

ENGLISH DISTRICT

THE LUTHERAN CHURCH—MISSOURI SYNOD

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2021 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	52,328	54,328	56,328	58,328	60,328
1	1.02	53,375	55,375	57,375	59,375	61,375
2	1.04	54,421	56,421	58,421	60,421	62,421
3	1.06	55,468	57,468	59,468	61,468	63,468
4	1.08	56,515	58,515	60,515	62,515	64,515
5	1.1	57,561	59,561	61,561	63,561	65,561
6	1.12	58,608	60,608	62,608	64,608	66,608
7	1.14	59,654	61,654	63,654	65,654	67,654
8	1.16	60,701	62,701	64,701	66,701	68,701
9	1.18	61,747	63,747	65,747	67,747	69,747
10	1.2	62,794	64,794	66,794	68,794	70,794
11	1.22	63,841	65,841	67,841	69,841	71,841
12	1.24	64,887	66,887	68,887	70,887	72,887
13	1.26	65,934	67,934	69,934	71,934	73,934
14	1.28	66,980	68,980	70,980	72,980	74,980
15	1.3	68,027	70,027	72,027	74,027	76,027
16	1.32	69,073	71,073	73,073	75,073	77,073
17	1.34	70,120	72,120	74,120	76,120	78,120
18	1.36	71,167	73,167	75,167	77,167	79,167
19	1.38	72,213	74,213	76,213	78,213	80,213
20	1.4	73,260	75,260	77,260	79,260	81,260
21	1.42	74,306	76,306	78,306	80,306	82,306
22	1.44	75,353	77,353	79,353	81,353	83,353
23	1.46	76,399	78,399	80,399	82,399	84,399
24	1.48	77,446	79,446	81,446	83,446	85,446
25	1.5	78,492	80,492	82,492	84,492	86,492
26	1.52	79,539	81,539	83,539	85,539	87,539
27	1.54	80,586	82,586	84,586	86,586	88,586
28	1.56	81,632	83,632	85,632	87,632	89,632
29	1.58	82,679	84,679	86,679	88,679	90,679
30	1.6	83,725	85,725	87,725	89,725	91,725
31	1.62	84,772	86,772	88,772	90,772	92,772
32	1.64	85,818	87,818	89,818	91,818	93,818
33	1.66	86,865	88,865	90,865	92,865	94,865
34	1.68	87,912	89,912	91,912	93,912	95,912
35	1.7	88,958	90,958	92,958	94,958	96,958
36	1.72	90,005	92,005	94,005	96,005	98,005
37	1.74	91,051	93,051	95,051	97,051	99,051
38	1.76	92,098	94,098	96,098	98,098	100,098
39	1.78	93,144	95,144	97,144	99,144	101,144
40	1.8	94,191	96,191	98,191	100,191	102,191

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	54,373	56,373	58,373	60,373	62,373
1	1.02	55,460	57,460	59,460	61,460	63,460
2	1.04	56,547	58,547	60,547	62,547	64,547
3	1.06	57,635	59,635	61,635	63,635	65,635
4	1.08	58,722	60,722	62,722	64,722	66,722
5	1.1	59,810	61,810	63,810	65,810	67,810
6	1.12	60,897	62,897	64,897	66,897	68,897
7	1.14	61,985	63,985	65,985	67,985	69,985
8	1.16	63,072	65,072	67,072	69,072	71,072
9	1.18	64,160	66,160	68,160	70,160	72,160
10	1.2	65,247	67,247	69,247	71,247	73,247
11	1.22	66,334	68,334	70,334	72,334	74,334
12	1.24	67,422	69,422	71,422	73,422	75,422
13	1.26	68,509	70,509	72,509	74,509	76,509
14	1.28	69,597	71,597	73,597	75,597	77,597
15	1.3	70,684	72,684	74,684	76,684	78,684
16	1.32	71,772	73,772	75,772	77,772	79,772
17	1.34	72,859	74,859	76,859	78,859	80,859
18	1.36	73,947	75,947	77,947	79,947	81,947
19	1.38	75,034	77,034	79,034	81,034	83,034
20	1.4	76,122	78,122	80,122	82,122	84,122
21	1.42	77,209	79,209	81,209	83,209	85,209
22	1.44	78,296	80,296	82,296	84,296	86,296
23	1.46	79,384	81,384	83,384	85,384	87,384
24	1.48	80,471	82,471	84,471	86,471	88,471
25	1.5	81,559	83,559	85,559	87,559	89,559
26	1.52	82,646	84,646	86,646	88,646	90,646
27	1.54	83,734	85,734	87,734	89,734	91,734
28	1.56	84,821	86,821	88,821	90,821	92,821
29	1.58	85,909	87,909	89,909	91,909	93,909
30	1.6	86,996	88,996	90,996	92,996	94,996
31	1.62	88,084	90,084	92,084	94,084	96,084
32	1.64	89,171	91,171	93,171	95,171	97,171
33	1.66	90,258	92,258	94,258	96,258	98,258
34	1.68	91,346	93,346	95,346	97,346	99,346
35	1.7	92,433	94,433	96,433	98,433	100,433
36	1.72	93,521	95,521	97,521	99,521	101,521
37	1.74	94,608	96,608	98,608	100,608	102,608
38	1.76	95,696	97,696	99,696	101,696	103,696
39	1.78	96,783	98,783	100,783	102,783	104,783
40	1.8	97,871	99,871	101,871	103,871	105,871

