

ENGLISH DISTRICT

THE LUTHERAN CHURCH—MISSOURI SYNOD

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SALARY GUIDELINES

For Establishing Congregational
Policies Relating to the Compensation for Pastors

September 2017-2018

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
- Concordia Plan Services online compensation decisions support tool
<https://jag1.prghr.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 nd Masters +15	D.Min or Ph.D.
0	1	49,675	51,675	53,675	55,675	57,675
1	1.02	50,669	52,669	54,669	56,669	58,669
2	1.04	51,662	53,662	55,662	57,662	59,662
3	1.06	52,656	54,656	56,656	58,656	60,656
4	1.08	53,649	55,649	57,649	59,649	61,649
5	1.1	54,643	56,643	58,643	60,643	62,643
6	1.12	55,636	57,636	59,636	61,636	63,636
7	1.14	56,630	58,630	60,630	62,630	64,630
8	1.16	57,623	59,623	61,623	63,623	65,623
9	1.18	58,617	60,617	62,617	64,617	66,617
10	1.2	59,610	61,610	63,610	65,610	67,610
11	1.22	60,604	62,604	64,604	66,604	68,604
12	1.24	61,597	63,597	65,597	67,597	69,597
13	1.26	62,591	64,591	66,591	68,591	70,591
14	1.28	63,584	65,584	67,584	69,584	71,584
15	1.3	64,578	66,578	68,578	70,578	72,578
16	1.32	65,571	67,571	69,571	71,571	73,571
17	1.34	66,565	68,565	70,565	72,565	74,565
18	1.36	67,558	69,558	71,558	73,558	75,558
19	1.38	68,552	70,552	72,552	74,552	76,552
20	1.4	69,545	71,545	73,545	75,545	77,545
21	1.42	70,539	72,539	74,539	76,539	78,539
22	1.44	71,532	73,532	75,532	77,532	79,532
23	1.46	72,526	74,526	76,526	78,526	80,526
24	1.48	73,519	75,519	77,519	79,519	81,519
25	1.5	74,513	76,513	78,513	80,513	82,513
26	1.52	75,506	77,506	79,506	81,506	83,506
27	1.54	76,500	78,500	80,500	82,500	84,500
28	1.56	77,493	79,493	81,493	83,493	85,493
29	1.58	78,487	80,487	82,487	84,487	86,487
30	1.6	79,480	81,480	83,480	85,480	87,480
31	1.62	80,474	82,474	84,474	86,474	88,474
32	1.64	81,467	83,467	85,467	87,467	89,467
33	1.66	82,461	84,461	86,461	88,461	90,461
34	1.68	83,454	85,454	87,454	89,454	91,454
35	1.7	84,448	86,448	88,448	90,448	92,448
36	1.72	85,441	87,441	89,441	91,441	93,441
37	1.74	86,435	88,435	90,435	92,435	94,435
38	1.76	87,428	89,428	91,428	93,428	95,428
39	1.78	88,422	90,422	92,422	94,422	96,422
40	1.8	89,415	91,415	93,415	95,415	97,415

