

# COMPENSATION GUIDELINES and LEADERSHIP SUPPORT RESOURCE MATERIAL: 2026



*Clergy Compensation Task Force  
Northern Great Lakes Synod  
Evangelical Lutheran Church in America*

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## **Executive Summary of 2026 Changes in the Compensation Guidelines and Leadership Support Material**

While this entire document has changed in structure and format, the following items are changes in recommendations.

### **Annual Cost of Living Adjustment**

The Synod provides congregations with a suggested percentage increase in the financial terms of call based on the increase in cost of living. For 2025, the cost-of-living percentage increase is 2.5%. This increase is applied to the total of the cash salary and housing allowance. While the cost of living is a good benchmark, it should not be used as the sole factor. Other considerations such as experience, length of service, and ratios to other staff members might also be considered.

### **Equity Allowance**

Pastors living in church owned parsonages shall receive an equity allowance. The recommended minimum allowance for 2026 is \$2450.

### **Minimum Salary**

This document establishes a minimum salary for first call pastors and recommended salaries based on years of experience. Please note that the increases to these salaries reflect the Cost-of-Living Adjustment (COLA). The minimum for 2026 is \$49,281.

### **Housing Allowance**

This new recommendation calls for the housing allowance to be 30% of the cash salary. In doing so our Synod joins the common practice in every synod in our region (Region 5) and throughout the country. Previously the Synod recommended a range of \$12,000-\$15,000 dollars for housing (when a parsonage is not offered).

### **Leave Time**

This policy adds the leave categories of: work week, holidays, vacation, sick leave, and military leave. It also updates the language regarding parenting leave, disability, compassion leave, and continuing education and sabbaticals.

### **Professional Expenses**

Clarifies language around pastoral expenses and increases Continuing Education to \$800 annually. Also adds the recommendation of \$500 + travel costs for required meetings.

## Introduction

These guidelines provide a framework to establish fair and equitable compensation for rostered ministers. By following this document, congregations ensure that compensation packages reflect both the financial realities of the congregation and the professional standards required for sustaining ministry. This guide covers salary, housing, benefits, professional expenses, and leave policies.

When developing a compensation package, close consideration should be paid to the current ministry context. For specific questions, consult synod staff for assistance. Direct conversation with an accountant specializing in church finance/clergy compensation may also be helpful. Finally, Portico should always be consulted.

Ministers compensated below guidelines are most vulnerable to the current economic realities. Because of this, congregations should consider compensation early in the call process. If the congregation is consistently unable to meet compensation guidelines, the council president is encouraged to contact the synod office. It is synod policy that the guidelines be met for all first call ministers.

### **A Word about Bringing Compensation up to Guidelines**

If your congregation's pastor or other employees have compensation packages that are below guidelines in terms of applicable base salary, housing, benefits, etc., a strong, good-faith effort should be made to increase their compensation to meet synod guidelines. The bishop is available for consultation as a plan to achieve a fair and competitive compensation package is developed.

A congregation that ultimately cannot meet the recommended compensation amount within these guidelines within a reasonable time period and, therefore, cannot compensate its rostered minister fairly and adequately, should consider alternatives such as merging with another congregation, a shared rostered minister, a part-time rostered minister, etc. Cutting back a full-time rostered minister's hours to part-time hours invalidates the original letter of call and requires negotiating a new call. Congregations facing any of these situations should contact the Office of the Bishop for advice and assistance.

These synod guidelines are maintained and updated annually by the Executive Committee of Synod Council. Changes to the annual guidelines are forwarded by Synod Council for approval at Synod Assembly. Upon adoption by the Synod Assembly, the final document is publicized on the synod website ([www.nglsynod.org](http://www.nglsynod.org)) for reference and use in current call processes and for use in planning for annual compensation changes for a rostered minister currently under call. As appropriate, Synod Council has the authority to approve changes to these guidelines between Synod Assemblies.

## Salary and Housing

### Salary

A pastor's salary is based on several considerations: the number of years of experience, housing costs, additional factors related to the context of the ministry, cost of living and job responsibilities. Pastors serving in part-time positions should receive pro-rated salary and benefits. The information that follows will assist you in determining a starting point for salary. You will note that there is a range for each five years of service in the church. Care needs to be exercised as a pastor moves from one level of experience to the next to not lower the overall compensation unless that is negotiated in the context of a new call. These figures are guidelines and are not intended to restrict a congregation in fairly compensating a pastor.

