



2027 Compensation Guidelines

Southeast Michigan Synod, ELCA

Minimum Compensation Guidelines

The 2027 Compensation Guidelines are available to print or download from the SEMI Synod website, www.semisynod.com under the “leaders” tab. Distribute these guidelines to your Congregation Council, Finance Team and Mutual Ministry Committee.

The 2027 guidelines show an increase. Increases will continue to happen as rostered ministers accumulate additional years of service and as the cost of living increases. Merit increases are encouraged where appropriate.

We recognize the value of congregations providing the entire cost of the health care premium, though it should be noted that rostered ministers and their families continue to share in the cost of the program by paying significant out-of-pocket expenses.

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These leaders understand compensation issues, as well as congregational finances. They can be available to assist the work of congregations that are below guidelines. Please feel free to contact members of the synod staff for help as well.

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Introduction

These Guidelines are provided to assist congregations and other Lutheran organizations to develop and maintain a financial compensation package for rostered ministers (Pastors & Deacons) of our synod that is both fair and competitive. These guidelines represent the minimum compensation package that a congregation must offer a rostered minister before the Bishop will recommend a fulltime candidate to a congregation. It is understood that these guidelines provide contextual guidance and that in each individual call the Office of the Bishop may need to factor in considerations specific to the individual congregation's or the individual rostered minister's situation. Compensation for a half-time call would be at 50% of the recommended minimum. This could result in a final compensation package that looks different from these guidelines.

Question: What do we do if we can't meet these guidelines?

Answer: A congregation that finds it cannot meet the compensation amount called for in these guidelines and therefore, cannot compensate its rostered minister fairly and adequately, must consider alternatives such as merging with another congregation, a shared rostered minister, a part-time rostered minister, etc. Cutting back a full-time rostered minister's hours to part-time hours invalidates the original letter of call and requires negotiating a new call. Congregations facing any of these situations must contact the Office of the Bishop for advice and assistance.

2027 Recommendation

In 2026, we suggested a 5% increase in base salary compensation. In looking at average cost of living increases across the state and the nation, the committee is recommending an 3% increase for 2027. Congregations able to include a further increase for performance are encouraged to do so.

Annual Compensation Review for Rostered Ministers (2027)

This document contains a brief overview of the compensation topic, base salary adjustments for rostered ministers. As you move forward in your discussions of what types of compensation decisions you will make for your rostered minister in 2027, you may want to review this document. As many lay employees look forward to a review of their performance on the job and annual adjustments in salary, it is important that congregations consider an annual review of their rostered minister's performance and salary.

Base Salary Guidelines and Purpose of Base Salary Adjustments

Rostered ministers are professional leaders from the standpoint of education and function and should be compensated according to their qualifications, experience, responsibility, and their job performance. They should be sufficiently independent financially to provide for their own economic needs and those of their families.

Rostered ministers are also our spiritual leaders and may be reluctant to address compensation adjustment topics. Because of this issue, it may be helpful to request that an advocate be used in the annual review of the rostered minister's compensation package. Mutual Ministry Committees can be advocates for salary levels that reflect the competence and performance of the rostered minister.

We recommend that rostered ministers' salaries be reviewed annually, and base salary adjustments be thoughtfully considered. The following are some factors that those groups responsible for making recommendations may want to consider when determining salary adjustments for their rostered minister:

- Where is the rostered minister's present salary positioned in the Synod's Base Salary Guidelines for 2027?
- Performance evaluation to include amount of duties performed during the year, scope of responsibility, any expanded ministries, meeting the objectives of the individual church, etc.
 - Rostered Minister and People: Making Mutual Ministry Work (available from www.augsburgfortress.org) has a chapter, *Ministry Review and Performance Evaluation*, that will be helpful.
- Standard of living increases.
- What are other like professional people making in the current job market?

Following is a chart used when considering the minimum that should be paid to rostered ministers when a congregation is calling an ordained Pastor or Deacon. A fillable worksheet is available to assist in calculations.