LAKE ERIE

Yrs. Exp.		Ordained Pastors w/ M.Div.	M.Div. + 15	2nd Masters	2 nd Masters +15	D.Min or Ph.D.
0	1	51,615	53,615	55,615	57,615	59,615
1	1.02	52,647	54,647	56,647	58,647	60,647
2	1.04	53,680	55,680	57,680	59,680	61,680
3	1.06	54,712	56,712	58,712	60,712	62,712
4	1.08	55,744	57,744	59,744	61,744	63,744
5	1.1	56,777	58,777	60,777	62,777	64,777
6	1.12	57,809	59,809	61,809	63,809	65,809
7	1.14	58,841	60,841	62,841	64,841	66,841
8	1.16	59,873	61,873	63,873	65,873	67,873
9	1.18	60,906	62,906	64,906	66,906	68,906
10	1.2	61,938	63,938	65,938	67,938	69,938
11	1.22	62,970	64,970	66,970	68,970	70,970
12	1.24	64,003	66,003	68,003	70,003	72,003
13	1.26	65,035	67,035	69,035	71,035	73,035
14	1.28	66,067	68,067	70,067	72,067	74,067
15	1.3	67,100	69,100	71,100	73,100	75,100
16	1.32	68,132	70,132	72,132	74,132	76,132
17	1.34	69,164	71,164	73,164	75,164	77,164
18	1.36	70,196	72,196	74,196	76,196	78,196
19	1.38	71,229	73,229	75,229	77,229	79,229
20	1.4	72,261	74,261	76,261	78,261	80,261
21	1.42	73,293	75,293	77,293	79,293	81,293
22	1.44	74,326	76,326	78,326	80,326	82,326
23	1.46	75,358	77,358	79,358	81,358	83,358
24	1.48	76,390	78,390	80,390	82,390	84,390
25	1.5	77,423	79,423	81,423	83,423	85,423
26	1.52	78,455	80,455	82,455	84,455	86,455
27	1.54	79,487	81,487	83,487	85,487	87,487
28	1.56	80,519	82,519	84,519	86,519	88,519
29	1.58	81,552	83,552	85,552	87,552	89,552
30	1.6	82,584	84,584	86,584	88,584	90,584
31	1.62	83,616	85,616	87,616	89,616	91,616
32	1.64	84,649	86,649	88,649	90,649	92,649
33	1.66	85,681	87,681	89,681	91,681	93,681
34	1.68	86,713	88,713	90,713	92,713	94,713
35	1.7	87,746	89,746	91,746	93,746	95,746
36	1.72	88,778	90,778	92,778	94,778	96,778
37	1.74	89,810	91,810	93,810	95,810	97,810
38	1.76	90,842	92,842	94,842	96,842	98,842
39	1.78	91,875	93,875	95,875	97,875	99,875
40	1.8	92,907	94,907	96,907	98,907	100,907

MIDWEST

Yrs. Exp.		Ordained Pastors w/ M.Div.	M.Div. + 15	2nd Masters	2nd Masters +15	D.Min or Ph.D.
0	1	50,900	52,900	54,900	56,900	58,900
1	1.02	51,918	53,918	55,918	57,918	59,918
2	1.04	52,936	54,936	56,936	58,936	60,936
3	1.06	53,954	55,954	57,954	59,954	61,954
4	1.08	54,972	56,972	58,972	60,972	62,972
5	1.1	55,990	57,990	59,990	61,990	63,990
6	1.12	57,008	59,008	61,008	63,008	65,008
7	1.14	58,026	60,026	62,026	64,026	66,026
8	1.16	59,044	61,044	63,044	65,044	67,044
9	1.18	60,062	62,062	64,062	66,062	68,062
10	1.2	61,080	63,080	65,080	67,080	69,080
11	1.22	62,098	64,098	66,098	68,098	70,098
12	1.24	63,116	65,116	67,116	69,116	71,116
13	1.26	64,134	66,134	68,134	70,134	72,134
14	1.28	65,152	67,152	69,152	71,152	73,152
15	1.3	66,170	68,170	70,170	72,170	74,170
16	1.32	67,188	69,188	71,188	73,188	75,188
17	1.34	68,206	70,206	72,206	74,206	76,206
18	1.36	69,224	71,224	73,224	75,224	77,224
19	1.38	70,242	72,242	74,242	76,242	78,242
20	1.4	71,260	73,260	75,260	77,260	79,260
21	1.42	72,278	74,278	76,278	78,278	80,278
22	1.44	73,296	75,296	77,296	79,296	81,296
23	1.46	74,314	76,314	78,314	80,314	82,314
24	1.48	75,332	77,332	79,332	81,332	83,332
25	1.5	76,350	78,350	80,350	82,350	84,350
26	1.52	77,368	79,368	81,368	83,368	85,368
27	1.54	78,386	80,386	82,386	84,386	86,386
28	1.56	79,404	81,404	83,404	85,404	87,404
29	1.58	80,422	82,422	84,422	86,422	88,422
30	1.6	81,440	83,440	85,440	87,440	89,440
31	1.62	82,458	84,458	86,458	88,458	90,458
32	1.64	83,476	85,476	87,476	89,476	91,476
33	1.66	84,494	86,494	88,494	90,494	92,494
34	1.68	85,512	87,512	89,512	91,512	93,512
35	1.7	86,530	88,530	90,530	92,530	94,530
36	1.72	87,548	89,548	91,548	93,548	95,548
37	1.74	88,566	90,566	92,566	94,566	96,566
38	1.76	89,584	91,584	93,584	95,584	97,584
39	1.78	90,602	92,602	94,602	96,602	98,602
40	1.8	91,620	93,620	95,620	97,620	99,620