Please note the following considerations:

- 1) The typical ELCA pastor has completed training equivalent to other professionals (typically including a three year [four counting internship] graduate degree).
- 2) Many pastors come from seminary carrying heavy tuition indebtedness. In such circumstances committees calling pastors should discuss with them the implication for repaying these loans and how that fits into proposed salaries. Please note that the synod does have some resources available to assist with tuition indebtedness.
- 3) The cost of living in our synod continues to rise, especially housing costs.
- 4) Councils must stress the importance of adequate stewardship by all members of the church to sustain a fair salary for the pastor.
- 5) Pastors affirm that their calls are calls to service and not for financial gain. There is a balance that pastors and churches must maintain between what is needed for the pastor to work in the ministry of the church and what the local church can support.
- 6) The goal of the Synod policy is to provide every pastor with an adequate salary by which they can live in this area and be able to retire after 40 years of service to the church with adequate resources to see them to their life's end. Creative approaches which may vary from this policy may be considered for approval by the Bishop; however ordinarily the Bishop will follow this policy and will not approve salary packages that do not minimally meet these standards.

### **Base Salary Recommendations**

Base salary does not include housing, social security allowance, or professional expenses.

Consider factors such as education (1% to 5% multiplier for advanced degrees), responsibility (1% to 5% multiplier for unique leadership or workload), and previous

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work experience prior to ordination, whether ministry related or otherwise, may be added as additional base compensation ( $\frac{1}{3}$  to  $\frac{1}{2}$  year credit for each year of prior experience, not exceeding 5 years).

Base salary for rostered ministers should align with their education, years of experience, and scope of responsibilities. **See the salary grid below for guidance.** These figures should be adjusted based on the congregation's resources, cost of living in the area, and additional responsibilities undertaken by the minister.

:

Experience	Base	Social Security 7.65%*	Total
<b>SEMINARY GRAD</b>	\$44,823	\$4,458	\$49,281
<b>AFTER YEAR 1</b>	\$45,616	\$4,537	\$50,153
<b>2</b>	\$46,407	\$4,615	\$51,022
<b>3</b>	\$47,199	\$4,693	\$51,892
<b>4</b>	\$47,990	\$4,772	\$52,762
<b>5</b>	\$48,783	\$4,851	\$53,634
<b>6</b>	\$49,574	\$4,928	\$54,502
<b>7</b>	\$50,366	\$5,009	\$55,375
<b>8</b>	\$51,158	\$5,088	\$56,246
<b>9</b>	\$51,950	\$5,166	\$57,116
<b>10</b>	\$52,741	\$5,245	\$57,986
<b>11</b>	\$53,586	\$5,329	\$58,915
<b>12</b>	\$54,431	\$5,413	\$59,844
<b>13</b>	\$55,275	\$5,497	\$60,772
<b>14</b>	\$56,120	\$5,581	\$61,701
<b>15</b>	\$56,964	\$5,664	\$62,628
<b>16</b>	\$57,809	\$5,749	\$63,558
<b>17</b>	\$58,654	\$5,833	\$64,487
<b>18</b>	\$59,498	\$5,917	\$65,415
<b>19</b>	\$60,343	\$6,001	\$66,344
<b>20</b>	\$61,187	\$6,085	\$67,272
<b>OVER 20</b>	Add 2.5% to 2024 salary		

\*assumes a 30% increase to account for either Housing Allowance or Parsonage

## **Housing Compensation**

A unique feature of a pastor's compensation is the distinctive tax law regarding housing allowance for ordained pastors. This originated for pastors (and the military) because it was at one-time standard for housing to be the "parsonage." While there is some movement toward pastors purchasing their own homes, over half of our synod congregations still have parsonages.

### **Housing Allowance**

The goal of a housing allowance is to provide (a) a means for adequate housing for the pastor and (b) sufficient resources whereby the pastor may be able to own a home (at national averages) after 40 years of service. Such arrangements should be designed for maximum tax advantage available to the pastor. Housing and salary are separate aspects of a pastor's call for tax purposes.

When there is a housing allowance, the pastor determines the amount of compensation to be set aside for housing allowance (based on IRS guidelines, publication 1828, available at [www.irs.gov](http://www.irs.gov)) and submits it to the church council. The church council must annually include the amount to be designated for housing in the council minutes prior to the beginning of the new tax year. The pastor assumes full responsibility for complying with IRS definitions of "cost to provide a house."

For ministers using a housing allowance: Allocate 30% of the base salary for housing. If your congregation provides a housing allowance for your pastor and family, this amount should be sufficient to provide adequate housing as well as care for the related expenses of upkeep and utilities. Your rostered minister may exclude the housing allowance from taxable income up to the Fair Rental Value of a furnished home plus utilities to the extent that the housing allowance is actually spent for housing (see IRS FAQ's Related to Minister's Housing Allowance). According to HUD data, the average Fair Market Rental for a three-bedroom home in the Upper Peninsula in 2024 is just under \$1200. This means that average annual housing costs (not including utilities, furnishings, etc.) would be: \$14,400. If adding in an average of \$3600 for utilities costs, the total would be: \$18,000 (a furnished average [w/ utilities] is approx. \$24,600). This is average. It will be higher in some areas and lower in others. Please plan accordingly and consult the Synod if you have questions.

### **Parsonage**

When a parsonage is provided for the pastor, all utility costs and repairs are paid by the congregation. When there is a parsonage, it is recommended that a furnishings allowance be provided. This is nontaxable income which must be used for household expenses. The church council must designate the furnishings allowance annually. Purchases made with this allowance are the property of the rostered minister.

