2027 COMPENSATION GUIDELINES & PARSONAGE GUIDELINES
For Ministers of Word and Sacrament and Word and Service
Nebraska Synod -- ELCA

The gifts he gave were that some would be . . . evangelists, some pastors, some teachers, to equip the saints for the work of ministry, for building up the body of Christ. **(Ephesians 4:11-12)**

This church affirms the universal priesthood of all its baptized members. In its function and its structure this church commits itself to the equipping and supporting of all its members for their ministries in the world and in this church. It is within this context of ministry that this church calls some of its baptized members for specific ministries in this church. **(ELCA Constitution 7.11)**

Introduction

While being called *"for specific ministries in this church"* is righteous, it does not mean that those who are willing to serve should do so at personal financial sacrifice. While compensation of Ministers and Staff of the Church may not be a topic that is exciting to discuss, it is very important to the ministry of this Church that Ministers and staff are "fairly" compensated. To maintain a reasonable quality of life and to be able pay the cost of living and pay off debt incurred while receiving their education, it is critical that the individuals be compensated at levels that are commensurate with their education, their years of experience and the hard work they perform as part of the ministry of this Church, knowing that Ministry is a calling that may require working up to six days a week. These guidelines should also apply to Ministers who may not be directly serving a congregation, but are serving in a capacity that is consistent with their education, responsibilities and years of experience as a Minister.

Compensation should be looked at in total, to include not only compensation paid directly to the Minister or through a church owned parsonage ("Cash Compensation or Defined Compensation"), but also includes benefits through the ELCA Retirement Plan and other benefit plans provided by Portico Benefit Services, continuing education, professional expenses and vacation and other leave (Supplemental Benefits). While Cash Compensation can be readily determined, the cost of supplemental benefits may vary significantly based on the insurance needs of the Minister (i.e. coverage for spouse and/or children) and/or level of insurance chosen and may have a significant economic impact on the congregation's finances. Compensation should be addressed in totality to include all aspects of compensation ("Total Compensation"). Annually, thorough conversations are encouraged between the congregation council or appropriate committee and the Minister regarding all aspects of total compensation and the options that may be available in determining the components of compensation for the Minister.

This document provides Salary Schedules for Ministers of Word and Sacrament and Word and Service (Minister), which provide guideline ranges from Low to High amounts of Cash Compensation for congregations to consider as they determine reasonable Total Compensation, as applicable, including base salary, SECA allowance, supplemental benefits, and housing, whether paid or through a church-owned parsonage - see Section III, for Ministers of Word and Sacrament and Word and Service (Minister). Low Cash Compensation amounts provide the minimum that should be considered and should be adjusted within the guideline ranges for various factors, including performance, education and training, local cost of living, overall responsibilities, supervision, administration, demographics, etc.

Congregations are also encouraged to consider these guidelines, as applicable, for other professional lay staff who are not rostered but perform the role of leadership and pastoral services for the Congregation. It is expected that this document be thoroughly reviewed annually by the congregation council or appropriate committee and by the Minister. It is suggested that it be reviewed together as a way of "checking in" regarding the inclusiveness of the Minister's Total Compensation and to address any concerns.

This document includes the following sections:

I. Salary
II. Supplemental Benefits
III. Parsonage Guidelines
IV. Compensation Alternatives
V. Worksheet

Part I: Salary

Determining Salaries

The salary should be set by the Congregation Council. Minister salaries require careful study and deliberation, and the congregation is too large a body for effective deliberation. Facts necessary for an informed decision are often not available to all members of the congregation. The Minister should have the privilege of discussing salary and related matters with the Congregation Council. For all practical purposes, Ministers are deprived of this privilege when salary and benefits are debated and set by the congregation, as a whole.

It is also recommended that a Compensation Committee (e.g., Personnel Committee or Executive Committee) be appointed by the Congregation Council to annually review with the Minister both ministry performance and total compensation. The Minister should have the opportunity to openly discuss total compensation and related matters with a smaller group of representatives in which an atmosphere of trust has been established. This committee would provide input regarding compensation to the Council or the Finance Committee.

When negotiating compensation for a rostered minister, a congregation should not consider the gender of the rostered minister, their family status (whether they are single or married; their spouse is working, etc.), or other non-germane characteristics, but should base compensation upon years of experience as well as responsibilities within the congregation. All rostered ministers should be compensated fairly, making no distinctions because of their gender.

Base Salary

Base salary is the base of the compensation package. While it is only a part of compensation to be used in determining fair total compensation, it is where most congregations will begin. The guidelines include a range for base salary. Compensation is always a matter of discussion and agreement between the Minister and the Committee. The first or low amount in the range corresponding with the years of service, is the minimum amount that should be considered. Congregations should consider larger compensation based upon other factors such as: education and training, local cost of living, overall responsibilities, effectiveness of the Minister's work within the congregation, supervision, administration, demographics, etc. The schedules included in these guidelines recommend a range of base salaries based upon years of service and the factors noted above for Ministers of Word and Sacrament and Word and Service. It is the general practice of the Synod to recommend base salary in the middle of the range as a standard and based on the factors noted above.

