

COMPENSATION GUIDELINES and LEADERSHIP SUPPORT RESOURCE MATERIAL: 2024

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



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THE COMPENSATION “CONVERSATION”

One of the most difficult issues in the relationship of pastor and congregation is that of compensation. Many congregations and pastors struggle not only with determining an adequate level of compensation, but with even beginning the conversation!

Nonetheless the conversation, when carried out in a caring, Christian atmosphere is just as important as the final decision. Conversing about compensation involves reviewing not the performance of the pastor, but the whole relationship between pastor and congregation. The pastor, in the call document, is asked to “fulfill (the) pastoral ministry,” while the congregation pledges “prayers, love, esteem, and personal support,” along with the compensation and benefits. To review compensation properly is to take the time to reflect on the responsibility that both pastor and congregation bear in the partnership we share in Jesus Christ!

It is our hope that pastors and congregations will endeavor to do four things:

1. Make a regular effort to review the mission and ministry shared by the pastor and the whole congregation *apart from the compensation process and not just when there is conflict.*
2. Note especially the material on page 10. Seek to develop a well thought out and considered compensation package recognizing that cash compensation is only one part of compensation.
3. Make use of the compensation guidelines provided by the Northern Great Lakes Synod and this resource as a starting point for developing an equitable and affirming compensation package.
4. With joyful, eager, and prayerful anticipation, look forward to the continuing partnership shared by all the people of God in the gospel of Jesus Christ!

This booklet contains various materials related to the compensation planning process that will aid you in the process of developing an overall compensation package. *Please save this booklet for future reference.* In addition, a yearly salary grid, approved by the Synod Assembly, will be sent to congregations and pastors.

We solicit your feedback on this material, and we stand ready to assist congregations and pastors in the review of congregational ministry and the pastoral compensation process.

May God continue to bless your ministry through the power of the Holy Spirit and the grace of our Lord Jesus Christ!

Clergy Compensation Task Force

Northern Great Lakes Synod - ELCA

COMMON QUESTIONS ABOUT CLERGY COMPENSATION

WHAT ARE THESE COMPENSATION GUIDELINES AND WHY SHOULD WE USE THEM?

How much to “pay the pastor” continues to be one of the more difficult questions that congregations face on an annual basis. The Northern Great Lakes Synod has prepared this document to assist congregations. It is a guide for thinking and for action. While congregations and pastors must arrive at the level of compensation independently, it is helpful to know what other congregations are paying and what the appropriate benefits are.

HOW MUCH SHOULD WE PAY THE PASTOR?

These guidelines use a “salary grid” based on experience. The increments for each additional year are minimal. An annual increase, however, provides affirmation and helps a pastor and her or his family keep up with inflation. Congregations may choose to add an additional salary amount for other factors. Please remember that these guidelines are “minimums.”

HOW IS IT THAT THE PASTOR GETS FOUR WEEKS OF ANNUAL VACATION?

Four weeks, including four Sundays, as well as one full day off per work week is the **minimum** for all our synod pastors. This time off is good for both the pastor and the congregation. Pastors come back after vacation energized and ready to charge into a 6-7 day a week job that often requires more than 8 hours of work each day. Most of our pastors live at considerable distance from extended families and the nature of the pastoral office does not allow for weekend trips.

Some pastors have negotiated variations of the “four weeks” - for example, two weeks plus three weekends, allowing for more family time when spouses have weekends available. Others have received additional weeks as a form of additional compensation.

Congregations have pledged their prayers, love, esteem and personal support to the pastor in the Letter of Call. Every effort should be made by the congregation to meet the needs of the pastor in terms of compensation and support in carrying out the work of the church. Congregational leaders should insist that the pastor take their full day off each week and full four weeks of vacation every year. All will benefit!

WHAT ABOUT EDUCATIONAL DEBT?

It is true that educational debt can be a factor as well as a barrier in pastors being able to serve some congregations. It is sometimes possible and always encouraged that congregations look at the possibility of helping their pastor with the educational debt involved in becoming a pastor.

The Northern Great Lakes Synod, for over a decade, has participated in reducing debt acquired in the course of a pastor’s first theological degree by providing annual grants for debt reduction

through the generosity of the Northern Great Lakes Synod's Endowment Fund. Most recently these grants have been \$850 per year. These grants are intended to help retain pastors in the congregations of this synod.

WHAT DO WE DO ABOUT WORSHIP LEADERSHIP AND PULPIT SUPPLY?

