

ENGLISH DISTRICT

THE LUTHERAN CHURCH—MISSOURI SYNOD

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2023 SALARY GUIDELINES

For Establishing Congregational
Policies Relating to the Compensation for Pastors

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 Treasurer's Manual* <http://www.lcms.org/ctm>.
- IRS Publication 517 www.irs.gov/uac/about-publication-517.
- Concordia Plan Services online compensation decisions support tools. The Compensation Decision Support Tool was created to assist LCMS congregations in the process of determining salaries for certain staff positions.
- The **pastor and parish professional tool** found at <https://tc.cbiz.com/CompToolCPS/Login.aspx> provides compensation suggestions for Sole Pastor, Senior Pastor, Associate Pastor, Director of Christian Education, Director of Christian Outreach, Deaconess, Director of Family Life Ministry, Director of Parish Music and Lay Minister. An app for the pastor, parish professional tool is currently only available in the Apple app store for Apple devices. Search "CPS Comp" to find the app. It functions in a very similar way to the actual online version.
- The **educator tool** at this link <https://tc.cbiz.com/CompToolCPSEd/Login.aspx> allows the user to create compensation estimates for positions including Teacher, Assistant Teacher, Head Principal/Administrator, Assistant Principal/Administrator and Early Childhood Director. Schools from preschools and child care centers all the way through high schools can use the tool.
- 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/ctm>.

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/ctm>.

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/> or 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 conference and convention 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 for parish professionals that takes many of these factors into account and is available at <https://tc.cbiz.com/CompToolCPS/Login.aspx>. An online compensation tool for teachers has also been created and is available at <https://tc.cbiz.com/CompToolCPSEd/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

<u>Yrs. Exp.</u>		<u>w/ M.Div.</u>	<u>M.Div. + 15</u>	<u>2nd Masters</u>	<u>2nd Masters +15</u>	<u>D.Min or Ph.D.</u>
0	1	57,035	59,035	61,035	63,035	65,035
1	1.02	58,175	60,175	62,175	64,175	66,175
2	1.04	59,316	61,316	63,316	65,316	67,316
3	1.06	60,457	62,457	64,457	66,457	68,457
4	1.08	61,597	63,597	65,597	67,597	69,597
5	1.1	62,738	64,738	66,738	68,738	70,738
6	1.12	63,879	65,879	67,879	69,879	71,879
7	1.14	65,020	67,020	69,020	71,020	73,020
8	1.16	66,160	68,160	70,160	72,160	74,160
9	1.18	67,301	69,301	71,301	73,301	75,301
10	1.2	68,442	70,442	72,442	74,442	76,442
11	1.22	69,582	71,582	73,582	75,582	77,582
12	1.24	70,723	72,723	74,723	76,723	78,723
13	1.26	71,864	73,864	75,864	77,864	79,864
14	1.28	73,004	75,004	77,004	79,004	81,004
15	1.3	74,145	76,145	78,145	80,145	82,145
16	1.32	75,286	77,286	79,286	81,286	83,286
17	1.34	76,426	78,426	80,426	82,426	84,426
18	1.36	77,567	79,567	81,567	83,567	85,567
19	1.38	78,708	80,708	82,708	84,708	86,708
20	1.4	79,849	81,849	83,849	85,849	87,849
21	1.42	80,989	82,989	84,989	86,989	88,989
22	1.44	82,130	84,130	86,130	88,130	90,130
23	1.46	83,271	85,271	87,271	89,271	91,271
24	1.48	84,411	86,411	88,411	90,411	92,411
25	1.5	85,552	87,552	89,552	91,552	93,552
26	1.52	86,693	88,693	90,693	92,693	94,693
27	1.54	87,833	89,833	91,833	93,833	95,833
28	1.56	88,974	90,974	92,974	94,974	96,974
29	1.58	90,115	92,115	94,115	96,115	98,115
30	1.6	91,256	93,256	95,256	97,256	99,256
31	1.62	92,396	94,396	96,396	98,396	100,396
32	1.64	93,537	95,537	97,537	99,537	101,537
33	1.66	94,678	96,678	98,678	100,678	102,678
34	1.68	95,818	97,818	99,818	101,818	103,818
35	1.7	96,959	98,959	100,959	102,959	104,959
36	1.72	98,100	100,100	102,100	104,100	106,100
37	1.74	99,240	101,240	103,240	105,240	107,240
38	1.76	100,381	102,381	104,381	106,381	108,381
39	1.78	101,522	103,522	105,522	107,522	109,522
40	1.8	102,662	104,662	106,662	108,662	110,662

