e. Coverage waived
- 3. Other insurance or benefits: \_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_

**C. AGREEMENT**

- 1. Vacation time of \_\_\_\_\_ per year, including \_\_\_\_\_ Sundays;
- 2. Continuing education time of \_\_\_\_\_ weeks per year (recommended minimum of two weeks per year that may be accumulated up to three years);
- 3. Up to two months of continued salary, housing, and contributions to the ELCA Pension and Other Benefits Program in a 12-month period in the event that the pastor is physically and mentally disabled<sup>1</sup>.

**D. EXPENSES**

The parish will provide for the following expenses related to this Pastor's, DMS or AIMS ministry.

- 1. Automobile and travel allowance \$ \_\_\_\_\_
- 2. Other professional expenses \$ \_\_\_\_\_
- 3. Expenses for official meetings of the synod \$ \_\_\_\_\_
- 4. Continuing Education \$ \_\_\_\_\_
- 5. Other (\_\_\_\_\_) \$ \_\_\_\_\_
- 6. Pay the moving expenses to this field of service as follows: \_\_\_\_\_

<sup>1</sup>Provision may be made for further unpaid time for disability recovery as agreed by the parish.

## **EXHIBIT 2**

### **INTERIM AND CONTRACTED MINISTRIES**

#### *PASTORAL VACANCIES*

- ◆ When a pastoral vacancy occurs in a parish, a synod representative (bishop or bishop's staff) confers with the church council regarding the appointment of a vice-pastor or interim pastor.
- ◆ During this period of service, the vice-pastor or interim pastor:
  - Have the rights and duties of a regularly called pastor,
  - With consultation with the bishop and approval of the church council, may arrange for certain pastoral duties (like pulpit supply, confirmation, visitation) to be done by a supply pastor or other qualified person,
  - Must be present at council and parish meetings, including meetings at which pastoral candidates are interviewed and recommendations made to the parish, except:
    - Council meetings where the vice-pastor or interim pastor requests or consents to be absent and has given prior approval to an agenda of routine matters which shall be the only business of the meeting,
    - Parish meetings if the bishop appoints someone else as his representative.
  - Shall work with the church council in providing for worship leadership, response to emergency calls, hospital visitation, maintenance of official parish records,
  - Shall refrain from exerting influence in the selection of the next pastor and shall not be under consideration as the next pastor.
  - Assist synod staff in working with the council and parish through the call process and encourage preparation for the arrival of a pastor.
  - Offer care, encouragement and support to the new pastor after the call process is complete to facilitate integration in the parish, community and Western North Dakota Synod.

#### *CONTRACTED REIMBURSEMENT*

- ◆ Compensation for interim pastors, in consultation with the bishop or his appointed representative, shall be negotiated on an individual basis that takes into consideration:
  - Housing provided to the pastor, spouse, and family.
  - Previous pastor salary and benefits as well as future pastor salary and benefits.
  - ELCA pension and benefits to all pastors not retired.
  - Expenses incurred in service to the parish (mileage at IRS rates, supplies, etc.)

- ◆ Vice-pastors, for minimum duties including attendance at church council meetings, assistance in arranging pulpit supply and other pastoral services, visitation in hospitals where the vice-pastor's own parish also has patients, and managing the official parish records:
  - \$150 per month.
  - Current IRS mileage and other professional expenses.
  - Other services (weddings, funerals, etc.) at \$85 per service plus IRS mileage.
- ◆ Pulpit supply and additional duties for vice-pastor or WND Synod GIFTS members:
  - Pulpit supply: \$85 for first service, \$35 for each additional service plus IRS mileage.
  - Additional duties (teaching confirmation or other classes): \$15 per hour (\$45 minimum), including preparation time and time in the parish plus IRS mileage.
  - Housing and meals if needed.

*G.I.F.T.S. ROLE IN CONGREGATION*

- ◆ Pastoral and vice-pastor's supervision of WND Synod GIFTS members:
  - GIFTS members may assist in the ministry of the parish.
  - Assignment of presiding **duties of the ordained** include: funerals, weddings, baptism, and Holy Communion. **These duties cannot be assigned to WND Synod GIFTS members without the consultation and approval of the Bishop.**

## **EXHIBIT 3**

### **GUIDELINES FOR THE PROVISION AND USE OF PARSONAGES**

To enhance the ministry of the Gospel among us, the congregation and the pastor covenant to work with the following guidelines, which are established to provide a common understanding of expectations for both the congregation and the pastor.