As more and more "second career" people enter rostered ministry, previous experience in other capacities also needs to be considered. Ministers who enter the rostered ministry after years of work in other occupations should not be compensated at the beginning of the scale, but rather at a level that recognizes the value of their maturity, their work, and their congregational life experiences. Our Synod's practice is to give one year of professional experience on the schedule for every three years of full-time experience in another field.

Housing

When housing is provided for a Minister of Word and Sacrament by the congregation, the congregation should follow the "Synod Parsonage Guidelines" (See Part III of this document). Congregations that own a parsonage are also asked to provide a "housing equity allowance" of 5% of the base salary. This allowance, which will fund an account administered by Portico Benefit Service, will compensate for the lack of equity that would accrue if the Minister of Word and Sacrament were able to own a home. This equity would be available in the future whenever the Minister of Word and Sacrament needs to purchase a home.

When the congregation does not provide a house for the Minister of Word and Sacrament, a housing allowance is provided by the congregation. A suggested range for housing allowances is included in the compensation guidelines. Local housing costs (purchase/rental values and utility rates) should be considered in determining the housing allowance. The first or low amount in the range is the minimum amount that should be considered.

For the Minister of Word and Sacrament to maximize the amount excluded from taxable income, the Congregation Council should approve a housing allowance based upon actual expenses. This figure may be greater than the suggested housing allowance on the enclosed schedule. If it is beneficial, the Minister of Word and Sacrament should be allowed to increase the housing allowance through a salary reduction. Only the actual expenses for providing a home are excludable. It is the Minister's responsibility to keep adequate records and substantiate the deduction to the congregation or to the IRS. The proper approval of such an allowance in advance is required in order to qualify for this exclusion.

For Ministers of Word and Service, the IRS may, under certain circumstances, consider a portion of compensation paid to the Minister of Word and Service to be excludable from taxable income. However, the congregation and the Minister of Word and Service must consult with the Minister's tax advisor for a determination of whether a portion of compensation paid may be excluded from taxable income. The congregation and the Minister of Word and Service should follow the same rules as with the Ministers of Word and Sacrament, as noted above, to comply and qualify as excludable income, if applicable. Also, if a house is provided for the convenience of the congregation, on church premises and the Minister of Word and Service is required to live in the house, this housing may be excluded from taxable income. (26 U.S.C. 119 – Meals or lodging furnished for convenience of the employer)

When a Minister needs to purchase a home, the congregation may provide mortgage assistance. If a congregation sells a parsonage, it is recommended that the proceeds be retained for the purpose of assisting a Minister in financing a home.

Social Security and Medicare Tax (SECA) Allowance

Ministers of Word and Sacrament are self-employed persons for Social Security and Medicare Tax purposes and must pay the full amount of their self-employed Social Security and Medicare Tax (SECA) on a periodic basis. Assuming that congregations have other staff, they would normally be required to contribute half of this tax for Ministers of Word and Service and other lay employees of the congregation, it is only equitable that the congregation provide a SECA allowance for Ministers equal to the rate that it pays for other employees. The allowance should be given to the Minister, or it may be paid directly for the benefit of the Minister. However, either way, this allowance is additional taxable income. To assist the Minister in paying their quarterly taxes, the congregation may also consider withholding an amount from the Minister's compensation equal to the congregation's portion of the tax, which would be provided to the Minister on a quarterly basis when the taxes are due.

Income Taxes

Being Self-employed persons, Ministers of Word and Sacrament are required to file estimated tax payments for both state and Federal tax purposes. Because of the complexities of determining taxable income and the calculation of the appropriate taxes, it may be prudent for the Minister of Word and Sacrament to consult with a CPA or other tax professional to assist in these computations. The congregation should limit its involvement in any such advice or calculations, but it may make appropriate deductions from the Ministers Cash Compensation and make the payments for the benefit of the Minister.

