

# **ENGLISH DISTRICT**

## **THE LUTHERAN CHURCH—MISSOURI SYNOD**

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### **SALARY GUIDELINES**

For Establishing Congregational  
Policies Relating to the Compensation for Pastors

September 2016-2017

## **PURPOSE**

The primary purpose for these guidelines is to assist the lay leaders of English District congregations in determining policies regarding the compensation of pastors. The guidelines are presented with the hope that they be used for evaluating the present level of compensation and that they might provide standards for establishing and reviewing policies annually.

Resources available to you:

- Congregational Treasurers Manual and Taxes and Ministers  
<http://www.lcms.org/resources/churchadministration>
- IRS Publication 517 [www.irs.gov/uac/about-publication-517](http://www.irs.gov/uac/about-publication-517)
- Concordia Plan Services online compensation decisions support tool  
<https://jag1.pgrhr.com/CompToolCPS/Login.aspx>
- District Resources for the geographic district where your congregation is located

## **INTRODUCTION**

We recognize the geographic dispersion of the English District, which precludes developing a salary scale and other forms of compensation that will be appropriate to all areas and to all congregational settings and situations. We assume that each of our District congregations will want to provide for their workers. We also assume that the worker, who is called to live in a specific community at a specific time, would like to live at the same general level as most of the families of the parish and at the level of most of the families in the community.

The compensation paid needs to appear reasonable to the lay leaders of the congregation and acceptable to the majority of the members and the church worker. No distinction in salary is to be made on the basis of marital status or family responsibilities.

## **GENERAL RECOMMENDATIONS**

It is recommended that the compensation be determined in the following way:

1. A duly authorized group conducts a review of all salaries. The committee should include representatives of appropriate boards, the congregation's leadership and administrative staff.
2. A salary review is conducted annually by this committee before the congregation's budget is approved.
3. The committee begins its review with a realization of what Scriptures teach regarding providing for the care and wellbeing of those who are duly called to serve in specific roles according to the gifts God has given them and the needs of the congregation.
4. As the committee reviews the compensation of all workers of the parish, consideration should be given to education, experience and responsibility.
5. Recommendations are made and interpreted to the decision-making body of the congregation by the committee.

## **TWO-POINT PARISHES**

When a pastor serves more than one congregation the committee should consist of members of each congregation being served. Recommendations from the committee should be made to the decision-making body of each congregation. It would seem prudent that all members of the committee be present for such meetings.

## **LEVELS OF RESPONSIBILITY**

The senior administrative pastor ordinarily has greater responsibility and therefore receives a larger salary than sole and associate or assistant pastors. However, the fringe benefits accorded the senior pastor should also be provided to other members of the pastoral staff.

The levels of responsibility vary from worker to worker. Compensation should also vary to reflect appropriately these responsibilities.

## **DEFINITIONS**

Total Compensation - the full cost to a congregation of compensating a worker. This includes salary plus other items that the congregation pays directly because they reflect the cost of performing a given ministry.

Salary - an annual wage paid to the worker on a regular basis exclusive of additional benefits such as Concordia Plan Services, travel allowances, utilities, car allowance, continuing education funds, etc.

## **A. ALLOWANCES**

### **1. Housing and Utilities**

The recommended salary scales include housing and are based on the assumption that congregations do not provide a residence for the worker.

If housing is provided and utilities are paid by the congregation, subtract the fair rental value of the parsonage including utilities from the salary. When a home is furnished the congregation should pay all utilities including gas or oil, electricity, water, sewage, trash removal, and telephone.

If a residence is not provided, a portion of the pastor's compensation may be designated as a housing allowance. To obtain all allowable tax exemptions for "Ministers of Religion" the congregation should have a recorded resolution that approves the housing allowance prior to the first pay that includes the housing allowance.

The eligible worker excludes from income only that part of these allowances which is actually used. The excess must be reported as income by the worker and is subject to taxation.

These explanations are not all-inclusive. Workers are advised to check with tax consultants regarding annual changes. The LCMS Congregational Treasurer's Manual Chapter 2 should be reviewed for information regarding housing allowances:

<http://www.lcms.org/resources/ctmanual>.