WESTERN

Yrs. Exp.		Ordained Pastors w/ M.Div.	M.Div. + 15	2nd Masters	2nd Masters +15	D.Min or Ph.D.
0	1	58,650	60,650	62,650	64,650	66,650
1	1.02	59,823	61,823	63,823	65,823	67,823
2	1.04	60,996	62,996	64,996	66,996	68,996
3	1.06	62,169	64,169	66,169	68,169	70,169
4	1.08	63,342	65,342	67,342	69,342	71,342
5	1.1	64,515	66,515	68,515	70,515	72,515
6	1.12	65,688	67,688	69,688	71,688	73,688
7	1.14	66,861	68,861	70,861	72,861	74,861
8	1.16	68,034	70,034	72,034	74,034	76,034
9	1.18	69,207	71,207	73,207	75,207	77,207
10	1.2	70,380	72,380	74,380	76,380	78,380
11	1.22	71,553	73,553	75,553	77,553	79,553
12	1.24	72,726	74,726	76,726	78,726	80,726
13	1.26	73,899	75,899	77,899	79,899	81,899
14	1.28	75,072	77,072	79,072	81,072	83,072
15	1.3	76,245	78,245	80,245	82,245	84,245
16	1.32	77,418	79,418	81,418	83,418	85,418
17	1.34	78,591	80,591	82,591	84,591	86,591
18	1.36	79,764	81,764	83,764	85,764	87,764
19	1.38	80,937	82,937	84,937	86,937	88,937
20	1.4	82,110	84,110	86,110	88,110	90,110
21	1.42	83,283	85,283	87,283	89,283	91,283
22	1.44	84,456	86,456	88,456	90,456	92,456
23	1.46	85,629	87,629	89,629	91,629	93,629
24	1.48	86,802	88,802	90,802	92,802	94,802
25	1.5	87,975	89,975	91,975	93,975	95,975
26	1.52	89,148	91,148	93,148	95,148	97,148
27	1.54	90,321	92,321	94,321	96,321	98,321
28	1.56	91,494	93,494	95,494	97,494	99,494
29	1.58	92,667	94,667	96,667	98,667	100,667
30	1.6	93,840	95,840	97,840	99,840	101,840
31	1.62	95,013	97,013	99,013	101,013	103,013
32	1.64	96,186	98,186	100,186	102,186	104,186
33	1.66	97,359	99,359	101,359	103,359	105,359
34	1.68	98,532	100,532	102,532	104,532	106,532
35	1.7	99,705	101,705	103,705	105,705	107,705
36	1.72	100,878	102,878	104,878	106,878	108,878
37	1.74	102,051	104,051	106,051	108,051	110,051
38	1.76	103,224	105,224	107,224	109,224	111,224
39	1.78	104,397	106,397	108,397	110,397	112,397
40	1.8	105,570	107,570	109,570	111,570	113,570

SALARY/COMPENSATION WORKSHEET

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