2027 Salary Schedule for Ministers of Word and Sacrament						
Years of Service	Base Salary - Low	Base Salary - High	Housing Allowance - 30% Low (1)	Housing Allowance - 30% High (1)	SECA Allowance - Low (2)	SECA Allowance - High (2)
0	$ 45,615	$ 46,917	$ 13,685	$ 14,075	$ 4,536	$ 4,666
1	46,360	$ 48,330	$ 13,908	$ 14,499	$ 4,611	$ 4,806
2	47,119	$ 49,622	$ 14,136	$ 14,886	$ 4,686	$ 4,935
3	47,868	$ 51,064	$ 14,360	$ 15,319	$ 4,760	$ 5,078
4	48,626	$ 52,456	$ 14,588	$ 15,737	$ 4,836	$ 5,217
5	49,355	$ 53,889	$ 14,806	$ 16,167	$ 4,908	$ 5,359
6	50,091	$ 55,244	$ 15,027	$ 16,573	$ 4,982	$ 5,494
7	50,819	$ 56,581	$ 15,246	$ 16,974	$ 5,054	$ 5,627
8	51,552	$ 57,932	$ 15,466	$ 17,379	$ 5,127	$ 5,761
9	52,284	$ 59,278	$ 15,685	$ 17,783	$ 5,200	$ 5,895
10	53,017	$ 60,623	$ 15,905	$ 18,187	$ 5,273	$ 6,029
11	53,745	$ 61,974	$ 16,124	$ 18,592	$ 5,345	$ 6,163
12	54,473	$ 63,315	$ 16,342	$ 18,995	$ 5,417	$ 6,297
13	55,214	$ 64,661	$ 16,564	$ 19,398	$ 5,491	$ 6,431
14	55,943	$ 66,016	$ 16,783	$ 19,805	$ 5,563	$ 6,565
15	56,675	$ 67,336	$ 17,003	$ 20,201	$ 5,636	$ 6,697
16	57,407	$ 68,658	$ 17,222	$ 20,597	$ 5,709	$ 6,828
17	58,136	$ 69,991	$ 17,441	$ 20,997	$ 5,782	$ 6,961
18	58,868	$ 71,308	$ 17,660	$ 21,392	$ 5,854	$ 7,092
19	59,601	$ 72,641	$ 17,880	$ 21,792	$ 5,927	$ 7,224
20	60,337	$ 73,958	$ 18,101	$ 22,187	$ 6,001	$ 7,355
21	61,070	$ 75,300	$ 18,321	$ 22,590	$ 6,073	$ 7,489
22	61,794	$ 76,625	$ 18,538	$ 22,987	$ 6,145	$ 7,620
23	62,522	$ 77,946	$ 18,757	$ 23,384	$ 6,218	$ 7,752
24	63,259	$ 79,267	$ 18,978	$ 23,780	$ 6,291	$ 7,883
25	63,987	$ 80,600	$ 19,196	$ 24,180	$ 6,364	$ 8,016

For more than 25 years of service, a range of 1.15%-1.65% a year increase in base salary is recommended.

Congregations may wish to offer more compensation because of local cost of living, scope of responsibilities, advanced degrees and effectiveness of the pastor's work within the congregation.

[1]*This figure is 30% of the base salary. Actual housing costs will vary from area to area.*
[2]*This is figured at the rate of 7.65% of base salary and housing.*

2027 Salary Schedule for Ministers of Word and Service		
Years of Service	Low	High
0	$ 47,349	$ 49,557
1	48,564	51,134
2	49,767	52,657
3	50,996	54,130
4	52,211	55,603
5	53,427	57,076
6	54,643	58,498
7	55,830	59,858
8	57,017	61,390
9	58,205	62,912
10	59,284	64,177
11	60,471	65,612
12	61,658	66,988
13	62,817	68,392
14	63,982	69,800
15	65,141	71,149
16	66,180	72,558
17	67,339	73,798
18	68,498	75,261
19	69,657	76,609
20	70,702	78,132
21	71,804	79,427
22	72,906	80,775
23	74,065	82,238
24	75,224	83,478
25	76,383	84,941

For more than 25 years of service, a range of a 1.15%-1.65% a year increase is recommended.

For additional information, go to the ELCA website at https://www.elca.org and search "Compensation" or "Compensation Guidelines".

Part II: Supplemental Benefits

Retirement and Other Benefits Plan

Congregations are expected to provide Ministers with retirement and other benefits provided by the ELCA through Portico Benefit Services which includes the Retirement Plan, the Medical and Dental Plan, the Disability Benefits Plan, and the Survivor Benefits Plan in one bundled program. A bundled approach helps ensure that Ministers are protected against significant financial loss from a variety of risks.

Under the Medical and Dental Plan, Portico's philosophy is to share the cost of benefits between the plan member and the congregation. On average, 20% of health benefit costs are assumed by the plan member under the structure of Portico's plans through the utilization of deductibles and copays. The ELCA offers various options under this cost sharing arrangement. In the fall, congregations must select the option that best fits based on conversations with their sponsored plan members to determine the option

that best fits their needs, and then make their selection during annual enrollment. A plan member may waive the medical and dental coverage if they have access to valid medical insurance coverage through their spouse or another employer. It is anticipated that congregations will enroll spouses and children in the Medical and Dental Plan to provide assurance that they are protected from major economic impact that may occur from the lack of Medical and Dental coverage. However, conversations are encouraged regarding the ability of spouses and other family members to obtain coverage through their employers or by other means, which may impact the distribution of total compensation for the Minister. Current contribution rates are available on your EmployerLink on PorticoBenefits.org or by calling Portico at 800-352-2876.