## 2. Vacation

The benefit to ministry, health and welfare of the family through scheduled vacation time is self-evident. Therefore, the following vacation time is recommended:

Years of Service	Number of Weeks
1 - 4	2
5 - 9	3
10 and more	4

**In addition to vacation time it is important that workers be given a day off per week.**

## 3. Social Security - (Not applicable in Canada, please check Canadian tax laws.)

By law, Synod-rostered workers must pay their own Social Security tax based on the "Self-Employed Rates". This costs considerably more than the F.I.C.A. tax for a corporately employed person. This amount may be added to the salary and is subject to income tax and additional S.E.C.A. tax. See Congregational Treasurer's Manual Chapter 1. <http://www.lcms.org/resources/ctmanual>

## **B. ADDITIONAL ALLOWANCES**

### 1. Automobile

Automobile and travel expenses should be regarded as "business expenses" of the congregation. An annual replacement cost of actual automobile expenses or mileage reimbursement at the applicable government rate for business is suggested. (Most agencies and businesses allow the standard government rate which includes gas and oil, depreciation, maintenance, and insurance.) Congregations may also wish to purchase or lease a car for their workers.

There are tax ramifications for both unaccountable cash allowances and personal use of congregation-owned vehicles. Please refer to the *Congregational Treasurer's Manual* for additional information.

### 2. Library

A professional library is a necessity for an effective pastor, teacher, DCE or other professional church worker. Since access to current materials enhances effectiveness and both congregation and worker receive the benefit, it is recommended that the congregation include in the annual budget an amount for acquisitions to the worker's personal library. These funds should be disbursed as payment for specific materials rather than given in a lump sum.

### 3. Professional Growth

Workers are encouraged to continue to grow professionally. Professional growth is often most productive when it takes the form of continuing education. Continuing education may be formal course work at a university or seminary or less formal in workshops, seminars, and professional association conferences. Since professional growth benefits both worker and congregation through more effective ministry, it is recommended that worker and congregation share the cost of the education and travel expenses and the pastor should not be expected to use his vacation time for this purpose.

#### 4. Sabbatical Leave

If a worker has been at your congregation for six or more years, a sabbatical for renewal and growth purposes may be considered. The congregation should develop a policy regarding sabbatical leaves. Contact the district office for a sample policy.

### **C. BENEFITS**

U.S. congregations should provide participation in Concordia Plan Services, (Canadian congregations should contact the English District office), which include Concordia Health Plan, Concordia Disability and Survivor Plan and Concordia Retirement Plan. The congregation is responsible for all payments to the Retirement and Disability Survivors Plan. It is recommended that they pay for health coverage for the entire family.

Information describing the Concordia Plan Services may be obtained from Concordia Plan Services, PO BOX 229007, 1333 South Kirkwood Road, Saint Louis, MO 63122, <http://www.concordiaplans.org/> 1-888-927-7526.

## **Miscellaneous Compensation Items**

### **1. Required Meetings**

Attendance at District conventions, conferences, circuit and regional conferences is required of all pastors, and therefore, should not be treated as vacation time. Pastors should attend these official events with all expenses (travel, meals, housing, and registration) paid by the congregation. It is a supportive gesture to also cover the cost for the pastor's wife to attend these events with him.

The District conferences and conventions expenses are covered by an assessment paid by the congregation to the District annually. Circuit and regional conference expenses are paid directly by the congregation.

### **2. Substitute Pastors**

The congregation needs to provide for pastoral services during their pastor's vacation, attendance at required meetings, or in the event of his illness. It is recommended that a fee policy be established by the congregation for the amount to be paid. The policy should include a stipend based on the services provided plus expenses (travel, lodging, meals). If the guest speaker is a District staff person speaking in their area of responsibility an honorarium is left up to the congregation. However, reimbursement for travel is expected.

### **3. Discretionary Fund**

It is recommended that a small sum be budgeted to provide the pastor with the ability to make a timely response to certain pressing situations of which he becomes aware such as immediate assistance to parishioners or others.

## **SALARY RANGE SCALE BY REGION**

Salary Range scales are provided by region. Determine the pastor's years of experience taking into consideration years in another career if applicable. Determine the education of the pastor using the appropriate column for the amount of education (credits) above a M.Div. degree. The coordinating salary should be considered. Also consider the size of the congregation, cost of living for the congregation's area within the region and level of responsibility of the pastor.