Portico Benefit Services determines 30% of Total Cash Salary is to be added to the

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Defined Compensation. This is its value only, not an amount paid to the rostered minister.

Congregations are encouraged to pay utilities directly but may instead add an allowance.

It is recommended that congregations with a parsonage also provide for a housing equity account. The minimum recommendation is for \$2,450. When a church-owned

or rented parsonage is provided as part of the rostered minister's compensation, the minister does not have the opportunity to build equity, as do homeowners. Some congregations choose to compensate for this lack of equity with a housing equity allowance. These funds are vested in the rostered minister. The congregation pays a predetermined amount in monthly installments directly to Portico (preferred) or to another depository agreed to mutually. If paid directly to the minister, it becomes taxable income. It is recommended that the housing equity allowance be placed in a tax-deferred account with Portico. The housing equity allowance is intended to assist the minister or the minister's family to provide housing that would be available when the pastor decides to purchase a home, retires, becomes disabled, dies, or when the congregation disposes of its parsonage and begins paying a housing allowance. When the minister resigns, the assets accumulated in the depository (if not Portico) are transferred to another congregation or paid directly to the minister, at the rostered minister's discretion.

It is recommended that either 3% of the full salary or 5-10% of the base salary be considered for an annual contribution to the account. If, instead, a flat-rate amount is desired, \$2,450 is recommended.

### **Tax Reporting Requirements**

Pastors have a dual tax status. For federal income taxes, pastors are ordinarily considered employees, but for social security purposes they are considered self-employed regarding services performed in the exercise of their ministry. An IRS form W-2 should be issued by the church for pastoral services (see additional tax resources referenced in Appendix D). Pastors in parsonages are alerted that the fair market rental of the manse is included in the Social Security (SECA) salary amount. Consult your tax advisor in this regard.

All pastors are considered self-employed for Social Security purposes and therefore pay a self-employment tax of 15.3% of their income in 2024. Pastors are responsible for paying self-employment taxes, but congregations should provide an allowance to offset these costs. It is recommended that the church or calling body give a Social Security allowance, even though it is taxable, to their pastor(s) to pay at least half (7.65%) of his/her self-employment tax as they do for the other employees of the church when they pay the employer's share of the FICA tax. To determine half of the tax, multiply the pastor's salary (including housing allowance or the fair rental value of the parsonage) by .0765. This allowance is included on the pastor's W-2 as taxable income. Consult IRS Publication 517 for more information.

## **Benefits**

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for pastors and lay employees. The plan provides retirement, survivor, disability, and health (medical/ hospital, prescription drug, dental, behavioral health) benefits. Members of the plan may decline health coverage if they can demonstrate coverage under another employer-provided group plan (through a spouse) and still participate in the ELCA disability, survivor, and retirement plans. The premiums for medical/dental coverage continue to be fully employer-paid; it should be noted that recent years have seen significant increases in copays and deductibles, resulting in substantially higher employee cost.

### **Health, Dental, and Disability Insurance**

Congregations must provide comprehensive insurance through ELCA Portico or a comparable provider. Coverage should extend to the minister's family unless waived.

#### *Medical Reimbursement*

Because the plans available through Portico do not fully reimburse a pastor for medical expenses, many churches have established a medical reimbursement fund upon which the pastors and their families/partners may draw each year. (Referred to as a “Cafeteria 125 fund,” some IRS rules apply.) If a church wishes to follow this practice, the amount of the fund shall be established annually, as a part of the annual compensation review. The fund shall be used only for the same type of deductibles which are covered by the Major Medical Plan of the Board of Pensions and other qualified medical and childcare uses defined by IRS rules.

Some congregations have pastors who do not need family benefits and may realize savings under the new dues structure. However, if a church does not continue to budget for the cost of providing family benefits, the church could create a challenge for itself in its next pastoral search. Congregations that realize savings on medical coverage through ministers waiving unneeded family benefits should consider:

- a. earmarking the savings made from a pastor who waives unneeded family benefits for future pastoral compensation,
- b. redirecting savings into increased salary for the pastor or covering the cost of benefits for other staff members.

### **Retirement Contributions**

Under the ELCA Retirement Plan, the congregation is required to pay the minimum retirement contribution percentage of 10% of the minister's total defined compensation (base salary + social security allowance + housing). 12% is recommended. Additional percentages may be negotiated.

The ELCA Retirement plan operates under Section 403.b of the IRS code, and contributions are not taxable. The amount which a congregation contributes is affected by salary level, and



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for this reason the synod encourages congregation paying below salary guidelines to make extra pension payments based upon recommended salary guidelines.

## Leave Policies

### Weekly Time Off

- 1) Because of the “on-call” nature of ministry, consideration needs to be given to the minister’s self-care. A minimum of one day off per week is a necessity. It is suggested that the minister should have two consecutive days off whenever possible.
- 2) When there has been an unusually heavy week, pastors are encouraged to take an extra day off during the next week to compensate. This is not considered a vacation day.