Retirement planning is extremely critical for the future well-being of the Ministers who serve in the Synod. Congregations are required by the ELCA Retirement Plan Administrator to contribute 10% to the Retirement Plan, but a standard for the Nebraska Synod has been established to contribute twelve percent (12%) of the defined compensation (salary plus housing and social security allowance) for retirement for all Ministers, even when this amount is not required by the Retirement Plan. Congregations and Ministers may also make additional elective contributions to the Plan on a periodic basis and the Minister may designate a percentage of their salary as a pre-tax contribution to the Retirement Plan.

For additional information, go to the Portico Benefits Services website at https://www.porticobenefits.org. Benefit Solutions".

Weekly Sabbath

Nebraska Synod expects all Ministers, all other church professionals, and synod staff be able to observe and enjoy a weekly Sabbath. Ministers are to be given at least one full day for rest and renewal per week.

Schedule Flexibility and Holidays

Because the schedule and demands of parish ministry are fluid and ever-changing, care and conversation should guide the setting of schedules. A Minister's office hours and availability need to be predictable and still flexible enough to permit responsiveness to pastoral needs as they arise. Additionally, flexibility for Ministers to attend to family needs and events, providing care is taken to make up the time elsewhere, is a valued benefit that congregations can offer without additional financial cost. Communication up front regarding expectations around schedule and flexibility will help both the Minister and congregation when unscheduled needs arise.

Regarding holidays, the local context should always be considered and, again, expectations should be clarified in advance. This is an excellent use of a Mutual Ministry Committee, or the Executive Committee when there is no Mutual Ministry Committee. The following is our recommended place to start the conversation with your Minister.

Salaried Ministers should receive paid holidays similar to those of other salaried professionals. As household needs and community expectations vary, care should be taken in establishing a calendar of holidays annually, especially when the Minister has school-age children. Salaried Ministers expect to work on some statutory holidays, particularly Thanksgiving, Christmas Eve, Christmas Day, New Year's Day, and Independence Day when it falls on a day with a regularly scheduled worship service. If there are services on those days, grant an agreed upon day before or after as a holiday.

Additional statutory holidays for salaried Ministers include: Rev. Dr. Martin Luther King Jr. Day, Memorial Day, and Labor Day. If the community context expects a worship or prayer service on these days it is important to communicate that to the Minister in advance, including any information regarding rotational responsibilities with other clergy in the community. When your Minister leads services on one of those days, grant an agreed upon day before or after as a holiday.

Vehicle Expenses

An equitable way for a congregation to pay for the business travel expense incurred by the Minister may be for the congregation to provide a vehicle for business use. Any personal use (determined by allocating the value of the vehicle by the personal miles driven) must be included in the Minister's taxable wages. Thus, a log should be kept of all miles driven with church-owned vehicles.

If a church-owned vehicle is not provided, the simplest way to reimburse staff for the use of a personal vehicle is to pay them at the mileage rate allowed by the IRS. This should be done at least monthly. This method requires that the Minister maintain detailed records and report the business miles traveled for the period. Generally, the Minister should provide detail by day, listing the destinations, reasons for travel and the number of miles traveled.

Sometimes it is reasonable, but more complicated, for the congregation to provide a vehicle expense allowance that allows the staff to take a deduction on the basis of actual costs. A fixed allowance is not recommended because of rulings by the IRS. If a regular monthly allowance is paid, its use must be substantiated. The IRS has strict regulations governing this method and it requires careful records and reporting either to the congregation or to the IRS.

Continuing Education

A fundamental expectation for all Ministers in the ELCA is that they continually grow in competence and understanding. The ELCA expects Ministers to spend a minimum of 50 contact hours annually in continuing education. (A contact hour is defined as a typical 50-minute classroom session or the equivalent.) Such experiences enrich both the Minister and the congregation. Therefore, the costs of such continuing education should be shared.

In addition to their attendance at Nebraska Synod Assembly and Theological Conference, it is recommended that Ministers be allowed a *minimum* of two weeks per year for continuing education. This can include up to 1 weekend (Saturday & Sunday) that is *not* counted as vacation time. This time may be accumulated up to three years to make possible more extended study. Decisions about study programs covering several weeks should be made jointly by the Minister and the Congregation Council.

A minimum contribution of $1,000 per year from the congregation and $500 per year from the Minister is recommended for continuing education. These funds may be accumulated for up to three years as well. If the Minister accepts another ELCA call, all continuing education contributions should be transferred with the Minister.

Some congregations allow for sabbatical after a specified length of service in the congregation. Sabbatical time should be carefully planned to benefit the Minister, the congregation and the wider church. General guidelines for “Sabbatical Leave” are included in Section III.