#### *CONGREGATIONAL RESPONSIBILITIES*

- ◆ When selecting a parsonage, consideration should be given to its size and type, so it will serve a variety of ages and sizes of pastoral families.
- ◆ The parsonage's primary purpose is to provide housing for the pastor and the pastor's family, and not to provide additional meeting space for the congregation.
- ◆ Where a parish office must, of necessity, be within the parsonage, means should be taken to provide adequate privacy for both the parishioners and family.
- ◆ It is the congregation's responsibility to provide the parsonage with major appliances.
- ◆ It is the congregation's responsibility to provide and maintain in working order a hot water heater and a furnace or other means of heating the parsonage, and if deemed necessary by water conditions, also a water softener.
- ◆ It is the congregation's responsibility to provide for normal maintenance and repair so that the parsonage is free from hazards to the health of the pastor's family. Examples are as follows:
  - Electrical, water and sewer systems should be adequate.
  - Windows, doors and roof should be weather proofed against wind and water.
  - The basement should be checked for the presence of radon gas and corrective measures taken if the gas is present.
  - Measures should be taken to ensure the basement does not flood.
  - Smoke alarms should be installed and maintained in working condition.
  - Insulation should be checked for asbestos, and if present, corrective measures taken.
  - If the parsonage has lead water pipes for domestic use, those pipes should be checked for high lead concentration, and the pipes replaced if the lead concentration is higher than EPA standards.
  - If the services of an exterminator are required for pest control, the congregation should provide those services.
  - The parsonage should be in compliance with fire codes, which include two (2) means of escape from each level and smoke detectors.
- ◆ The congregation should provide for a utilities allowance that covers the cost of heat, lights, water, sewer, and garbage removal. The recommended method is for these bills to be paid directly by the congregation.

#### *PASTOR'S RESPONSIBILITIES*

- ◆ The pastor should repair any damage done to the parsonage or property that is not considered normal wear, including damage done by pets.
- ◆ The pastor shall act as caretaker of the parsonage and provide the following:

- Ensure the parsonage is properly heated to prevent damage.
- Make minor repairs (i.e. leaky faucets)
- Provide for normal housekeeping and cleaning.
- Provide for maintaining the lawn and grounds in a neat and orderly manner.
- Clear sidewalks and driveway of snow and maintain the lawn and grounds equipment in good working order.
- ◆ The pastor shall report needed repairs promptly to the parsonage committee.
- ◆ The pastor shall make arrangements to invite the parsonage committee in to inspect the parsonage at least once per year.
- ◆ The pastor shall make reasonable arrangements to allow the congregation to make needed repairs and do required maintenance.
- ◆ The pastor is responsible for providing renter's insurance on personal contents.
- ◆ The pastor shall clean the parsonage before leaving as follows:
  - The stove and oven must be left clean.
  - The refrigerator should be cleaned, turned off and door left open.
  - Provisions should be made for the disposal of unwanted items.
- ◆ In general the pastor should leave the parsonage in as good or better condition than it was upon arrival.