### Holidays

- 1) Congregations shall provide the following paid holidays:
  - a. New Year's Day
  - b. Martin Luther King, Jr. Birthday
  - c. President's Day
  - d. Easter Monday
  - e. Memorial Day
  - f. Juneteenth
  - g. Independence Day
  - h. Labor Day
  - i. Thanksgiving Day and the following Friday
  - j. Christmas Day and the day after

- 2) If a pastor works on a designated holiday, another day shall be recognized as a day off.
- 3) When a holiday falls on a Saturday or Sunday, it shall be observed as a holiday on the nearest Friday or Monday, respectively.
- 4) When a holiday occurs on a pastor's day off, it may be observed either the day before or the day following.

### Sick Leave

Paid sick leave of up to six weeks and provision for partial disability thereafter as coordinated with Portico Benefit Services is recommended. The congregation is responsible for compensating a supply pastor during the illness.

### Vacation

The need for annual vacation is self-evident. Four weeks of paid vacation time per year, encompassing four Sundays, is considered the minimum. The congregation should consider granting additional vacation time based on the length of service in ministry. The length of vacation time, including the number of Sundays off and when vacation time is to be taken, are all matters which need to be discussed openly with your pastor and are an important part of compensation. A written agreement regarding vacation time and days off should be approved by the minister and the church council.

Congregations unable to meet minimum salary guidelines may want to give additional vacation time. Note regarding part-time ministry: The same number of weeks apply. For

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example, a full-time pastor would work 48 full-time weeks and have four full-time weeks of vacation; a half-time pastor would work 48 half-weeks and receive four half-weeks of vacation, including four Sundays.

### **Parental/Family Leave**

The number of weeks leave before and after the birth or adoption of a child should be negotiated and specified in advance. A specific parenting leave plan should be carefully drawn up in open consultation with your pastor. Parental leave should include eight (8) weeks full salary, housing, and benefits. Any other specific conditions should be clearly defined in a written document. The congregation is responsible for compensating a substitute pastor.

Parental leave may be granted by the congregation at other times, such as during times of severe illness, trauma, or death of a child. The length of the leave and the salary and benefits that the congregation will provide should be mutually negotiated. It is recommended that at a minimum the congregation provide full benefits for the pastor during the leave granted.

### **Compassion Leave**

Compassion leave for a death in the rostered leader's immediate family (spouse, children, parents, grandparents, brother, sister, grandchildren, parent-in-laws, or legal guardian) should be offered. While circumstances vary, three to seven days of paid leave, potentially including a Sunday, is recommended as a compassionate first step.

### **Disability**

In case of disability due to an accident, illness or surgery, the ELCA disability benefits begin after two months. A member must apply for disability benefits within six months of becoming disabled. Any period of disability—beginning date and length of disability—is based on an attending doctor's recommendation and by decision of Portico Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability benefit coverage. Unused vacation time and accumulated sick leave can be used in these months.

### **Sabbaticals**

A sabbatical leave of up to three months is recommended every 5-7 years to support renewal and professional growth. Congregations should budget for interim pastoral services during this period. The pastor would be expected to return to the present call for at least one year following the sabbatical.

### **Continuing Education**

A minimum of two weeks (including Sundays) should be provided. The ELCA expects pastors to engage in 50 hours of continuing education time each year. Continuing education opportunities range from day long seminars held in the synod to one- or two-week-long courses at seminary sites. This is not vacation time – it is a time for developing and enhancing skills in ministry, skills that will directly bear on the life of the congregation. The cost of pulpit supply in the pastor's absence is borne by the congregation.

## Professional Expenses

### Automobile Reimbursement

The automobile allowance is considered as reimbursement for ministry-related expenses and is not part of a pastor's salary, if substantiated. An allowance per the IRS (67 cents per mile as of Jan. 1, 2024) is recommended based on actual miles driven and reported by the pastor. Check the IRS website each December for the following year's adjustment. In lieu of such an allowance, the congregation may lease a vehicle for the pastor's use in ministry activity.

Payment of a lump sum car allowance, calculated on an annual basis, and paid monthly. For example: estimate business miles driven per year (12000) multiplied by the IRS mileage rate (67¢ per mile) divided by 12 months per year = \$670 per month. This amount doesn't change each pay period, no matter how far the clergy person travels. You also need to be aware that, according to current IRS guidance, a car allowance is taxable income reported in box 1 of the W-2 Form.

### Professional Ministry Expenses

A minimum suggested guideline of \$500 for professional ministry-related expenses should be in the budget. These expenses may be for books, robes, periodicals, professional dues, entertaining, and hospitality costs incurred in performance of the duties of the pastoral office. Qualifying expenses must be substantiated by the pastor or the money received becomes taxable as regular income. Professional expenses are designated as such by the congregation and acknowledged by the IRS.