Professional Expenses

A reimbursement of up to $500 per year should be allowed for the purchase of books, journals, vestments or other resources that remain the property of the professional. Allowances for these items are taxable, while a straight reimbursement of costs is not. Therefore, it is important to structure the payment of these expenses as reimbursements.

Assemblies and Conferences

Attendance of Ministers at Cluster gatherings, Synod Assembly or similar meetings, is expected. This is part of the business of the congregation and expenses (e.g., registration, room, meals) should be budgeted separately from continuing education and paid by the congregation over and above the cost of continuing education.

Vacation

It is generally understood that a call to serve in ministry will likely entail work weeks that equal or exceed 48 hours and often six-day weeks. Unless congregations have an established policy of allowing for vacations, congregations are expected to provide a *minimum* of four weeks (including four Saturdays and Sundays) per year of vacation with full pay for all Ministers, which is essential for the health and welfare of the Minister. All vacation should be used annually, with no more than two weeks of vacation days being carried over year-to-year so that the benefits of such time off can be achieved. This time is in addition to continuing education time, attendance at churchwide or Synod meetings and congregational retreats. Congregations are strongly encouraged to set up a policy in writing relating to pay for unused vacation days to the Minister upon leaving the call. It is recommended that vacation days be systematically accrued on a periodic basis beginning at the first of the year on January 1, from the first day of service or on a monthly or quarterly basis (with one week of vacation being accrued for each 13-week period served). With no more than two weeks of vacation days being allowed to be carried over, no more than six weeks of vacation should be available during a twelve-month period. To avoid potential confusion, it should be established from the outset whose responsibility it is to keep track of vacation time accumulated, used and reported on a periodic basis, and the process by which vacation or other time off is arranged—that is, whether the Minister simply notifies congregational leadership a certain amount of time in advance, or seeks the permission of the Council or Executive Committee, etc.

Sick Leave

Sick leave recommendation is one day a month, cumulative to 60 days. In the event of serious illness, and the Minister is covered by the ELCA disability plan, the congregation shall assume responsibility for providing full salary and benefits for the first consecutive eight weeks of the illness at which time the ELCA disability plan will take effect, if disability benefits have been applied for. It is recommended that no reimbursement be paid for unused sick days when a Minister leaves his or her position.

Bereavement Leave

In the case of loss of spouse, child, parent or sibling, bereavement leave is not only necessary, it is compassionate caring for the person suffering the loss. Congregations are encouraged to provide support for their Minister(s) by allowing two weeks bereavement leave for the loss of spouse or child and one week for parents or siblings. Because each person deals with grief differently, it may be necessary to negotiate additional bereavement leave, depending on the individual and situation.

Family-Related Leave

- **Parental Leave**

Since the church places a high value on family, it is appropriate for congregations to provide parental leave when a new child is added to the family, either by birth or adoption. With changing parental roles, it is common for both parents to be actively engaged in their children's caregiving. Since each family's situation is unique, congregations are encouraged to be flexible and understanding in granting the necessary time for the Minister and their family to make this adjustment. Parental leave is a positive investment in the health and well-being of the Minister and the family, as well as a positive for the congregation. The following guidelines are suggested:

- Following the birth or adoption of a child, at least six weeks of paid parental leave will be granted to the Minister, however, eight weeks of paid parental leave is encouraged.
- Accrued vacation or accumulated sick leave may also be used to extend parental leave.
- If both parents are serving the congregation(s), the weeks may be split between them.
- Conversations should be held between the congregation council or appropriate committee and the Minister if a Minister desires additional unpaid leave, either prior to or following the birth or adoption of their child. If additional unpaid leave is agreed to, benefits should continue to be paid.

Family Leave

Congregations should be sensitive to family needs such as extraordinary illness of children, spouse, and parents of the Minister. It is recommended that up to two weeks of family leave be paid per year (non-accruable) for these circumstances. Conversations should be held between the congregation council or appropriate committee and the Minister if additional unpaid time off is appropriate in the situation and is requested by the Minister. However, accrued vacation or accumulated sick leave may be used to compensate the Minister in these cases, as appropriate. A congregation may wish to extend paid leave time in conversations with the Minister.

Sabbatical Leave

Congregations are ***strongly*** encouraged to consider providing sabbatical leave for their Minister(s). In the long run, Sabbaticals are often cost effective. When burn-out causes an experienced Minister to leave, the congregation may incur additional costs during an interim period, incur expenses for moving, has the potential loss of members in the interim and loses efficiency while a new relationship develops. Some of the other benefits to the congregation of such leave are:

- Sabbaticals offer an experienced Minister renewed energy and rediscovered zeal for ministry;
- Sabbaticals enable an opportunity to develop congregational leadership and to come to a greater understanding of the congregation's ministry by assuming some of the pastoral duties during the interim;
- Sabbaticals are often an occasion for the collective congregation to reflect and assess their partnership with the Minister and discover ways to strengthen and improve ministry;
- Sabbaticals provide the opportunity to show support and care for a beloved Minister and his/her family;
- Sabbaticals can be a time for individual congregational members to reconsider their commitment and to assess their relationship to the life and witness of the congregation;

Some of the additional benefits to the Minister are:

- Sabbaticals often provide a needed break from long hours, high pressure, personal sacrifice and the 24/7 nature of ministry;
- Sabbaticals can offer a unique opportunity for prayer, rest, study and renewal;
- Sabbaticals are often an opportunity for the Minister to discover more in depth the importance of what they do because of who they *are* rather than because of what they do;
- Sabbaticals provide the opportunity to develop greater self-awareness and spiritual depth.