Base Salary Guidelines for Rostered Ministers 2027

Years of Service	2027 Minimum	Minimum Housing
0 - 2	\$ 50,172.44	\$24,000.00
3 - 4	\$ 51,500.08	\$24,000.00
5 - 6	\$ 53,029.31	\$24,000.00
7 - 8	\$ 54,557.37	\$24,000.00
9 - 10	\$ 56,153.80	\$24,000.00
11 - 13	\$ 57,154.73	\$24,000.00
14 - 16	\$ 58,737.12	\$24,000.00
17 - 19	\$ 60,317.45	\$24,000.00
20 - 22	\$ 61,911.55	\$24,000.00
23 - 25	\$ 62,954.20	\$24,000.00
26 - 28	\$ 64,035.09	\$24,000.00
29 - 31	\$ 65,071.94	\$24,000.00
32 - 34	\$ 66,107.65	\$24,000.00
35 - 37	\$ 68,438.56	\$24,000.00
38 - 40	\$ 69,471.93	\$24,000.00

The chart above notes a 3% increase in base salary. It was determined based on average cost of living adjustments for 2027. We also encourage a performance increase in addition to the cost-of-living adjustment. If your congregation is able to offer an increase greater than 3%, we encourage you to do so. An alternative to this may be to offer a one-time bonus to your rostered minister.

The healthcare costs through Portico will increase 15% for 2027. This significant increase in cost may make it difficult for congregations to maintain health coverage for their rostered minister and family AND offer a raise. If your congregation finds itself in that place, there are some non-financial ways to compensate and care for your rostered minister. Some ideas are:

- An extra week of vacation per year.
- An extra week of continuing education or study time.
- A monthly study day, during which the rostered minister would be unavailable and would use that time to pray, read scripture, explore a topic that would benefit ministry, etc. This would NOT be a vacation day, but it would be a valuable time of renewal for the rostered minister.
- Ask your rostered minister what would be most helpful in her/his/their ministry in the coming year and how the congregation can help.

Housing Allowance

Housing and Utilities Allowance for Pastors Who Own Their Own Homes

This is for pastors who own their own house. A fair approach to determining the housing and utilities allowance is 1% (0.01) - 1.5% (0.015) per month of the reasonable market value of a house within the general community in which the congregation resides. A realtor can help determine this figure. This allowance is to cover the mortgage, interest, taxes, utilities and maintenance of the house, the amount of which should be mutually established by congregational council action to comply with IRS regulations. Housing allowances should reflect the purchase price rather than current housing market value.

It is recommended that a housing amount be determined using average housing costs in the community. The individual rostered minister is ultimately responsible for any tax implications of the housing allowance.

Important:

Official designation by the congregation council or employing church body of the payment of a housing allowance must be done in an annual resolution that is documented in the congregation council's minutes before payment is made. This should be done at the beginning of the calendar year. A "Housing Allowance Resolution" form is provided at the end of this document for your convenience.

Household Furnishings/Utilities Allowance and Housing Equity Allowance For Pastors Residing in a Parsonage

For rostered ministers in parsonages, it is appropriate for the congregation to provide a household furnishings/utilities allowance. This allowance will cover the expenses of the parsonage: utilities, maintenance, and furnishings needed to keep up the parsonage. The congregation will budget to pay the utilities (gas, electric, sewage, water, telephone, trash collection) directly. An allowance should include an amount to cover expenses to maintain the parsonage.

When congregations provide a parsonage, an equity allowance should be provided to assist the rostered minister in accruing an equity that is not otherwise available to them. This gives the rostered minister the financial resources to provide housing upon retirement or to have a down payment to purchase a house should the desire or need arise.

Idea:

One way to establish a housing equity allowance is through providing a Housing Equity Retirement Contribution through Portico Benefits. Information on this plan may be obtained through Portico Benefits. A fair starting point in establishing an equity allowance is 3% – 5% of the total salary.

Social Security Allowance for the Self-Employment Social Security Tax (SECA)

While most clergy are considered employees for income tax and retirement plan purposes, they are considered self-employed for purposes of Social Security and Medicare taxes, which means they carry the full burden of those taxes themselves, currently 15.3% Social Security/FICA tax on the Total Defined Compensation. The congregation is to provide for ½ of this tax, or 7.65% of defined compensation.

Since most employers pay half of the total social security tax for employees, the same consideration should be given to the rostered minister's salary. Please note that a congregation cannot pay the rostered minister's social security tax directly, but designates the amount as an allowance, which is additional taxable income. Most years since 2008, the rate applied to the rostered minister has been 7.65% (6.2% FICA and 1.45% Medicare).

Clergy who are living in employer-provided housing, such as a parsonage, are also liable for self-employment tax on the fair rental value of such housing.

If there is a difference between the housing, furnishings, auto or professional allowances and the actual expenses in those areas, Social Security Tax will also be owed on the amount that is over actual expenses. It is up to the rostered minister to pay this difference to Social Security.