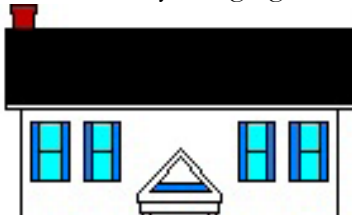
In the pastor's absence, there arises a need for worship leadership. Compensation for visiting supply pastors and worship leaders needs to be considered. The following guidelines should be taken into account when arranging for substitute worship leadership. A list of available pulpit supply can be found on the Synod website – nglsynod.org, by typing "Pulpit Supply" in the search bar.

Guidelines for Congregations Requesting Pulpit Supply

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. An honorarium of \$125 for one service and \$35 for each additional service is suggested. (Example: If same person does one on Saturday evening and two on Sunday) an honorarium of \$195 is suggested.
4. Mileage should be reimbursed at the current IRS rate. For 2022 the rate is 58.5¢ per mile.
5. Please pay worship leaders on the day of the worship service(s).

HOUSING

WHY DO WE AS A CONGREGATION PROVIDE HOUSING?



Historically, congregations have provided a parsonage for pastors and their families as part of a pastor's compensation. If the pastor lives in a church owned parsonage he or she is paying "rent" for that housing by serving as pastor. This is done as a convenience and as a financial savings for the congregation. While there is some movement toward pastors purchasing their own homes, over half of our synod congregations still have parsonages.

The federal tax code recognizes the special relationship between pastors and housing and provides some benefits for pastors. There is no income tax levied on the portion of income that is used for housing by clergy. However, the self-employed Social Security and Medicare taxes of 15.3% of the housing's "imputed" value is paid.

Congregations that do not provide a parsonage must add at least \$12,000 to \$15,000 on to the cash salary. There are legal ways to maximize the income tax savings to the pastor whether they live in a parsonage or provide their own housing. Consult a tax advisor for more details.

See Appendix A for the NGLS Synod Parsonage Guidelines

WHAT IS A “HOUSING EQUITY ALLOWANCE” AND HOW DO WE ESTABLISH ONE?

The housing equity allowance is an additional benefit that many congregations provide their pastors who live in a parsonage and thus cannot build equity in their own home. Recognizing the reality that one day most pastors will buy their own home (either in a new call or in retirement) the congregation sets aside each year a sum of money held to benefit the pastor. When the pastor buys a home he or she can access this money and use it for a down payment. Some congregations give an annual amount for a “housing equity allowance” such as \$1,500 or use a percentage of cash salary to fund this benefit.

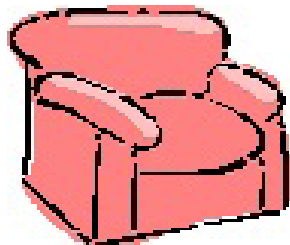
USING HOUSING EQUITY MONEY TO PURCHASE A HOME

These contributions are eligible to be withdrawn at any time and are designed as eligible for the housing allowance exclusion when withdrawn. However, when a withdrawal is made, the amount must be justified to the IRS to determine how much may be excluded as housing allowance based on §107 tax code limits. If the entire amount cannot be justified as eligible for housing allowance, the remaining amount will be subject to income tax and if under age 59 ½, also subject to an IRS early withdrawal penalty. To think through a strategy for purchasing a home, and possible tax implications, an expert in these areas (Retirement Advocate, Financial Planner, Tax Advisor, etc.) should be consulted.

WHAT IS A “HOME FURNISHINGS ALLOWANCE?”

A home furnishings allowance is an amount of money, usually a portion of the pastor’s salary, which is designated **prior to the year in which it is paid** as home furnishings allowance. Such an allowance allows the pastor to furnish a parsonage and deduct some or all of the money used from income tax.

The IRS requires that three numbers be considered – the amount of the allowance, the fair market value of furnishings (i.e. the difference between the fair market value of the parsonage rented out and the parsonage rented out as a furnished home), and the actual amount spent. The pastor can deduct from federal and state income tax the smallest of these three.



A home furnishings allowance need not be designated as such in the congregation’s budget, but it must be designated by Congregation Council and noted in the minutes.

As in all cases where taxation is a consideration, consult a reliable tax advisor, but be aware that not all advisors are knowledgeable about the complex laws surrounding clergy taxes!