Some suggested guidelines for sabbatical leave:

If sabbatical leave is offered, it should be offered to all full-time Ministers under the same policy guidelines. Such guidelines should be drawn up in advance and approved by the appropriate congregational committee or the Congregational Council.

The timing and length of sabbatical leave varies. For example, some congregations provide a two-month sabbatical leave after four continuous years of service to the congregation while others provide a three-month sabbatical leave after five continuous years of service. A length of two months or more is recommended for the time to be productive. Both the timing and the length of leave should be determined in consultation with the Minister and the congregational committee and take into consideration the needs of the congregation.

At a minimum, congregations should continue to provide full salary and benefits during the sabbatical. Travel mileage reimbursement is often suspended during this period. During the calendar year of the sabbatical, time normally allotted for continuing education is usually not granted. Continuing education funds allotted for that year are normally applied to sabbatical expenses. Vacation time should not be reduced because of sabbatical leave, however.

A written proposal for the sabbatical should be presented to the appropriate congregational committee by the Minister at least six months prior to the beginning of the sabbatical. The proposal should include a listing of desired outcomes, a description of activities planned during the sabbatical, a summary of travel plans (in general terms) and a listing of the church tasks that need to be cared for during the Minister's absence. In addition, the Minister should develop some method to record and share significant key learnings gained during the sabbatical leave with the congregation following the sabbatical. For example, a presentation or class sharing what was learned and hopes for how this learning can be utilized in ministry.

To allow the congregation to benefit fully from the sabbatical, the Minister is expected to remain with the congregation for a period of at least a year following the sabbatical. If the Minister should leave earlier than that, financial arrangements for repayment of congregation supported expenses for the sabbatical may be made.

No hiring of permanent personnel should be considered in response to the sabbatical leave. The congregation may, however, consider adding short-term staff and pulpit supply ministers and may provide additional compensation for other staff members whose responsibilities are increased during the sabbatical.

Pulpit Supply

It is suggested that remuneration be at least $250 for Sunday morning worship service, $75 for each additional same day worship service connected to Sunday and $100 for an additional day worship service (i.e. Saturday, including multi-point parishes.) Special stand-alone services such as for Holy Week or Wednesday Lenten Services should be paid $250, similar to a Sunday morning worship. Round trip mileage should be paid at the prevailing IRS rate. When necessary, overnight lodging and meals should be supplied. In the event worship is cancelled less than 24 hours in advance (e.g. severe weather), it is recommended that remuneration still be made in full, mileage optional, to the supply minister.

Part III: Parsonage Guidelines

A parsonage is the home provided by the congregation for its Minister. It should not only be a comfortable home for the Minister and his/her family, but one that also provides an environment that will be helpful to foster partnership and serve to enhance the ministry.

These guidelines are designed to help both the Minister and the congregation. Following them will help the congregation become aware of needed improvements and let it know if their parsonage meets the Synod-wide standards for their Minister. These guidelines will also alert the congregation and Minister of any abuses of parsonage property.

Since the parsonage is the Minister's home, privacy should be respected. Members of the congregation should follow the same standards of politeness for such things as entering the parsonage as they would for any other home in the community. Because it is the home of the Minister, his/her desires should be consulted when changes are necessary. The quality of the parsonage should meet a standard set by the homes of the majority of the congregation's members. The size should be adequate to accommodate families.

The tenant/landlord model may apply on occasion, but its application is quite limited. Contrary to renters, the Minister normally has little choice of residence. The relationship between the Minister and congregation is not based on a lease or rental agreement, but upon a common bond in the ministry of the congregation. These guidelines are suggested for congregations and their Minister to use to discuss the matters of maintenance, repair and responsibilities relative to a church-owned home.

1. Before a Minister moves into a parsonage, the congregation should see that it is thoroughly cleaned and may want to use this occasion to update and redecorate the parsonage.
    - 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, of course, shall determine the price ranges for these items.

