

ENGLISH DISTRICT

THE LUTHERAN CHURCH—MISSOURI SYNOD

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2027 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 childcare 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, health insurance, retirement benefits, 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, internet service, 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	62,928	64,928	66,928	68,928	70,928
1	1.02	64,187	66,187	68,187	70,187	72,187
2	1.04	65,446	67,446	69,446	71,446	73,446
3	1.06	66,704	68,704	70,704	72,704	74,704
4	1.08	67,963	69,963	71,963	73,963	75,963
5	1.1	69,221	71,221	73,221	75,221	77,221
6	1.12	70,480	72,480	74,480	76,480	78,480
7	1.14	71,738	73,738	75,738	77,738	79,738
8	1.16	72,997	74,997	76,997	78,997	80,997
9	1.18	74,256	76,256	78,256	80,256	82,256
10	1.2	75,514	77,514	79,514	81,514	83,514
11	1.22	76,773	78,773	80,773	82,773	84,773
12	1.24	78,031	80,031	82,031	84,031	86,031
13	1.26	79,290	81,290	83,290	85,290	87,290
14	1.28	80,548	82,548	84,548	86,548	88,548
15	1.3	81,807	83,807	85,807	87,807	89,807
16	1.32	83,066	85,066	87,066	89,066	91,066
17	1.34	84,324	86,324	88,324	90,324	92,324
18	1.36	85,583	87,583	89,583	91,583	93,583
19	1.38	86,841	88,841	90,841	92,841	94,841
20	1.4	88,100	90,100	92,100	94,100	96,100
21	1.42	89,358	91,358	93,358	95,358	97,358
22	1.44	90,617	92,617	94,617	96,617	98,617
23	1.46	91,876	93,876	95,876	97,876	99,876
24	1.48	93,134	95,134	97,134	99,134	101,134
25	1.5	94,393	96,393	98,393	100,393	102,393
26	1.52	95,651	97,651	99,651	101,651	103,651
27	1.54	96,910	98,910	100,910	102,910	104,910
28	1.56	98,168	100,168	102,168	104,168	106,168
29	1.58	99,427	101,427	103,427	105,427	107,427
30	1.6	100,685	102,685	104,685	106,685	108,685
31	1.62	101,944	103,944	105,944	107,944	109,944
32	1.64	103,203	105,203	107,203	109,203	111,203
33	1.66	104,461	106,461	108,461	110,461	112,461
34	1.68	105,720	107,720	109,720	111,720	113,720
35	1.7	106,978	108,978	110,978	112,978	114,978
36	1.72	108,237	110,237	112,237	114,237	116,237
37	1.74	109,495	111,495	113,495	115,495	117,495
38	1.76	110,754	112,754	114,754	116,754	118,754
39	1.78	112,013	114,013	116,013	118,013	120,013
40	1.8	113,271	115,271	117,271	119,271	121,271

Given the economic diversity and size of each region, guidelines from the geographic district specific to your location should also be considered when determining an appropriate salary package.

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	65,388	67,388	69,388	71,388	73,388
1	1.02	66,695	68,695	70,695	72,695	74,695
2	1.04	68,003	70,003	72,003	74,003	76,003
3	1.06	69,311	71,311	73,311	75,311	77,311
4	1.08	70,619	72,619	74,619	76,619	78,619
5	1.1	71,926	73,926	75,926	77,926	79,926
6	1.12	73,234	75,234	77,234	79,234	81,234
7	1.14	74,542	76,542	78,542	80,542	82,542
8	1.16	75,850	77,850	79,850	81,850	83,850
9	1.18	77,157	79,157	81,157	83,157	85,157
10	1.2	78,465	80,465	82,465	84,465	86,465
11	1.22	79,773	81,773	83,773	85,773	87,773
12	1.24	81,081	83,081	85,081	87,081	89,081
13	1.26	82,389	84,389	86,389	88,389	90,389
14	1.28	83,696	85,696	87,696	89,696	91,696
15	1.3	85,004	87,004	89,004	91,004	93,004
16	1.32	86,312	88,312	90,312	92,312	94,312
17	1.34	87,620	89,620	91,620	93,620	95,620
18	1.36	88,927	90,927	92,927	94,927	96,927
19	1.38	90,235	92,235	94,235	96,235	98,235
20	1.4	91,543	93,543	95,543	97,543	99,543
21	1.42	92,851	94,851	96,851	98,851	100,851
22	1.44	94,158	96,158	98,158	100,158	102,158
23	1.46	95,466	97,466	99,466	101,466	103,466
24	1.48	96,774	98,774	100,774	102,774	104,774
25	1.5	98,082	100,082	102,082	104,082	106,082
26	1.52	99,389	101,389	103,389	105,389	107,389
27	1.54	100,697	102,697	104,697	106,697	108,697
28	1.56	102,005	104,005	106,005	108,005	110,005
29	1.58	103,313	105,313	107,313	109,313	111,313
30	1.6	104,620	106,620	108,620	110,620	112,620
31	1.62	105,928	107,928	109,928	111,928	113,928
32	1.64	107,236	109,236	111,236	113,236	115,236
33	1.66	108,544	110,544	112,544	114,544	116,544
34	1.68	109,851	111,851	113,851	115,851	117,851
35	1.7	111,159	113,159	115,159	117,159	119,159
36	1.72	112,467	114,467	116,467	118,467	120,467
37	1.74	113,775	115,775	117,775	119,775	121,775
38	1.76	115,082	117,082	119,082	121,082	123,082
39	1.78	116,390	118,390	120,390	122,390	124,390
40	1.8	117,698	119,698	121,698	123,698	125,698

Given the economic diversity and size of each region, guidelines from the geographic district specific to your location should also be considered when determining an appropriate salary package.