SECA Allowance and Defined Compensation for Rostered Ministers Who Own Their Own Home

In this instance, the SECA allowance is calculated by adding the base salary and housing allowance, then multiplying by 0.0765 (7.65%). See the example below:

Calculating SECA Allowance	
Base Salary (0-2 years of service)	\$50,172.44
Housing Allowance	\$24,000.00
Total:	\$74,172.44
SECA Factor	x 0.0765
SECA Allowance:	\$5,674.19
Calculating Defined Compensation	
Base Salary (0-2 years of service)	\$50,172.44
Housing Allowance	\$24,000.00
SECA Allowance (Line 4)	\$5,674.19
Total Defined Compensation:	\$79,846.63

SECA Allowance, Parsonage Equivalency, and Defined Compensation for Rostered Ministers When a Parsonage is Provided

In this instance, the housing parsonage equivalency is calculated by adding the base salary and SECA Allowance, then multiplying by 0.30 (30%). See the example below:

Calculating SECA Allowance	
Base Salary (0-2 years of service)	\$50,172.44
SECA Factor	x 0.0765
SECA Allowance:	\$3,838.19
Calculating Parsonage Equivalency	
Base Salary (0-2 years of service)	\$50,172.44
SECA Allowance	\$3,838.19
Sub-Total:	\$54,110.63
Parsonage Equivalency Factor	x 0.30
Parsonage Equivalency:	\$16,233.19
Calculating Defined Compensation	
Base Salary (0-2 years of service)	\$50,172.44
SECA Allowance	\$3,838.19
Parsonage Equivalency	\$16,233.19
Total Defined Compensation:	\$70,243.82

Note:

The parsonage equivalency is a number used by Portico to determine a pastor's defined compensation. The recommended percentage is 30%. **This amount is NOT paid to the pastor.**

The housing equity amount of 3-5% of the defined compensation is an amount paid by the congregation to Portico so that they can build "equity" in the same way that rostered ministers who own houses can. **This amount is NOT paid to the pastor.**

Portico Retirement and Other Benefits Program - 2027 Contribution Rates for Congregations

Each year, the congregation and rostered minister will be required to select the level of health care coverage for the following year. This selection must happen even if the rostered minister waives the Portico coverage. Portico follows the national standards and identified the different levels of cost sharing.

For 2027, Portico continues to offer two co-pay options and two high-deductible (HDHP) options. **Both the employer and the insured will need to choose the same level of coverage in order to make certain that healthcare coverage continues to be provided or is provided for the first time.**

To determine the cost of benefits for the compensation package, please go to www.porticobenefits.org and log in as the employer. There, you will find benefit calculators by clicking on EmployerLink.

A comparison sheet from Portico benefit is available from the synod office. For more information about the plans and cost, you are encouraged to use the calculators at www.porticobenefits.org to see a comparison between coverage levels.

The calculator on the Portico website will figure out the entire benefit cost for a rostered minister or rostered lay leader. **For rostered ministers, the required minimum retirement contribution is 10% of defined compensation.** Congregations are encouraged to exceed this minimum and may try to increase their contribution to 12% over the next two years. Rostered ministers are encouraged to increase their own personal contribution so that the total contribution to retirement equals 15% of defined compensation. Reminder: To determine what “defined compensation”, see charts on page 8 and 9 for the housing situation that applies.

Question: What if both spouses are sponsored through Portico Benefits?

Answer: If both spouses are sponsored through Portico Benefits, both employers will be billed for the full cost of the family’s medical and dental benefit. They will then receive a corresponding sponsored couple credit depending on the level of compensation provided for both spouses. Both organizations will continue to make the contributions for retirement, disability and survivor benefits for the individual they are sponsoring. Contact Portico at 1.800.352.2876 or www.porticobenefits.org.

Health Coverage Offset

In some situations, a rostered minister is covered under the health insurance of a spouse, which makes the rostered minister eligible to waive the Portico medical/dental health coverage and still participate in the other Portico benefits. In these situations, at least 50% of what the Portico medical/dental costs would have been can, through conversation with the rostered minister and the Bishop’s office, be applied to other benefits, i.e. a medical deductible

allowance, HSA/FSA/HRA, or retirement. The remaining money is a savings to the congregation. Additionally, the health care costs should be reviewed annually to ascertain if the spouse's insurance plan is still the most cost-efficient.