RETIREMENT ISSUES

Participation in the ELCA Retirement plan is key to the pastor's financial security in retirement. Congregations make contributions of 10-12% percent of the "defined compensation" (salary, Social Security allowance, value of housing). The actual rate depends on several factors – consult with [Portico Benefit Services](http://porticobenefits.org) (porticobenefits.org) for more information.



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

Congregations may wish to increase the contribution as an added benefit to the pastor. A congregation might propose raising its contribution level to 11% or 12%. In order to be included in the regular ELCA Retirement Plan such contributions must be such that the pastor does not have the option of taking the contribution as cash salary.

Pastors may also choose to add pretax retirement contributions to their ELCA retirement account (IRS Code 403.b). This can be done through Portico Benefit Services at any time or during annual enrollment. This extra pre-tax contribution has no cost to the congregation but will be of great benefit to the pastor in retirement as well as to reduce current tax obligations.

OTHER BENEFITS

There are other expenses beyond the salary to the cost of employment. This is true of a full-time secretary, nurse, business executive and pastor. The major costs beyond the salary to the congregation are also the major benefits to the pastor. In addition to retirement, health care and Social Security allowance are major benefits.

HEALTH CARE

The ELCA Medical and other benefits programs are central to the financial security of the pastor and family. Contribution rates are determined by the salary of the pastor and whether the pastor, spouse, children, or the whole family is covered.

Portico Benefit Services, the nonprofit benefit ministry of the ELCA, provides the benefit program for rostered ministers, lay employees, and their families. Portico provides health, dental, prescription drug, retirement, disability, and group life insurance benefits in one bundled program. This program is designed to address the needs of rostered ministers and provide seamless benefits during change of call, leave from call, and other events unique to



ministry. A bundled approach helps ensure rostered ministers and lay employees are protected against significant financial loss from a variety of risks. Through Portico, congregations in this synod and across the country pool their collective purchasing power to provide benefits in a cost-effective manner. For more information, see the ELCA Philosophy of Benefits at [PorticoBenefits.org/philosophy](https://porticobenefits.org/philosophy).

Congregations and plan members share the cost of benefits. Congregations are expected to support the well-being of their covered plan members by paying all or a significant portion of the contributions for benefits. Plan members are expected to participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays).

The ELCA Church Council has approved a balance of cost-sharing between congregations and plan members. Portico offers a choice of ELCA-Primary health benefit options that fit this approved balance. Each fall, congregations in this synod should select one of these approved options to offer their sponsored plan members for the following year. During annual enrollment, Portico will notify congregations which options fit within the range that the ELCA Church Council has approved. Congregations should engage in conversation with their rostered minister to determine the option that best fits their needs. Current contribution rates are available at <https://porticobenefits.org/elca-together/philosophy-of-benefits/> or by calling Portico at 800.352.2876.

A pastor covered by a spouse's policy can opt out of the health care plan, though other portions of the plan (disability, for example) are not optional. Consult with [Portico Benefits Services](#).

SOCIAL SECURITY ALLOWANCE

An allowance of one-half of the expected self-employed Social Security and Medicare rate of 15.3% is to be paid by the congregation just as any secular employer would pay 7.65% of income as Social Security and Medicare tax. This allowance is paid to the pastor directly; federal law does not permit congregations to "withhold" for pastors, though they must withhold for other employees.

FAMILY ISSUES

Like any family, the pastor's family undergoes changes. Many times, however, the pastor makes more time for other families in need than their own family. To some extent that is part of the calling – to be present for others in their time of need. Nonetheless, in order to be an effective caregiver, the pastor must also be a healthy caregiver, and part of health is taking care of one's own family responsibilities.

Pastors' families, especially spouses of pastors, may experience isolation because of their role in the life of the congregation. In response to meeting these needs, each year in early February the clergy spouses of our synod plan a getaway for fun, fellowship, relaxation and support of one another. It is recommended that the congregation consider covering the expenses and mileage for the pastors' spouse to attend this event as a sign of support of the pastor and pastor's family.

Congregations can enhance the emotional health of the pastor – and therefore the quality of pastoral care that they receive from the pastor – by encouraging and enabling the pastor to care for their own family changes. This may involve small amounts of time for illness and other needs, or it may involve more significant issues such as family grief and maternity/paternity care. In any situation the synod encourages congregations and pastors to enter into a dialogue and come to a mutually agreeable understanding of the appropriate time and conditions to allow for family changes to be addressed in a healthy fashion. In addition, the bishop is available for consultation.