2. Annual Inspection of the Parsonage and Dealing with Needs
    - As part of the call process, the new Minister (and spouse) should tour the parsonage with a member of the call committee, Congregational Council chairperson and appropriate property committee person and agree to what repairs and redecorating are to be done before the new Minister arrives.
    - There should be an annual inspection of the parsonage by persons designated by the Congregational Council. The purpose of the inspection is to discover needed repairs, improvements, and refurbishing, and to make short-term and long-term plans for accomplishing these, with prompt attention given to safety and health factors. This annual inspection is important so that appropriate attention is provided to the home.
    - Needs which arise between inspections should be taken care of promptly. It is the responsibility of the Minister to promptly make known to the council or appropriate committee the need for any repairs or improvements. It is expected that once a need is expressed, the council or committee will respond appropriately to the request and will coordinate with the Minister and family to schedule repairs.

3. It is expected that the following appliances be provided in the parsonage:
    - Stove with oven
    - Refrigerator
    - Dishwasher
    - Cable or satellite television
    - Air conditioning (usually central air conditioning is expected)
    - Humidifier/de-humidifier (if needed)
    - Soft water conditioner (if needed)
    - Washer & dryer

4. It is expected that the following utilities be paid directly by the congregation or an adequate utilities allowance be provided for the Minister to pay for them:
    - Electricity
    - Gas
    - Water/sewer/garbage
    - Telephone (except personal long distance)
    - Internet

5. Items that would normally be supplied by the congregation include:
    - Paint
    - Wall coverings
    - Floor coverings
    - Ceiling fans
    - Window coverings
    - Light fixtures

6. Appropriate to the community setting, the following are also recommended:
    - A two-car garage
    - An outdoor living space (such as porch, deck, or patio)
    - A safe and adequate area in which children can play

7. Services
    - An adequate supply of hot and cold water, in all rooms using water
    - Proper sewage system
    - Weekly trash pick-up when available
    - Water treatment, if needed
    - Regular professional pest control, if needed

- Smoke detectors, carbon monoxide detectors, fire extinguishers, and radon inspection when necessary
- Outside water faucets and electrical outlets
- Snow removal and lawn service to be determined at time of call
- Internet service if the Minister maintains an office in the parsonage
- Every congregation should have internet service to the church office. Wireless modem application might be considered to broadcast to the Parsonage as well

8. Maintenance and Improvements
   - It is important to plan ahead for repairs and improvements. These should be a line item in the church budget in the amount of at least 1.5% of the insured value of the parsonage to take care of routine and emergency expenses. If these funds are not used in any given year, they should be held in escrow for when it is needed. There should be a clear understanding in writing of who can use these funds and to what extent they can be used without the consent of the appropriate committee.
   - The electrical service should be inspected, and all wiring, including the installation of circuit breakers, required number of outlets, wall switches, and light fixtures are to meet the National Electrical Code.
   - It is important in the interest of both comfort and stewardship that all windows and doors be weather tight, with either storms or thermopane glass, and that there be screens for all windows. If new windows are installed, they shall be high-performance energy efficient type.
   - Both the interior and exterior of the parsonage should be kept in such repair as to preserve not only its physical condition, but also its aesthetic value, and this includes sensitivity to the historical design of a building when making changes. Painting and papering should be done regularly, in consultation with the parsonage family.
   - It shall be the responsibility of the occupants of the parsonage to provide for the cleanliness of it and the repair of any damage that they or their pets have caused to the interior, exterior, or grounds. An exiting Minister shall also be responsible for removing swing sets, above ground pools, and other personal non-permanent additions. If, when leaving, the cleaning, restoration, and repair of damage have not been done, the Minister will be billed for it. If he/she does not pay this bill, or contests it, a recording of refusal or negations shall become a permanent part of the Minister's record.

9. Safety and Security
   - If security is an issue in the community, whatever is needed to make the dwelling secure should be provided, i.e. dead-bolt locks, security systems, outdoor lighting, etc. A key change is suggested at the time of change of call.
   - To make access to the house safe for occupants and guests, the driveway and the steps and sidewalks to all doors need to be of an even surface and kept in good repair.
   - All outside steps should be safe with secure railings.
   - As noted above, radon detection kits, smoke and carbon monoxide detectors should be provided. Regular testing of detectors should be done, and it is strongly suggested that a mitigation plan be put in place of how to address radon concerns should they come up.

10. Pets in the Parsonage
    While 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 Minister to assume responsibility for them. At minimum these responsibilities include:
    - Caring for pets in a humane and responsible manner.
    - Securing permission of the local church for the construction of any needed facility.
    - Assuming financial responsibility for the construction, maintenance, and eventual removal (at the time of a move) of any facility, such as a doghouse, fenced enclosure, etc.
    - Replacing/repairing any damage done by pets to the carpets, floors, drapes, doors, lawn, etc., as well as cleaning and deodorizing to the approval of the appropriate committee and the incoming Minister.
    - Any cleaning, repair, or removal resulting from the ownership of pets that is not done by an outgoing Minister shall be billed to him/her.