Concordia Plan Services has created an online compensation tool that takes many of these factors into account and is available at <https://jag1.prghr.com/CompToolCPS/Login.aspx>

Note: Canadian congregations are reminded that the dollar amounts are in U.S. currency. The amounts need to be restated in Canadian dollars.

1. The Base Cash Salary Range is suggested for congregations of up to 300 communicant members. An increment of 1% is suggested for each additional 100 members or fraction thereof.
2. Pastors who further their education should be considered for an additional 3% of the base upon receiving an advanced graduate degree.

A suggested SALARY/COMPENSATION WORKSHEET is appended.

## EASTERN

Yrs. Exp.		Ordained Pastors w/ M.Div.	M.Div. + 15	2nd Masters	2 <sup>nd</sup> Masters +15	D.Min or Ph.D.
0	1.00	48,700	50,700	52,700	54,700	56,700
1	1.02	49,674	51,674	53,674	55,674	57,674
2	1.04	50,648	52,648	54,648	56,648	58,648
3	1.06	51,622	53,622	55,622	57,622	59,622
4	1.08	52,596	54,596	56,596	58,596	60,596
5	1.10	53,570	55,570	57,570	59,570	61,570
6	1.12	54,544	56,544	58,544	60,544	62,544
7	1.14	55,518	57,518	59,518	61,518	63,518
8	1.16	56,492	58,492	60,492	62,492	64,492
9	1.18	57,466	59,466	61,466	63,466	65,466
10	1.20	58,440	60,440	62,440	64,440	66,440
11	1.22	59,414	61,414	63,414	65,414	67,414
12	1.24	60,388	62,388	64,388	66,388	68,388
13	1.26	61,362	63,362	65,362	67,362	69,362
14	1.28	62,336	64,336	66,336	68,336	70,336
15	1.30	63,310	65,310	67,310	69,310	71,310
16	1.32	64,284	66,284	68,284	70,284	72,284
17	1.34	65,258	67,258	69,258	71,258	73,258
18	1.36	66,232	68,232	70,232	72,232	74,232
19	1.38	67,206	69,206	71,206	73,206	75,206
20	1.40	68,180	70,180	72,180	74,180	76,180
21	1.42	69,154	71,154	73,154	75,154	77,154
22	1.44	70,128	72,128	74,128	76,128	78,128
23	1.46	71,102	73,102	75,102	77,102	79,102
24	1.48	72,076	74,076	76,076	78,076	80,076
25	1.50	73,050	75,050	77,050	79,050	81,050
26	1.52	74,024	76,024	78,024	80,024	82,024
27	1.54	74,998	76,998	78,998	80,998	82,998
28	1.56	75,972	77,972	79,972	81,972	83,972
29	1.58	76,946	78,946	80,946	82,946	84,946
30	1.60	77,920	79,920	81,920	83,920	85,920
31	1.62	78,894	80,894	82,894	84,894	86,894
32	1.64	79,868	81,868	83,868	85,868	87,868
33	1.66	80,842	82,842	84,842	86,842	88,842
34	1.68	81,816	83,816	85,816	87,816	89,816
35	1.70	82,790	84,790	86,790	88,790	90,790
36	1.72	83,764	85,764	87,764	89,764	91,764
37	1.74	84,738	86,738	88,738	90,738	92,738
38	1.76	85,712	87,712	89,712	91,712	93,712
39	1.78	86,686	88,686	90,686	92,686	94,686
40	1.80	87,660	89,660	91,660	93,660	95,660