### Continuing Education and Professional Development

Congregations should insist that their pastor(s) take time to intentionally update and acquire new skills, which is essential for effective, ongoing ministry. Recognizing this, the ELCA expects a minimum of 50 contact hours annually in continuing education (or 150 hours for each three-year period). A contact hour is defined as a typical 50-minute classroom instructional session or the equivalent. Therefore, it is recommended that each year a minimum of two weeks and \$800 be made available to a pastor for continuing education, cumulative up to six weeks over a three-year period. This is not vacation time, so if it is not used for the purpose of ministry in the present setting, the person loses the time and funds at the end of employment.

### Required Meetings

Expenses for synod assembly and other required meetings such as Fall Theological Conference, First Call Theological Education, Boundaries Training, and Racial Equity Training. It is suggested to budget \$500 + travel.

## **Performance Evaluation**

Every pastor shall have an annual performance review with the Council (C12.04d). Salary shall also be annually reviewed by the Council. It is recommended this be done at a time separate from the performance review with several months between the two evaluations. Such evaluations should be supportive and encouraging to help the effectiveness of the pastor. Criticism should be constructive. Please remember that people function better under proper encouragement. The Synod staff stand ready to aid any Council in this regard. Each church shall have a current position description for each pastor. This position should be used in evaluating the pastor's work and effectiveness. Contact the Synod for sample or assistance.

## References

The following references are provided for additional consideration:

- General link to IRS On-Line Publications [<http://www.irs.gov/publications>]
- IRS Topic 417 – Earnings for Clergy [<http://www.irs.gov/taxtopics/tc417.html>]
- IRS Publication 517 - Social Security and Other Information for Members of the Clergy and Religious Workers [<https://irs.gov/publications/p517/>]

With regard to Cost-of-Living Allowance (COLA), visit the Social Security website at [www.ssa.gov](http://www.ssa.gov) (see Frequently Asked Questions) or contact your local Chamber of Commerce. These are very helpful in finding the actual cost of living variances in your specific county.

Since there are many factors in figuring health benefits rates, contact the Portico Benefit Services by phone (800-352-2876) or e-mail ([mail@porticobenefits.org](mailto:mail@porticobenefits.org)) for assistance. Additional information, including on-line calculators and forms are also available:

Portico Benefit Services Employer Page:  
<https://employerlink.porticobenefits.org>

Portico Benefits Cost Calculator Tool:  
<https://employerlink.porticobenefits.org/Resources/Calculators/BenefitsCostCalculator.aspx>  
[x](#)

The ELCA website ([www.elca.org](http://www.elca.org)) also contains further compensatory information.

“The Need for Clergy Renewal”, posted in December 2006 by Alban at Duke Divinity School (<https://alban.org/archive/the-need-for-clergy-renewal/>)

Clergy Renewal: The Alban Guide to Sabbatical Planning by A. Richard Bullock and Richard J. Bruesehoff (available at [www.amazon.com](http://www.amazon.com))

Journeying toward Renewal: A Spiritual Companion for Pastoral Sabbaticals by Melissa Bane Sevier (available at [www.amazon.com](http://www.amazon.com))

Pastor and People: Making Mutual Ministry Work (available at [www.augsburgfortress.org](http://www.augsburgfortress.org))

Our Staff: Building Our Human Resources (available at [www.augsburgfortress.org](http://www.augsburgfortress.org))

ELCA Synodically Authorized Ministry Guidelines: see the following [www.elca.org](http://www.elca.org) link:  
[https://download.elca.org/ELCA\\_Resource\\_Repository/Synod\\_Authorized\\_Ministry\\_Guidelines.pdf](https://download.elca.org/ELCA_Resource_Repository/Synod_Authorized_Ministry_Guidelines.pdf)

## **Appendix A**

### **Parsonage Guidelines:**

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A Parsonage is the home provided by the congregation for its rostered minister. The parsonage is an expression of hospitality by the congregation and therefore needs care and attention. The pastor and family may appreciate the parsonage as part of the compensation; however, the pastor forfeits the building of equity in a home and therefore providing an equity allowance is important and appropriate. Since the parsonage is the pastor's home, privacy should be respected. Congregation members are expected to follow the same standards of politeness for such things as entering the parsonage as they would for any other home in the community. The quality of the parsonage should meet a standard set by the homes of the majority of the members of the congregation. The tenant/landlord model may apply on occasion but its application is quite limited. Unlike a renter, the pastor normally has little choice of residence. The relationship between the pastor and congregation is not based on a lease or rental agreement, but upon a common bond in the service of the Church. Because it is the home of the pastor, the desires of the pastor should be consulted when changes become necessary. The following guidelines are a way to help both pastor and congregation establish a common understanding of expectations in regard to the parsonage.