11. A Parsonage Notebook or File -
    It is recommended that every parsonage family maintain and pass on to the next Minister a notebook or file of records and helpful household data, including, but not limited to:
    - A record of the date and place of purchase of all appliances and equipment. Manuals and service contracts for these are to be kept together.

- A record of the date and name of contractor and a description of any work done on the parsonage.
- A record of any decorating or refurbishing, to include paint color, type, brand, etc.
- Any special information necessary regarding shrubs, flowers, etc.

12. When a Minister moves out of a parsonage, and before all financial obligations are completed, there should be an inspection of the property to see that it is left clean and in good repair. The Minister should be held responsible for any excess wear or damage caused to the parsonage while he or she was living there. This would include any damage caused by children or pets.

13. The grounds around the parsonage are usually the responsibility of the congregation. The congregation should see that the lawn, shrubbery, and flowerbeds are in good condition when a Minister moves into the parsonage. It should be determined if the Minister is expected to care for these grounds (mow, rake, remove snow, apply fertilizer, insecticides, herbicides) or the congregation will bear these responsibilities. The Minister and a person from the Congregational Council should negotiate the division of labor immediately after the Minister's arrival. This should be negotiated with every change in Minister and reviewed periodically with the serving Minister. Congregations should consider taking care of the grounds around the parsonage while the Minister is on vacation or study leave, if it has been decided this is the Minister's responsibility.

Part IV: Compensation Alternatives

In addition to salary and benefits, there are many other ways congregations can compensate Ministers. In fact, sometimes alternatives to salary may be attractive to the person being compensated. Congregations may wish to consider the following as ways to express to their Minister(s) that their ministry is valued and appreciated in addition to salary and normal benefits.

An (*) indicates those items which apply to Ministers of Word and Service as well as Ministers of Word and Sacrament.

*1. Consideration may be given to granting the Minister an occasional weekend off in addition to regular vacation time.

2. 100% of the cost of Social Security could be provided. This money could be in addition to base salary. Currently, the Medicare portion of Social Security (2.9%) does not have an upper income limitation.

*3. It is possible to pay medical and dental insurance deductibles to Ministers. A medical reimbursement plan could be established under Section 105 of the Internal Revenue code. Funding must be made by the church separate from and in addition to salary.

*4. Additional disability and life insurance could be paid for the Minister.

*5. Money could be set aside for the education of the Minister's children.

*6. Additional funds could be contributed for the Minister's retirement plan. Consideration may also be given to setting up an IRA for the Minister. If the Adjusted Gross Income of the Minister and spouse is under the amount allowed by the IRS, Federal income taxes may be reduced by using an IRA. Unfortunately, Ministers may lack funds for this purpose. The congregation might consider providing the money. Deferred compensation arrangements might also be considered.

*7. Consideration could be given to providing expenses for the spouse of the Minister to attend conventions and conferences of the church.

*8. Childcare allowances could be paid to the Minister on a pretax basis to save on federal income taxes if an appropriate plan is established. With a proper plan, you can also do this with medical and dental expenses. SECA taxes would not be avoided.

*9. Consideration might be given to increasing the reimbursements for continuing education.

10. Whenever possible, structure the payments for non-housing expenses in the form of reimbursements as opposed to allowances. Allowances are included in taxable income. Reimbursement of documented expenses are not. Ministers must keep records of their expenses for reimbursement in as much detail as possible and provide them to the Congregation administrator.

*11. Congregations are strongly encouraged to reimburse auto expenses at the IRS rate.

12. The housing allowance is subject to SECA but not income taxes. A savings might therefore result by shifting a larger portion of the overall compensation package to the allowance. Ministers need to keep records on what was spent in order to substantiate the housing allowance. The allowance is limited by the lesser of what was actually spent or the fair rental value of the home plus furnishings and utilities.

13. Where the congregation owns the parsonage, utilities should be paid directly or reimbursed and not paid in the form of an allowance. However, a furnishings allowance could be set up for incidental housing expenses the Minister actually incurs.

These salary alternative suggestions are by no means all-encompassing. Each individual congregation may be able to develop additional ideas based on its unique circumstances. It would be prudent, however, to consult with a CPA, attorney or other tax professional before implementing one of these enhancements as some of these suggestions could add taxable income for the Minister. If you are not acquainted with a tax advisor, you may call the Synod Office at (402) 896-5311 to discuss possible alternatives.

Part V: Compensation Worksheet

Cash Compensation	2 Years Prior	Last Year	This Year	Proposed
1. Base Salary				
2. Housing				
3. Utilities				
4. Furnishings				
5. Other				
6. SECA Allowance				
Benefits				
7. ELCA Plans				
8. Continuing Education				
9. Housing Equity				
10. Other				
11. Automobile				
12. Professional Expenses				
13. Other				
Total Compensation to Minister (add lines 1 - 13)				