Disability and Basic Group Life

Contributions for disability benefits and basic group life are required by the ELCA Retirement and Other Benefits Program. **For 2027, Portico has suspended contributions to Group Life and Disability in recognition of the high increase in the healthcare plans.**

The ELCA Disability Benefits Plan provides a monthly income if a rostered leader becomes partially or totally disabled as defined by the plan. While they are disabled, the plan also makes contributions to their retirement account and pays to continue their health and survivor coverage. The disability insurance policy through Portico Benefits, begins after the first 60 days of disability and will pay up to two-thirds of defined compensation.

Note:

For the first 60 days of disability the employer/congregation must continue to pay full salary and benefits contributions, until the disability benefits of the ELCA Portico Benefits Plan go into effect. Any period of disability (beginning date, length, and return to active duty) should be based on a physician's recommendation. It is important to remember that the employee can only apply for disability while they are still employed. To avoid awkward and hardship situations, both for clergy families and for the congregation, congregations may wish to consult with an insurance company to arrange for short-term disability coverage for the first 60 days. Having short-term disability insurance is a benefit to the church as the employer. The annual cost is minimal and may help to avoid major expenses should a disability occur.

If the congregation and pastor agree to an alternative insurance plan, the 60 day policy may not apply and may be as long as 90 days. Please consult the disability policy for specifics on when the policy goes into effect.

Professional Expenses

The following items are considered professional expenses and are the responsibility of the congregation. These costs are not compensation. They are part of the congregation's operating expense.

Auto Expenses

- Provide an automobile (purchase or lease) and all expenses; OR
- Provide a cents-per-mile allowance based on the IRS standard business rate. Adjustments may be made throughout the year by the IRS and should be reviewed six months into your fiscal year); OR
- Provide a fixed amount annually, paid monthly. A reasonable beginning point is \$2,400 per year. It should be noted that IRS rulings require accountability to the congregation's treasurer for such an allowance. The allowance and rate should be addressed during the year due to expense changes or adjustments to the IRS rate.

Continuing Education

The Evangelical Lutheran Church in America expects its professional leaders to have a minimum of fifty (50) contact hours annually in continuing education. Congregations are encouraged to make available to their rostered ministers at least two weeks per year for continuing education. The scheduling of continuing education should be determined by the rostered minister in consultation with the Mutual Ministry Committee and the Congregation Council. **We recommend a minimum of \$1,000 for continuing education.**

First Call Theological Education (FCTE)

All persons newly ordained in the Evangelical Lutheran Church in America are required to participate in FCTE for three years. In Region 6, the congregation will cover this expense. It is intended that the FCTE fee be taken from the Rostered minister's Continuing Education fund. In rare exceptions, this is waived. It is understood to be a requirement for both the congregation and the rostered minister.

Synod Assembly, Conference Assemblies, and Other Synodical Events.

Through the letter of call, all rostered ministers and lay rostered ministers are required to attend the Synod Assembly. It is also the responsibility of the congregation to provide the financial support necessary for the rostered minister to attend the Synod Assembly, conference assemblies, and other synodical events, but not from the continuing education allowance.

Boundaries, LGBTQIA+, and Anti-Racism Training

Rostered Ministers are required to attend Professional Boundaries training every three years, through an ELCA sponsored training or another training approved by the Synod. This requirement comes from both the ELCA and insurance companies.

In addition, the Southeast Michigan Synod expects its Rostered Ministers to attend anti-racism and LGBTQIA+ training to help our Rostered Ministers and our Congregations live

into our baptismal vows to work for justice and peace in all the world. As such, it is the responsibility of congregations to provide the financial support necessary for the rostered minister to attend Professional Boundaries, LGBTQIA+ and Anti-Racism training on a regular basis.

Sabbatical

After five years of service in the present call, an extended study and renewal period (sabbatical) of one to three months is helpful and recommended by the ELCA. The purpose of such a leave (with full compensation and benefits) is to offer an extended block of time for study, personal growth, and reflection apart from usual congregational responsibilities. A model sabbatical policy can be found on pages 20-21.

Internet and Cell Phone

We recommend a \$100/month internet and cell phone reimbursement. Today many rostered ministers rely on internet service and cell phones to do the daily business of ministry. If congregations expect their rostered ministers to be available via cell phone, text, or email when they are not in the office, they should consider reimbursing a portion of those expenses each month.

Other Expenses

Other professional expenses such as books, subscriptions to magazines and journals, vestments, and media resources may be handled by establishing a set amount in the budget and paying the expenses as they occur.

Other Provisions

Vacation

Four weeks of vacation is the standard in the church and it includes four Sundays. Vacation use should be documented in Congregation Council Minutes. Vacation shall not normally accrue from one year to the next; however when such accrual does occur, we recommend a maximum of two weeks accrual. All accrued vacation time should be clearly documented in Congregation Council Minutes at the last meeting of the year or the first meeting of the new year.