#### Specific Guidelines

1. It is recommended that the congregation either appoint a parsonage committee or designate another congregational leadership group to administer these parsonage guidelines. Furthermore, said committee or group should provide a separate line item within the yearly budget of at least \$500 to make repairs for the parsonage when needed. Such a group or committee should inspect the parsonage at least once per year, with prior arrangements made with the pastor and family.
2. It is recommended that the following appliances be provided in the parsonage: stove, dishwasher, soft water system, humidifier/dehumidifier, refrigerator, washer and dryer, garbage disposal, heating system, air conditioning.
3. It is recommended that the following utilities be paid directly by the congregation or by utility allowance: electricity, gas, fuel oil, telephone, internet, soft water service, trash and recycling removal.
4. Items that would normally be supplied by the congregation include: paint, wallpaper, window coverings, floor coverings, light fixtures, ceiling fans, carpet.
5. In regard to the safety and welfare of those living in the parsonage the following should be considered and tended to by the congregation. The parsonage should have smoke detectors, carbon monoxide detectors, and fire extinguishers available and inspected when deemed necessary. The electrical, water and sewer systems should be adequate. The windows, doors and roof should be weatherproofed against wind, water, and cold. Measures should be taken

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to make sure the basement does not flood. Insulation should be checked for asbestos and if present, corrective measures should be 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 need be, contact and employ the services of an exterminator for pest control issues. Further measures for consideration of safety: use of dead-bolt locks, outdoor lighting, security systems and a key change at the time of pastoral transitions.

6. When a pastor first moves into the parsonage, the congregation should see that it is thoroughly clean and should usually plan to redecorate.
7. The colors, fabric, design etc., selected in the redecoration would normally be selected by those who will be living in the house in consultation with the appropriate committee. The congregation would determine the price ranges for these items.
8. The pastor and congregation should develop and annually update a list of necessary and desired repairs, maintenance, modernization, redecorating, and remodeling projects and together prioritize these projects.
9. There should be clear understanding about how regular maintenance and emergency repairs are to be handled. It is suggested that the pastor be authorized to spend a specified dollar amount at their own discretion. Any repairs in excess of this amount would require approval of the property committee or congregation council.
10. The congregation is responsible to provide fire and extended coverage insurance on the parsonage property. However, the pastor is responsible to obtain renters insurance to cover their personal property losses.
11. The pastor should be held responsible for any excessive wear or damage caused to the parsonage while they were living there. This would include any damage caused by children or pets. When a pastor moves out of a parsonage and before all financial obligation are completed, there should be an inspection of the property to see that it is left clean and in good repair. A helpful recommendation could be that a congregation request a damage deposit of \$500 in the beginning of the pastor's ministry. This amount could be paid in full or withheld from paychecks during the first 10 months (\$50 x 10 monthly paychecks, or \$25 x 20 semi-monthly paychecks). Such funds should be held in a separate interest-bearing account, to be returned when the parsonage is vacated in good condition. Such a fund is different than the recommended yearly budget line item which is used to make regular repairs.
12. The grounds around the parsonage are primarily the responsibility of the congregation. If the parsonage is vacant and the congregation is in a transition of a pastor, the congregation should tend to the care of the grounds and responsible for driveway seal if necessary. The congregation should also see that the lawn, shrubbery, and flower beds are in good condition when a pastor moves into the parsonage. The pastor may be expected to care for these grounds (mow; rake; remove snow; apply fertilizer, insecticides, herbicides) or



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these responsibilities may be shared by the congregation. Such conversation should be done between the pastor and the congregation. Furthermore it is helpful for those who are caring for the grounds that items such as lawn mower, snow shovels, snow blower, or other gardening equipment be purchased by the congregation and stored at the parsonage.

13. Members of the congregation should consider taking care of the grounds around the parsonage while the pastor is on vacation or on study leave.

14. The congregation should provide suitable garage space for the pastor's automobile(s). Normally this would be space for two vehicles.

15. In regarding pets in the parsonage, it is recognized that it is the right of the parsonage family to have pets, it is also recognized that the ownership of pets requires the rostered minister to assume responsibility for them. Such expectations would be caring for the pets in a humane and responsible manner, assuming financial responsibility for the care of the pet and replacing/repairing any damage done by pets to the parsonage.

## **Appendix B**

### **Maternity, Paternity, and Adoptive Leave Policy: Northern Great Lakes Synod-ELCA**

The Maternity, Paternity, and Adoptive Leave Policy is intended for birth, adoption, placement, and call to guardianship of children for rostered ministers and staff members serving within the NGLS. As a church we should encourage the building of healthy and life-giving relationships. This should especially be encouraged with our rostered leaders, staff, and their families. When a rostered minister or staff member is welcoming a child into their family the congregation should encourage and plan for leave time. The Maternity, Paternity and Adoptive Leave policy for the Northern Great Lakes Synod is recommending 8 weeks of leave that consists of full salary, housing, and benefits. This policy is for either new mothers or fathers so the family can recover, adjust, support, and establish a healthy new relationship within the family system. If an expectant mother's physician determines it is medically necessary for her to stop working prior to the anticipated delivery date, she should be permitted to use accrued sick leave or accrued vacation time to cover the absence. If additional time is needed beyond the recommended time because of special needs or circumstances, the rostered leader or staff member can negotiate with the congregation council.