MIDWEST

<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	64,481	66,481	68,481	70,481	72,481
1	1.02	65,771	67,771	69,771	71,771	73,771
2	1.04	67,060	69,060	71,060	73,060	75,060
3	1.06	68,350	70,350	72,350	74,350	76,350
4	1.08	69,639	71,639	73,639	75,639	77,639
5	1.1	70,929	72,929	74,929	76,929	78,929
6	1.12	72,219	74,219	76,219	78,219	80,219
7	1.14	73,508	75,508	77,508	79,508	81,508
8	1.16	74,798	76,798	78,798	80,798	82,798
9	1.18	76,088	78,088	80,088	82,088	84,088
10	1.2	77,377	79,377	81,377	83,377	85,377
11	1.22	78,667	80,667	82,667	84,667	86,667
12	1.24	79,956	81,956	83,956	85,956	87,956
13	1.26	81,246	83,246	85,246	87,246	89,246
14	1.28	82,536	84,536	86,536	88,536	90,536
15	1.3	83,825	85,825	87,825	89,825	91,825
16	1.32	85,115	87,115	89,115	91,115	93,115
17	1.34	86,404	88,404	90,404	92,404	94,404
18	1.36	87,694	89,694	91,694	93,694	95,694
19	1.38	88,984	90,984	92,984	94,984	96,984
20	1.4	90,273	92,273	94,273	96,273	98,273
21	1.42	91,563	93,563	95,563	97,563	99,563
22	1.44	92,853	94,853	96,853	98,853	100,853
23	1.46	94,142	96,142	98,142	100,142	102,142
24	1.48	95,432	97,432	99,432	101,432	103,432
25	1.5	96,721	98,721	100,721	102,721	104,721
26	1.52	98,011	100,011	102,011	104,011	106,011
27	1.54	99,301	101,301	103,301	105,301	107,301
28	1.56	100,590	102,590	104,590	106,590	108,590
29	1.58	101,880	103,880	105,880	107,880	109,880
30	1.6	103,170	105,170	107,170	109,170	111,170
31	1.62	104,459	106,459	108,459	110,459	112,459
32	1.64	105,749	107,749	109,749	111,749	113,749
33	1.66	107,038	109,038	111,038	113,038	115,038
34	1.68	108,328	110,328	112,328	114,328	116,328
35	1.7	109,618	111,618	113,618	115,618	117,618
36	1.72	110,907	112,907	114,907	116,907	118,907
37	1.74	112,197	114,197	116,197	118,197	120,197
38	1.76	113,486	115,486	117,486	119,486	121,486
39	1.78	114,776	116,776	118,776	120,776	122,776
40	1.8	116,066	118,066	120,066	122,066	124,066

Given the economic diversity and size of each region, guidelines from the geographic district specific to your location should also be considered when determining an appropriate salary package.

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	74,299	76,299	78,299	80,299	82,299
1	1.02	75,785	77,785	79,785	81,785	83,785
2	1.04	77,271	79,271	81,271	83,271	85,271
3	1.06	78,757	80,757	82,757	84,757	86,757
4	1.08	80,243	82,243	84,243	86,243	88,243
5	1.1	81,729	83,729	85,729	87,729	89,729
6	1.12	83,215	85,215	87,215	89,215	91,215
7	1.14	84,701	86,701	88,701	90,701	92,701
8	1.16	86,187	88,187	90,187	92,187	94,187
9	1.18	87,673	89,673	91,673	93,673	95,673
10	1.2	89,159	91,159	93,159	95,159	97,159
11	1.22	90,645	92,645	94,645	96,645	98,645
12	1.24	92,131	94,131	96,131	98,131	100,131
13	1.26	93,616	95,616	97,616	99,616	101,616
14	1.28	95,102	97,102	99,102	101,102	103,102
15	1.3	96,588	98,588	100,588	102,588	104,588
16	1.32	98,074	100,074	102,074	104,074	106,074
17	1.34	99,560	101,560	103,560	105,560	107,560
18	1.36	101,046	103,046	105,046	107,046	109,046
19	1.38	102,532	104,532	106,532	108,532	110,532
20	1.4	104,018	106,018	108,018	110,018	112,018
21	1.42	105,504	107,504	109,504	111,504	113,504
22	1.44	106,990	108,990	110,990	112,990	114,990
23	1.46	108,476	110,476	112,476	114,476	116,476
24	1.48	109,962	111,962	113,962	115,962	117,962
25	1.5	111,448	113,448	115,448	117,448	119,448
26	1.52	112,934	114,934	116,934	118,934	120,934
27	1.54	114,420	116,420	118,420	120,420	122,420
28	1.56	115,906	117,906	119,906	121,906	123,906
29	1.58	117,392	119,392	121,392	123,392	125,392
30	1.6	118,878	120,878	122,878	124,878	126,878
31	1.62	120,364	122,364	124,364	126,364	128,364
32	1.64	121,850	123,850	125,850	127,850	129,850
33	1.66	123,336	125,336	127,336	129,336	131,336
34	1.68	124,822	126,822	128,822	130,822	132,822
35	1.7	126,308	128,308	130,308	132,308	134,308
36	1.72	127,794	129,794	131,794	133,794	135,794
37	1.74	129,280	131,280	133,280	135,280	137,280
38	1.76	130,766	132,766	134,766	136,766	138,766
39	1.78	132,252	134,252	136,252	138,252	140,252
40	1.8	133,738	135,738	137,738	139,738	141,738

Given the economic diversity and size of each region, guidelines from the geographic district specific to your location should also be considered when determining an appropriate salary package.

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		