## LAKE ERIE

Yrs. Exp.		Ordained Pastors w/ M.Div.	M.Div. + 15	2nd Masters	2 <sup>nd</sup> Masters +15	D.Min or Ph.D.
0	1.00	50,600	52,600	54,600	56,600	58,600
1	1.02	51,612	53,612	55,612	57,612	59,612
2	1.04	52,624	54,624	56,624	58,624	60,624
3	1.06	53,636	55,636	57,636	59,636	61,636
4	1.08	54,648	56,648	58,648	60,648	62,648
5	1.10	55,660	57,660	59,660	61,660	63,660
6	1.12	56,672	58,672	60,672	62,672	64,672
7	1.14	57,684	59,684	61,684	63,684	65,684
8	1.16	58,696	60,696	62,696	64,696	66,696
9	1.18	59,708	61,708	63,708	65,708	67,708
10	1.20	60,720	62,720	64,720	66,720	68,720
11	1.22	61,732	63,732	65,732	67,732	69,732
12	1.24	62,744	64,744	66,744	68,744	70,744
13	1.26	63,756	65,756	67,756	69,756	71,756
14	1.28	64,768	66,768	68,768	70,768	72,768
15	1.30	65,780	67,780	69,780	71,780	73,780
16	1.32	66,792	68,792	70,792	72,792	74,792
17	1.34	67,804	69,804	71,804	73,804	75,804
18	1.36	68,816	70,816	72,816	74,816	76,816
19	1.38	69,828	71,828	73,828	75,828	77,828
20	1.40	70,840	72,840	74,840	76,840	78,840
21	1.42	71,852	73,852	75,852	77,852	79,852
22	1.44	72,864	74,864	76,864	78,864	80,864
23	1.46	73,876	75,876	77,876	79,876	81,876
24	1.48	74,888	76,888	78,888	80,888	82,888
25	1.50	75,900	77,900	79,900	81,900	83,900
26	1.52	76,912	78,912	80,912	82,912	84,912
27	1.54	77,924	79,924	81,924	83,924	85,924
28	1.56	78,936	80,936	82,936	84,936	86,936
29	1.58	79,948	81,948	83,948	85,948	87,948
30	1.60	80,960	82,960	84,960	86,960	88,960
31	1.62	81,972	83,972	85,972	87,972	89,972
32	1.64	82,984	84,984	86,984	88,984	90,984
33	1.66	83,996	85,996	87,996	89,996	91,996
34	1.68	85,008	87,008	89,008	91,008	93,008
35	1.70	86,020	88,020	90,020	92,020	94,020
36	1.72	87,032	89,032	91,032	93,032	95,032
37	1.74	88,044	90,044	92,044	94,044	96,044
38	1.76	89,056	91,056	93,056	95,056	97,056
39	1.78	90,068	92,068	94,068	96,068	98,068
40	1.80	91,080	93,080	95,080	97,080	99,080



## MIDWEST

Yrs. Exp.		Ordained Pastors w/ M.Div.	M.Div. + 15	2nd Masters	2nd Masters +15	D.Min or Ph.D.
0	1.00	49,900	51,900	53,900	55,900	57,900
1	1.02	50,898	52,898	54,898	56,898	58,898
2	1.04	51,896	53,896	55,896	57,896	59,896
3	1.06	52,894	54,894	56,894	58,894	60,894
4	1.08	53,892	55,892	57,892	59,892	61,892
5	1.10	54,890	56,890	58,890	60,890	62,890
6	1.12	55,888	57,888	59,888	61,888	63,888
7	1.14	56,886	58,886	60,886	62,886	64,886
8	1.16	57,884	59,884	61,884	63,884	65,884
9	1.18	58,882	60,882	62,882	64,882	66,882
10	1.20	59,880	61,880	63,880	65,880	67,880
11	1.22	60,878	62,878	64,878	66,878	68,878
12	1.24	61,876	63,876	65,876	67,876	69,876
13	1.26	62,874	64,874	66,874	68,874	70,874
14	1.28	63,872	65,872	67,872	69,872	71,872
15	1.30	64,870	66,870	68,870	70,870	72,870
16	1.32	65,868	67,868	69,868	71,868	73,868
17	1.34	66,866	68,866	70,866	72,866	74,866
18	1.36	67,864	69,864	71,864	73,864	75,864
19	1.38	68,862	70,862	72,862	74,862	76,862
20	1.40	69,860	71,860	73,860	75,860	77,860
21	1.42	70,858	72,858	74,858	76,858	78,858
22	1.44	71,856	73,856	75,856	77,856	79,856
23	1.46	72,854	74,854	76,854	78,854	80,854
24	1.48	73,852	75,852	77,852	79,852	81,852
25	1.50	74,850	76,850	78,850	80,850	82,850
26	1.52	75,848	77,848	79,848	81,848	83,848
27	1.54	76,846	78,846	80,846	82,846	84,846
28	1.56	77,844	79,844	81,844	83,844	85,844
29	1.58	78,842	80,842	82,842	84,842	86,842
30	1.60	79,840	81,840	83,840	85,840	87,840
31	1.62	80,838	82,838	84,838	86,838	88,838
32	1.64	81,836	83,836	85,836	87,836	89,836
33	1.66	82,834	84,834	86,834	88,834	90,834
34	1.68	83,832	85,832	87,832	89,832	91,832
35	1.70	84,830	86,830	88,830	90,830	92,830
36	1.72	85,828	87,828	89,828	91,828	93,828
37	1.74	86,826	88,826	90,826	92,826	94,826
38	1.76	87,824	89,824	91,824	93,824	95,824
39	1.78	88,822	90,822	92,822	94,822	96,822
40	1.80	89,820	91,820	93,820	95,820	97,820