## Appendix C Why a Sabbatical?

**The Gift of Sabbath** – The term sabbatical comes from the Hebrew concept of Sabbath, or rest. Genesis notes that God rested from the work of creation and the Ten Commandments instruct us to honor the Sabbath and keep it holy, by worship, and reflecting on the blessings of God. Deuteronomy and Leviticus describe sabbatical periods where the balance of life is restored. The Sabbath is a gift of God for the purpose of rest, renewal and recovery.

**What is Sabbatical Leave?** - Sabbatical leave is a carefully planned period of time in which a pastor or other rostered person is granted leave away from their normal ministerial responsibilities in order to spend an extended period of time in study, renewal and reflection. Sabbatical leave is not a vacation, nor is it merely an extended period of continuing education.

**How often should a Sabbatical leave be taken and for what length of time?** - *Life-Long Learning and Development for Faithful Leaders* (Division for Ministry, ELCA) provides recommendations regarding sabbatical policy and planning a sabbatical leave. In the Northern Great Lakes Synod we encourage a sabbatical leave no later than the seventh year of call.

Flexibility is essential in determining a Sabbatical plan. The length and frequency of the Sabbatical period should reflect both the resources and needs of the congregation and the ongoing demands placed on the rostered leader, along with their need for a renewal period.

**What are the benefits for a pastor and congregation if our pastor takes a Sabbatical leave?** Burnout, discouragement and depletion of spiritual and emotional resources threaten the effectiveness of pastoral ministry and threaten to shorten pastorates. Periodic Sabbatical leaves may foster a ministry that is longer, more energized, and more fruitful.

People are drawn to interesting, vitalized pastors who reflect what they preach, and what we preach is a way of life. Andrew Greeley suggests that “the parish priest should be the most interesting person in town.” A vitalized pastor at the center of their congregation’s life is essential. The pastor is called to model ways of emotional and physical wholeness along with enthusiasm for proclaiming the gospel and caring about people. As St. Irenaeus writes, “the glory of God is a person fully alive, and the life of the person is the vision of God.”

How can a pastor invite people to “take hold of the life that really is life” (1 Timothy 6:19) if spirits are depleted and if one has no time for renewal, vision and reflection? A Sabbatical provides the opportunity to drink deeply from Biblical and classical sources of wisdom so that the pastor may return to the congregation with renewed vitality in all areas of ministry.

**What are the potential pitfalls of having our pastor take a sabbatical?** - The return from a Sabbatical is almost always a stressful time for both clergy and congregations when

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they are not prepared for this stress. The return from Sabbatical should be seen as a new beginning, much like the beginning of a new pastorate.

Staff in parishes, especially office staff, sometimes find it difficult to cope during a sabbatical. Care must be taken to provide administrative and support structures during a sabbatical. Some pastors return from a Sabbatical with the recognition that their ministry in that place has come to completion and begin the call process after the mandatory year of service.

**How is Pastoral care and leadership provided for during a Sabbatical?** - Congregations may be able to contract for a full-time pastoral replacement, but one of the chief side-benefits of a pastor's sabbatical leave is the opportunity it provides for a congregation to take responsibility for its ministries. The congregation may organize visits to the sick and the homebound. Local pastors may covenant to provide emergency pastoral care in order to facilitate each other's Sabbaticals. Supply preachers, seminarians and lay people may share in preaching and worship responsibilities. Committee chairs and council members may take new initiative in leadership. With advanced planning, attention to detail, flexibility, and the willingness to risk, members of a congregation can grow in exercising their spiritual gifts during the Sabbatical period.

**How is a Sabbatical Negotiated and Funded?** - A Sabbatical leave is not to be confused with vacation time, although vacation may be added to the beginning or end of a Sabbatical.

The rostered person should have a high degree of freedom in planning a leave. However, the nature and benefit of these activities need to be communicated to the congregation. If a leave is not included in the letter of call, it should be approved by the congregation council.

The congregation continues to pay full salary and benefits for a pastor on Sabbatical leave, and takes responsibility for funding an interim pastor or supply preachers and any other leadership in the pastor's absence. Congregations can prepare by setting resources aside ahead of time, and they may apply for grants which may be available to fund costs associated with a Sabbatical. For this reason a line for a Sabbatical Reserve Fund has been established on the Compensation Benefits and Expenses Worksheet to allow for planning and funding the expense of a sabbatical leave over a period of years.

The rostered person is responsible for costs related to books, courses, travel, accommodations, and any other items related to the Sabbatical. The rostered person may use their continuing education funds to support Sabbatical activities and may be eligible for grants. The rostered person agrees to serve the congregation for a minimum of one year after the completion of the Sabbatical, as well as providing a report upon return to the congregation.