MIDWEST

Yrs. Exp.		w/ M.Div.	M.Div. + 15	2nd Masters	2nd Masters +15	D.Min or Ph.D.
0	1	53,619	55,619	57,619	59,619	61,619
1	1.02	54,692	56,692	58,692	60,692	62,692
2	1.04	55,764	57,764	59,764	61,764	63,764
3	1.06	56,837	58,837	60,837	62,837	64,837
4	1.08	57,909	59,909	61,909	63,909	65,909
5	1.1	58,981	60,981	62,981	64,981	66,981
6	1.12	60,054	62,054	64,054	66,054	68,054
7	1.14	61,126	63,126	65,126	67,126	69,126
8	1.16	62,199	64,199	66,199	68,199	70,199
9	1.18	63,271	65,271	67,271	69,271	71,271
10	1.2	64,343	66,343	68,343	70,343	72,343
11	1.22	65,416	67,416	69,416	71,416	73,416
12	1.24	66,488	68,488	70,488	72,488	74,488
13	1.26	67,560	69,560	71,560	73,560	75,560
14	1.28	68,633	70,633	72,633	74,633	76,633
15	1.3	69,705	71,705	73,705	75,705	77,705
16	1.32	70,778	72,778	74,778	76,778	78,778
17	1.34	71,850	73,850	75,850	77,850	79,850
18	1.36	72,922	74,922	76,922	78,922	80,922
19	1.38	73,995	75,995	77,995	79,995	81,995
20	1.4	75,067	77,067	79,067	81,067	83,067
21	1.42	76,140	78,140	80,140	82,140	84,140
22	1.44	77,212	79,212	81,212	83,212	85,212
23	1.46	78,284	80,284	82,284	84,284	86,284
24	1.48	79,357	81,357	83,357	85,357	87,357
25	1.5	80,429	82,429	84,429	86,429	88,429
26	1.52	81,501	83,501	85,501	87,501	89,501
27	1.54	82,574	84,574	86,574	88,574	90,574
28	1.56	83,646	85,646	87,646	89,646	91,646
29	1.58	84,719	86,719	88,719	90,719	92,719
30	1.6	85,791	87,791	89,791	91,791	93,791
31	1.62	86,863	88,863	90,863	92,863	94,863
32	1.64	87,936	89,936	91,936	93,936	95,936
33	1.66	89,008	91,008	93,008	95,008	97,008
34	1.68	90,081	92,081	94,081	96,081	98,081
35	1.7	91,153	93,153	95,153	97,153	99,153
36	1.72	92,225	94,225	96,225	98,225	100,225
37	1.74	93,298	95,298	97,298	99,298	101,298
38	1.76	94,370	96,370	98,370	100,370	102,370
39	1.78	95,443	97,443	99,443	101,443	103,443
40	1.8	96,515	98,515	100,515	102,515	104,515

WESTERN

Yrs. Exp.		w/ M.Div.	M.Div. + 15	2nd Masters	2nd Masters +15	D.Min or Ph.D.
0	1	61,783	63,783	65,783	67,783	69,783
1	1.02	63,019	65,019	67,019	69,019	71,019
2	1.04	64,254	66,254	68,254	70,254	72,254
3	1.06	65,490	67,490	69,490	71,490	73,490
4	1.08	66,726	68,726	70,726	72,726	74,726
5	1.1	67,961	69,961	71,961	73,961	75,961
6	1.12	69,197	71,197	73,197	75,197	77,197
7	1.14	70,433	72,433	74,433	76,433	78,433
8	1.16	71,668	73,668	75,668	77,668	79,668
9	1.18	72,904	74,904	76,904	78,904	80,904
10	1.2	74,140	76,140	78,140	80,140	82,140
11	1.22	75,375	77,375	79,375	81,375	83,375
12	1.24	76,611	78,611	80,611	82,611	84,611
13	1.26	77,847	79,847	81,847	83,847	85,847
14	1.28	79,082	81,082	83,082	85,082	87,082
15	1.3	80,318	82,318	84,318	86,318	88,318
16	1.32	81,554	83,554	85,554	87,554	89,554
17	1.34	82,789	84,789	86,789	88,789	90,789
18	1.36	84,025	86,025	88,025	90,025	92,025
19	1.38	85,261	87,261	89,261	91,261	93,261
20	1.4	86,496	88,496	90,496	92,496	94,496
21	1.42	87,732	89,732	91,732	93,732	95,732
22	1.44	88,968	90,968	92,968	94,968	96,968
23	1.46	90,203	92,203	94,203	96,203	98,203
24	1.48	91,439	93,439	95,439	97,439	99,439
25	1.5	92,675	94,675	96,675	98,675	100,675
26	1.52	93,910	95,910	97,910	99,910	101,910
27	1.54	95,146	97,146	99,146	101,146	103,146
28	1.56	96,382	98,382	100,382	102,382	104,382
29	1.58	97,617	99,617	101,617	103,617	105,617
30	1.6	98,853	100,853	102,853	104,853	106,853
31	1.62	100,089	102,089	104,089	106,089	108,089
32	1.64	101,324	103,324	105,324	107,324	109,324
33	1.66	102,560	104,560	106,560	108,560	110,560
34	1.68	103,796	105,796	107,796	109,796	111,796
35	1.7	105,031	107,031	109,031	111,031	113,031
36	1.72	106,267	108,267	110,267	112,267	114,267
37	1.74	107,503	109,503	111,503	113,503	115,503
38	1.76	108,738	110,738	112,738	114,738	116,738
39	1.78	109,974	111,974	113,974	115,974	117,974
40	1.8	111,209	113,209	115,209	117,209	119,209

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		