WESTERN

Yrs. Exp.		Ordained Pastors w/ M.Div.	M.Div. + 15	2nd Masters	2nd Masters +15	D.Min or Ph.D.
0	1.00	57,500	59,500	61,500	63,500	65,500
1	1.02	58,650	60,650	62,650	64,650	66,650
2	1.04	59,800	61,800	63,800	65,800	67,800
3	1.06	60,950	62,950	64,950	66,950	68,950
4	1.08	62,100	64,100	66,100	68,100	70,100
5	1.10	63,250	65,250	67,250	69,250	71,250
6	1.12	64,400	66,400	68,400	70,400	72,400
7	1.14	65,550	67,550	69,550	71,550	73,550
8	1.16	66,700	68,700	70,700	72,700	74,700
9	1.18	67,850	69,850	71,850	73,850	75,850
10	1.20	69,000	71,000	73,000	75,000	77,000
11	1.22	70,150	72,150	74,150	76,150	78,150
12	1.24	71,300	73,300	75,300	77,300	79,300
13	1.26	72,450	74,450	76,450	78,450	80,450
14	1.28	73,600	75,600	77,600	79,600	81,600
15	1.30	74,750	76,750	78,750	80,750	82,750
16	1.32	75,900	77,900	79,900	81,900	83,900
17	1.34	77,050	79,050	81,050	83,050	85,050
18	1.36	78,200	80,200	82,200	84,200	86,200
19	1.38	79,350	81,350	83,350	85,350	87,350
20	1.40	80,500	82,500	84,500	86,500	88,500
21	1.42	81,650	83,650	85,650	87,650	89,650
22	1.44	82,800	84,800	86,800	88,800	90,800
23	1.46	83,950	85,950	87,950	89,950	91,950
24	1.48	85,100	87,100	89,100	91,100	93,100
25	1.50	86,250	88,250	90,250	92,250	94,250
26	1.52	87,400	89,400	91,400	93,400	95,400
27	1.54	88,550	90,550	92,550	94,550	96,550
28	1.56	89,700	91,700	93,700	95,700	97,700
29	1.58	90,850	92,850	94,850	96,850	98,850
30	1.60	92,000	94,000	96,000	98,000	100,000
31	1.62	93,150	95,150	97,150	99,150	101,150
32	1.64	94,300	96,300	98,300	100,300	102,300
33	1.66	95,450	97,450	99,450	101,450	103,450
34	1.68	96,600	98,600	100,600	102,600	104,600
35	1.70	97,750	99,750	101,750	103,750	105,750
36	1.72	98,900	100,900	102,900	104,900	106,900
37	1.74	100,050	102,050	104,050	106,050	108,050
38	1.76	101,200	103,200	105,200	107,200	109,200
39	1.78	102,350	104,350	106,350	108,350	110,350
40	1.80	103,500	105,500	107,500	109,500	111,500

**SALARY/COMPENSATION WORKSHEET**

	Current Year, 20 __	Proposed for 20 __
<b>A. ALLOWANCES</b>		
1. Housing		
2. Utilities		
3. Equity		
4. Vacation		
5. Social Security (Taxable Income)		
<b>B. ADDITIONAL ALLOWANCES</b>		
1. Automobile		
2. Library		
3. Professional Growth		
4. _____		
<b>C. BENEFITS (U.S. Plan--Canadian Plan should be substituted here for congregations in Canada)</b>		
1. Concordia Health Plan		
2. Concordia Disability/Survivor Plan		
3. Concordia Retirement Plan		
4. _____		
<b>D. OTHER RELATED EXPENSES</b>		
1. Required meetings		
2. Substitute Pastors		
3. Discretionary Fund		
<b>E. SALARY</b>		
1. Base Salary		
2. Adjustment for _____		
3. Adjustment for _____		
4. Total adjustments		
Total Salary		
Total Compensation		