LAKE ERIE

<u>Yrs. Exp.</u>		<u>w/ M.Div.</u>	<u>M.Div. + 15</u>	<u>2nd Masters</u>	<u>2nd Masters +15</u>	<u>D.Min or Ph.D.</u>
0	1	59,264	61,264	63,264	65,264	67,264
1	1.02	60,449	62,449	64,449	66,449	68,449
2	1.04	61,634	63,634	65,634	67,634	69,634
3	1.06	62,819	64,819	66,819	68,819	70,819
4	1.08	64,005	66,005	68,005	70,005	72,005
5	1.1	65,190	67,190	69,190	71,190	73,190
6	1.12	66,375	68,375	70,375	72,375	74,375
7	1.14	67,561	69,561	71,561	73,561	75,561
8	1.16	68,746	70,746	72,746	74,746	76,746
9	1.18	69,931	71,931	73,931	75,931	77,931
10	1.2	71,116	73,116	75,116	77,116	79,116
11	1.22	72,302	74,302	76,302	78,302	80,302
12	1.24	73,487	75,487	77,487	79,487	81,487
13	1.26	74,672	76,672	78,672	80,672	82,672
14	1.28	75,857	77,857	79,857	81,857	83,857
15	1.3	77,043	79,043	81,043	83,043	85,043
16	1.32	78,228	80,228	82,228	84,228	86,228
17	1.34	79,413	81,413	83,413	85,413	87,413
18	1.36	80,599	82,599	84,599	86,599	88,599
19	1.38	81,784	83,784	85,784	87,784	89,784
20	1.4	82,969	84,969	86,969	88,969	90,969
21	1.42	84,154	86,154	88,154	90,154	92,154
22	1.44	85,340	87,340	89,340	91,340	93,340
23	1.46	86,525	88,525	90,525	92,525	94,525
24	1.48	87,710	89,710	91,710	93,710	95,710
25	1.5	88,895	90,895	92,895	94,895	96,895
26	1.52	90,081	92,081	94,081	96,081	98,081
27	1.54	91,266	93,266	95,266	97,266	99,266
28	1.56	92,451	94,451	96,451	98,451	100,451
29	1.58	93,637	95,637	97,637	99,637	101,637
30	1.6	94,822	96,822	98,822	100,822	102,822
31	1.62	96,007	98,007	100,007	102,007	104,007
32	1.64	97,192	99,192	101,192	103,192	105,192
33	1.66	98,378	100,378	102,378	104,378	106,378
34	1.68	99,563	101,563	103,563	105,563	107,563
35	1.7	100,748	102,748	104,748	106,748	108,748
36	1.72	101,933	103,933	105,933	107,933	109,933
37	1.74	103,119	105,119	107,119	109,119	111,119
38	1.76	104,304	106,304	108,304	110,304	112,304
39	1.78	105,489	107,489	109,489	111,489	113,489
40	1.8	106,675	108,675	110,675	112,675	114,675