**How will the Synod Assist in Encouraging Sabbaticals?** - Congregations are encouraged to discuss with the Bishop the possibility of including a provision for Sabbatical leave in the letter of call and provide funding for the Sabbatical in the congregation's budget. The Synod will alert congregations and pastors when it is aware of grant money available for Sabbatical leave.

## **Appendix D**

### **Self-Employment**

- 1) Pastors are considered by the Internal Revenue Service as "self-employed" and therefore are subject to the Self-Employed Contributions Act. This is referred to as "SECA". Self-employed individuals pay into the Social Security and Medicare tax funds.
- 2) The base upon which a pastor pays SECA includes:
  - a. Cash salary
  - b. Housing allowance and utilities or the fair market value of a manse
  - c. Other income
- 3) Since the pastor is self-employed, the church cannot withhold Social Security tax from the pastor's compensation. All congregations in NGLS shall pay 7.65% of the effective salary as a SECA offset to their pastors. This offset is itself taxable income.
  - a. A pastor's SECA offset can be paid in regular installments with other pay, or
  - b. in quarterly portions corresponding to IRS deposit requirements (immediately prior to April 15, July 15, September 15, January 15); or
  - c. the pastor may direct the SECA offset be included in the form of excess withholding tax.
- 4) 100% of any SECA offset paid to the pastor must be added to the total salary upon which income taxes and Self-Employment Taxes are to be paid. (include in line 1 of W-2 form)
- 5) For current rates and earnings limits for Self-Employment tax, contact the local Internal Revenue Service office.
- 6) Some pastors have filed with the Internal Revenue Service to be exempt from Social Security payments. It should be noted:
  - a. Participation in Social Security is obligatory unless one objects to participation by reason of religious principle or conscience. Financial considerations are not a legal basis for waiving participation (i.e. feeling that one would be financially ahead by investing in another program.)
  - b. A member of Portico who does not participate in Social Security and is not eligible for Medicare Part A and Part B will not be eligible for their Medicare Supplement coverage after retirement.

## Appendix E

### Pulpit Supply

A church shall establish an adequate budget reserve to cover the costs of a substitute for the pastor when required during periods of vacation, study leave, and other absences. The following guidelines should be considered when arranging for substitute worship leadership. A list of available pulpit supply can be found on the Synod website – [nglsynod.org](http://nglsynod.org), by typing “Pulpit Supply” in the search bar.

#### Pulpit Supply Expectations

1. It is suggested that either before or during the worship service, a council member or worship assistant introduce the visiting worship leader.
2. Hospitality in the form of fellowship and/or meals is most appreciated. Guest worship leaders enjoy becoming a part of a church family, if only for a day.
3. A guest preacher shall be reimbursed a minimum honorarium of \$150 plus mileage at the IRS rate. If the guest leads additional services, they shall receive \$50 per additional service. (e.g. For two services, it is \$200 plus mileage).
4. Mileage should be reimbursed at the current IRS rate. For 2024 the rate is 67¢ per mile.
5. Whenever possible, please pay worship leaders on the day of the worship service(s)

## Appendix F Housing Allowance Template

### DRAFT LANGUAGE FOR CONGREGATION COUNCIL ACTION ON HOUSING ALLOWANCE

The \_\_\_\_\_ Committee or Rev. \_\_\_\_\_ advised the Congregation Council that under the tax laws an ordained minister of the Gospel is not subject to Federal Income Tax with respect "to the rental allowance paid as part of compensation to the extent used to rent or provide a home." Where the Pastor owns a home this amount of the allowance will be an amount equal to the fair rental value of the home, including furnishings and appliances, as well as structures such as a garage, plus the cost of utilities.

The council, after considering the request of the Rev. \_\_\_\_\_ to designate an amount of compensation as a housing allowance for the amount expected to be spent to rent or otherwise provide a home during the period \_\_\_\_\_ to \_\_\_\_\_ and in light of the Federal Income Tax Law and the establishment of salary level on motion duly made and seconded, voted to adopt the following resolution.

Resolved that the Rev. \_\_\_\_\_ is to receive a salary of \$\_\_\_\_\_ for the year \_\_\_\_\_, and a housing allowance of \$\_\_\_\_\_ for the year, the housing allowance to be so designated in the official records.

\_\_\_\_\_  
 (Secretary Signature)

### NOTIFICATION OF HOUSING ALLOWANCE BY CONGREGATION (EMPLOYER)

Date \_\_\_\_\_

Dear Rev. \_\_\_\_\_:

This is to advise you that at a meeting of the Congregation Council held on \_\_\_\_\_, 20\_\_\_\_, your housing allowance for the year was officially designated and fixed in the amount of \$\_\_\_\_\_. Accordingly, \$\_\_\_\_\_ of the total compensation payable to you during the year will constitute housing allowance and the balance will constitute "salary" (as interpreted by the Income Tax Law).

\_\_\_\_\_  
 (Secretary Signature)