Family Grief Leave allows the pastor to take time for meeting their emotional needs at the time of death of a close family member. Many businesses allow up to five days of family grief leave. The congregation, as the community of God’s caring people should also seek to meet the needs of a grieving pastor and their family.

Maternity, Paternity and Adoptive Family Leave allows parents the time to help bring a new addition into family life. A healthy relationship between pastor and congregation recognizes that the ministry needs of the congregation need to be maintained while the needs of the new parents are also addressed. **See Appendix B for the NGLS Synod Maternity, Paternity, and Adoptive Leave Policy.**

BUSINESS EXPENSES

Congregations, like any other organization, should cover the normal and reasonable business expenses of the pastor. Pastors should not be expected to subsidize the congregation by paying out of her or his own pocket the expenses associated with congregational life.

Several items considered “business expenses” deserve special treatment: auto expenses, continuing education, and books.

AUTOMOBILE EXPENSE REIMBURSEMENT

Automobile and other related travel expenses are business expenses for the congregation. These are not part of the salary package, nor should they be reported as such. For reasons of accountability to the congregation and the Internal Revenue Service (IRS), it is important that the clergy persons keep accurate record of business-related automobile use and expenses.



Reimbursement for automobile expenses can be handled in one of three ways:

1. Reimbursement for actual business miles driven at the current IRS rate per mile, paid monthly. The current rate for the year can be obtained from the IRS or its internet web site (www.irs.gov). **For 2023 the rate is 65.5¢ per mile.**
2. 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 (**65.5¢ per mile**) divided by 12 months per year = **\$655 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.

3. Purchase or lease of an automobile by the congregation with the congregation assuming the total automobile vehicle expense. Clergy would assume some IRS liability for non-business use of the vehicle.

Visitation in hospitals, homes, businesses, and throughout the community is an important part of pastoral ministry – and that makes it a business expense. In the Northern Great Lakes Synod especially, hospitals and nursing facilities are sometimes a distance from the church building.

Whichever way the congregation chooses to reimburse such expenses, it should be done in such a way as to encourage the pastor to be out and about, among the congregation and the community!

CONTINUING EDUCATION TIME AND EXPENSE



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!

In order to encourage pastors to take the time necessary congregations are encouraged to provide up to 2 weeks (including Sundays) for continuing education, along with a budget line item of \$600. In addition, pastors and congregations are encouraged to dialogue and consider together the continuing education needs of the pastor in light of their skills and the current needs of the congregation.

From time to time a congregation might also give consideration to a “sabbatical leave.” A sabbatical leave is time away from parish life for a pastor to engage in study and renewal. For more information, see “Sabbatical Leave” on pp. 11-12 of this resource.

BOOK BUDGET

In addition to continuing education opportunities, pastors may need to keep current through journals and books. Many of the journals and books pastors obtain are “professional” in nature in that they contain information, skills, and ideas that directly lead to more effective ministry. Congregations can encourage the pastor to enhance their ministry through journals and books by providing a book allowance. Providing up to \$300 per year allows the pastor to stay current, and the pastor’s ministry to be enlightened and challenged!



EVALUATION INSTRUMENTS

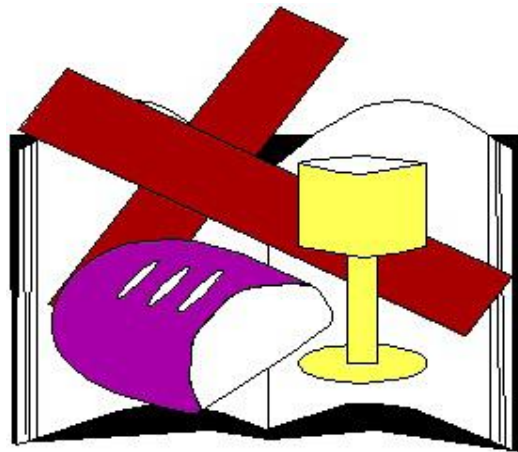
It is the experience of the Synod office that evaluation instruments are extremely popular – when there is conflict in the congregation!

To be effective evaluation instruments need to be seen as one piece of the ongoing partnership between the congregation and the pastor. They provide the opportunity for prayerful consideration and review of pastoral ministry and the work which the pastor and congregation are together called to make happen in the name of Jesus Christ.