MIDWEST

Yrs. Exp.		w/ M.Div.	M.Div. + 15	2nd Masters	2nd Masters +15	D.Min or Ph.D.
0	1	58,442	60,442	62,442	64,442	66,442
1	1.02	59,611	61,611	63,611	65,611	67,611
2	1.04	60,779	62,779	64,779	66,779	68,779
3	1.06	61,948	63,948	65,948	67,948	69,948
4	1.08	63,117	65,117	67,117	69,117	71,117
5	1.1	64,286	66,286	68,286	70,286	72,286
6	1.12	65,455	67,455	69,455	71,455	73,455
7	1.14	66,624	68,624	70,624	72,624	74,624
8	1.16	67,793	69,793	71,793	73,793	75,793
9	1.18	68,961	70,961	72,961	74,961	76,961
10	1.2	70,130	72,130	74,130	76,130	78,130
11	1.22	71,299	73,299	75,299	77,299	79,299
12	1.24	72,468	74,468	76,468	78,468	80,468
13	1.26	73,637	75,637	77,637	79,637	81,637
14	1.28	74,806	76,806	78,806	80,806	82,806
15	1.3	75,974	77,974	79,974	81,974	83,974
16	1.32	77,143	79,143	81,143	83,143	85,143
17	1.34	78,312	80,312	82,312	84,312	86,312
18	1.36	79,481	81,481	83,481	85,481	87,481
19	1.38	80,650	82,650	84,650	86,650	88,650
20	1.4	81,819	83,819	85,819	87,819	89,819
21	1.42	82,987	84,987	86,987	88,987	90,987
22	1.44	84,156	86,156	88,156	90,156	92,156
23	1.46	85,325	87,325	89,325	91,325	93,325
24	1.48	86,494	88,494	90,494	92,494	94,494
25	1.5	87,663	89,663	91,663	93,663	95,663
26	1.52	88,832	90,832	92,832	94,832	96,832
27	1.54	90,000	92,000	94,000	96,000	98,000
28	1.56	91,169	93,169	95,169	97,169	99,169
29	1.58	92,338	94,338	96,338	98,338	100,338
30	1.6	93,507	95,507	97,507	99,507	101,507
31	1.62	94,676	96,676	98,676	100,676	102,676
32	1.64	95,845	97,845	99,845	101,845	103,845
33	1.66	97,013	99,013	101,013	103,013	105,013
34	1.68	98,182	100,182	102,182	104,182	106,182
35	1.7	99,351	101,351	103,351	105,351	107,351
36	1.72	100,520	102,520	104,520	106,520	108,520
37	1.74	101,689	103,689	105,689	107,689	109,689
38	1.76	102,858	104,858	106,858	108,858	110,858
39	1.78	104,026	106,026	108,026	110,026	112,026
40	1.8	105,195	107,195	109,195	111,195	113,195

WESTERN

<u>Yrs. Exp.</u>		<u>w/ M.Div.</u>	<u>M.Div. + 15</u>	<u>2nd Masters</u>	<u>2nd Masters +15</u>	<u>D.Min or Ph.D.</u>
0	1	67,340	69,340	71,340	73,340	75,340
1	1.02	68,687	70,687	72,687	74,687	76,687
2	1.04	70,034	72,034	74,034	76,034	78,034
3	1.06	71,381	73,381	75,381	77,381	79,381
4	1.08	72,727	74,727	76,727	78,727	80,727
5	1.1	74,074	76,074	78,074	80,074	82,074
6	1.12	75,421	77,421	79,421	81,421	83,421
7	1.14	76,768	78,768	80,768	82,768	84,768
8	1.16	78,115	80,115	82,115	84,115	86,115
9	1.18	79,461	81,461	83,461	85,461	87,461
10	1.2	80,808	82,808	84,808	86,808	88,808
11	1.22	82,155	84,155	86,155	88,155	90,155
12	1.24	83,502	85,502	87,502	89,502	91,502
13	1.26	84,849	86,849	88,849	90,849	92,849
14	1.28	86,195	88,195	90,195	92,195	94,195
15	1.3	87,542	89,542	91,542	93,542	95,542
16	1.32	88,889	90,889	92,889	94,889	96,889
17	1.34	90,236	92,236	94,236	96,236	98,236
18	1.36	91,583	93,583	95,583	97,583	99,583
19	1.38	92,929	94,929	96,929	98,929	100,929
20	1.4	94,276	96,276	98,276	100,276	102,276
21	1.42	95,623	97,623	99,623	101,623	103,623
22	1.44	96,970	98,970	100,970	102,970	104,970
23	1.46	98,317	100,317	102,317	104,317	106,317
24	1.48	99,663	101,663	103,663	105,663	107,663
25	1.5	101,010	103,010	105,010	107,010	109,010
26	1.52	102,357	104,357	106,357	108,357	110,357
27	1.54	103,704	105,704	107,704	109,704	111,704
28	1.56	105,051	107,051	109,051	111,051	113,051
29	1.58	106,397	108,397	110,397	112,397	114,397
30	1.6	107,744	109,744	111,744	113,744	115,744
31	1.62	109,091	111,091	113,091	115,091	117,091
32	1.64	110,438	112,438	114,438	116,438	118,438
33	1.66	111,785	113,785	115,785	117,785	119,785
34	1.68	113,131	115,131	117,131	119,131	121,131
35	1.7	114,478	116,478	118,478	120,478	122,478
36	1.72	115,825	117,825	119,825	121,825	123,825
37	1.74	117,172	119,172	121,172	123,172	125,172
38	1.76	118,519	120,519	122,519	124,519	126,519
39	1.78	119,865	121,865	123,865	125,865	127,865
40	1.8	121,212	123,212	125,212	127,212	129,212

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		