**EXHIBIT 4** These figures also include Churchwide, synod and seminary personnel.

**SALARY SURVEY OF ORDAINED MINISTERS SERVING IN CONGREGATIONS**

**As Of June 1, 2010**

<b>SYNOD</b>	<b>NUMBER OF PASTORS</b>	<b>AVERAGE SALARY*</b>	<b>MEDIAN SALARY*</b>
<b>Region 1</b>			
Alaska	27	\$55,874	\$61,894
Northwest Washington	112	65,574	65,961
Southwestern Washington	93	59,532	59,220
Eastern Washington-Idaho	84	51,381	50,384
Oregon	110	54,935	54,704
Montana	92	48,718	48,726
<b>Region 2</b>			
Sierra Pacific	175	\$62,289	\$60,800
Southern California (West)	114	63,519	61,021
Pacifica	121	70,672	70,000
Grand Canyon	112	67,730	67,480
Rocky Mountain	157	59,499	58,846
<b>Region 3</b>			
Western North Dakota	92	\$47,865	\$48,187
Eastern North Dakota	120	49,894	48,844
South Dakota	176	53,540	52,861
Northwestern Minnesota	162	48,853	48,588
Northeastern Minnesota	117	50,099	49,277
Southwestern Minnesota	204	53,750	55,058
Minneapolis Area	241	66,456	65,763
St. Paul Area	154	64,382	63,258
Southeastern Minnesota	179	52,996	51,412
<b>Region 4</b>			
Nebraska	194	\$53,438	\$50,463
Central States	132	53,115	51,454
Arkansas-Oklahoma	31	48,461	52,476
Northern Texas/Louisiana	82	57,261	59,421
Southwestern Texas	128	53,736	55,008
Texas-Louisiana Gulf Coast	93	59,561	59,084
<b>Region 5</b>			
Metropolitan Chicago	201	\$61,337	\$59,830
Northern Illinois	153	56,500	57,392
Central/Southern Illinois	110	54,186	52,517
Southeastern Iowa	147	57,356	56,728
Western Iowa	100	53,637	55,153
Northeastern Iowa	138	55,114	55,112
Northern Great Lakes	59	50,300	47,166
Northwest Wisconsin	154	55,238	55,441
East-Central Synod of Wisconsin	131	55,153	55,479
Greater Milwaukee	152	56,707	54,746
South-Central Synod of Wisconsin	151	57,573	57,960
LaCrosse Area	64	62,987	54,439

<b>SYNOD</b>	<b>NUMBER OF PASTORS</b>	<b>AVERAGE SALARY*</b>	<b>MEDIAN SALARY*</b>
<b><i>Region 6</i></b>			
Southeast Michigan	103	\$62,703	\$63,944
North/West Lower Michigan	102	53,615	53,446
Indiana-Kentucky	163	54,147	54,203
Northwestern Ohio	155	55,236	56,247
Northeastern Ohio	153	53,635	55,191
Southern Ohio	176	60,558	60,569
<b><i>Region 7</i></b>			
New Jersey	152	\$59,533	\$61,691
New England	167	57,687	54,644
Metropolitan New York	142	60,752	57,265
Upstate New York	123	50,424	50,698
Northeastern Pennsylvania	193	54,093	53,994
Southeastern Pennsylvania	157	57,781	55,900
Slovak Zion	17	49,001	50,055
<b><i>Region 8</i></b>			
Northwestern Pennsylvania	42	\$44,471	\$46,050
Southwestern Pennsylvania	129	51,945	51,526
Allegheny	63	48,382	47,581
Lower Susquehanna	199	50,047	55,723
Upper Susquehanna	65	49,238	48,470
Delaware-Maryland	159	57,354	57,173
Metropolitan Washington DC	80	71,736	70,986
West Virginia-Western Maryland	37	47,640	45,280
<b><i>Region 9</i></b>			
Virginia	112	\$55,617	\$55,600
North Carolina	202	57,001	56,007
South Carolina	134	59,975	59,875
Southeastern	141	63,223	60,601
Florida/Bahamas	164	63,022	62,605
Caribbean	21	26,448	25,260
<b>Total Clergy</b>	<b>8,213</b>		
<b>Average Salary</b>		<b>\$55,684</b>	
<b>Median Salary</b>			<b>\$55,191</b>
<b>Previous Totals</b>			
2009	8,373	\$55,246	\$55,257
2008	8,403	\$54,795	\$54,064
2007	8,249	\$54,652	\$53,555
2006	8,394	\$53,350	\$52,188
2005	8,531	\$52,024	\$50,933
2004	8,665	\$50,638	\$49,788
2003	8,749	\$49,436	\$48,595
2002	8,753	\$48,162	\$47,242
2001	8,802	\$46,519	\$45,175
2000	8,921	\$44,910	\$44,045
1999	9,040	\$43,261	\$42,460
1998	9,127	\$41,826	\$41,000
1997	9,106	\$40,440	\$39,786
1996	9,129	\$39,127	\$38,436

\*These figures include the base salary, the actual housing allowance paid to the pastor or the value assigned to the church-owned parsonage (30% of the base salary), and any amount designated as a Social Security Allowance.

## **EXHIBIT 5**

### **PASTORAL ETHICS**

Pastors retiring or returning to a previously served parish must respect the integrity of the ministry of the parish they no longer serve. They should be cautious and should not exercise ministerial functions therein unless invited to do so by the present pastor, or if there is no duly called pastor, then by the interim or vice-pastor in consultation with the parish council.

Also, pastors are encouraged to respect the pastor and ministry of parishes they no longer serve. Pastors should not exercise ministerial functions affiliated with that parish unless invited to do so by the presiding pastor or vice-pastor.