Congregations are encouraged to consider evaluation instruments at a time when things seem to be going well. Why? To discover how evaluation tools can be a positive experience for both pastor and congregation! *Congregations should never first use evaluation instruments in a time of conflict. Such a use will almost certainly exacerbate the conflict rather than lead to healing and growth.*

Several instruments for evaluations are available. Congregations are encouraged to contact the Synod office for information and insight on how best to use evaluation tools.

Finally, in any evaluation process remember – and use – the power of prayer. Pastor and congregation have a common concern – the work of the kingdom of God as together the gospel is proclaimed. Lift up in prayer both the concern for people and the mission we share through our common calling in baptism!



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 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 A

Parsonage Guidelines:

Northern Great Lakes Synod-ELCA

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 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 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.

2024 Minimum Salary Recommendations (not including housing) Northern Great Lakes Synod - ELCA

	<u>BASE</u>	<u>SOCIAL SECURITY</u> <u>(7.65%)*</u>	<u>TOTAL</u>
Seminary Graduate	\$41,000	\$4,077	\$45,077
After year 1	\$41,750	\$4,152	\$45,902
2	\$42,500	\$4,227	\$46,727
3	\$43,250	\$4,301	\$47,551
4	\$44,000	\$4,376	\$48,376
5	\$44,750	\$4,450	\$49,200
6	\$45,500	\$4,525	\$50,025
7	\$46,250	\$4,600	\$50,850
8	\$47,000	\$4,674	\$51,674
9	\$47,750	\$4,749	\$52,499
10	\$48,500	\$4,823	\$53,323
11	\$49,300	\$4,903	\$54,203
12	\$50,100	\$4,982	\$55,082
13	\$50,900	\$5,062	\$55,962
14	\$51,700	\$5,142	\$56,842
15	\$52,500	\$5,221	\$57,721
16	\$53,300	\$5,301	\$58,601
17	\$54,100	\$5,380	\$59,480
18	\$54,900	\$5,460	\$60,360
19	\$55,700	\$5,539	\$61,239
20	\$56,500	\$5,619	\$62,119
Over 20 years	Add \$800 to base annually		

** Assumes an additional 30% of base salary included in the calculation for use of a parsonage.*

<p>When a parsonage is not provided, a housing allowance of \$12,000 to \$15,000 should be provided</p>

2024 Clergy Compensation Worksheet

Northern Great Lakes Synod

This sheet is designed to give approximate values for compensation packages. A pastor's circumstances may affect the actual compensation amounts for Social Security Allowance and Portico Benefit Services contributions. Consult with the Portico Benefit Services at: <https://employerlink.porticobenefits.org>. This worksheet is not meant to be used for calculating tax liabilities. Consult your reputable tax preparer. If you have question about this worksheet, please contact Betsy Koski, Synod Bookkeeper at bakoski@nglsynod.org.

2023

2024

Section A- Compensation

1. Cash Salary		
2. Housing (Allowance or Parsonage)		
a. Allowance (\$12,000-\$15,000)		
If parsonage, calculate below...		
b. Parsonage Value (line 1 * 0.3)		
c. Furnishings Allowance (amount over and above salary)		
3. Social Security Allowance/Offset (calculate one below)		
With Housing Allowance- 1/2 Offset (line 1+ line 2a) * 0.0765		
With Parsonage-1/2 Offset (line 1 + line 2b + line 2c) * 0.0765		
With Housing Allowance-Full Offset (line 1 + line 2a) *0.153		
With Parsonage-Full Offset (line 1 + line 2b + line 2c) * 0.153		

Section B-Portico Benefits

5. Determine Total Defined Compensation		
a. With Housing Allowance- (line 1 + line 2a + line 3)		
b. With Parsonage- (line 1 + line 2b + line 3)		
6. Calculate Benefits based on Total Defined Compensation (Line 5a or Line 5b)		
Use Portico Calculator at: https://employerlink.porticobenefits.org/Home/Resources/Calculators.aspx		
a. Pension Contributions		
b. Total Health, Death Benefits, Disability, etc.		
c. Housing Equity Allowance		
(Housing Equity Allowance is not part of total Defined Compensation)		
d. Total Benefits (line 6a + line 6b + line 6c)		

Section C-Expenses of Ministry

7. Allowances		
a. Continuing Education and Books		
b. Car Allowance or Mileage Reimbursement		
c. Medical Reimbursement		
d. Sabbatical Reserve Fund		
e. Other		

While Section C is not direct compensation paid to the pastor, these are ministry expenses of the congregation that are directly attributable to the work of the pastor