Sick Leave

Up to eight (8) weeks per year of sick leave is to be provided with full salary, housing and benefits and provision for disability thereafter as coordinated with the congregation and Portico is the minimum recommendation. Sick leave may be taken for the purpose of personal or family illness.

In the event of extended illness, the congregation shall assume the responsibility for providing full salary and benefits for the first eight (8) consecutive weeks of illness, at which time the ELCA Disability Plan as administered through Portico Benefit Services will take effect. It is also recommended that in times of extended illness the congregation contact the synod office for guidance. The congregation is to assume responsibility for pulpit supply during the disability.

Family/Parental Leave

Congregations should be sensitive to family needs such as extraordinary illness of children and parents of the rostered minister and negotiate leave time with or without pay for these circumstances. During any parenting leave period, supply ministers are to be paid by the congregation.

In the event of a death of their immediate family (to include spouse, children, parents, stepchildren, stepparents, brother, sister, grandparents, step-grandparents, grandchildren, step-grandchildren, mother-in-law, father-in-law, or legal guardian), the rostered minister will be allowed up to fourteen (14) days, with pay, to grieve, attend the funeral, and to deal with family affairs.

Family/Parental Leave of at least eight (8) weeks per birth or adoption of a child with full salary, housing, and benefits shall be provided by the congregation for rostered ministers and licensed lay ministers. Because of special concerns or needs, additional time may be negotiated between the rostered minister and the congregation.

Note:

Sick Leave, Family/Parental Leave and Vacation benefits will begin January 1 of each calendar year.

Work Week

Because of the nature of ministry, it is recognized that rostered ministers are expected to fulfill many evening and weekend responsibilities beyond Sunday morning worship. Therefore, adequate time off (at least one and a half days per week) should be granted and encouraged that would be free from ministry- related responsibilities.

Mutual Ministry Committee

The Mutual Ministry Committee is called for in the ELCA Model Constitution for Congregations. Often called a Staff Support Committee, the Mutual Ministry Committee provides for the care of rostered ministers who are called to be our servant ministers. “Rostered minister and People: Making Mutual Ministry Work” can be ordered from Augsburg Fortress at www.augsburgfortress.org.

Annual Review

The ministry and compensation package of the rostered minister should be reviewed on an annual basis by the Mutual Ministry Committee and/or the Congregation Council. The review should be based on conditions of the call, position description, constitution, performance, and personal growth factors by the Mutual Ministry Committee and/or Congregation Council. The review may include other rostered ministers and other rostered ministers on the staff if desired. The areas of special attention for the leader should be used as a resource for the annual review.

Scope of Work

Part of the rostered minister’s work is beyond the congregation in the synod and church-wide organization. The scope of this work should be agreed on by the Mutual Ministry Committee, the Congregation Council, and the rostered minister.

Workers’ Compensation

Clergy are covered by Workers’ Compensation. Workers’ Compensation can provide a satisfactory means of handling occupational disabilities. Workers’ Compensation provides sure, prompt, and reasonable income and medical benefits to work-accident victims, or income benefits to their dependents. Contact your insurance provider to make sure that your Workers’ Compensation coverage is current and adequate.

Clergy Couple Housing

In the situation of clergy couple housing, it is expected that each rostered minister will be compensated fully and separately with salary, housing and benefits. For example:

- **Separate congregations, one parsonage:** the rostered minister whose congregation does not have a parsonage would still receive a housing allowance.
- **Same congregation, no parsonage, working half time:** the couple would receive half compensation packages, including salary and housing.
- **Two separate congregations, no parsonage:** both rostered ministers will receive a full housing allowance.

- **Same congregation, with a parsonage, serving more than one full-time position:**
additional housing compensation for the portion of time above one full position should be provided.

Multiple Congregations Sharing One Rostered Leader

In the situation of a rostered minister serving more than one congregation, per the ELCA constitution, that the rostered minister will be called by one congregation and then a contract will be drawn up for the other congregation.

In the situation of a rostered minister serving more than one congregation and one congregation has a parsonage, it is expected that the rostered minister will receive a housing allowance from the congregation without a parsonage.

Severance

The synod Bishop should be consulted whenever the termination of a call is being considered. In situations where a call is terminated by the rostered minister, Congregation Council, or appointing institution, without another call or other employment being in place, the congregation is encouraged to consider a severance package of two to six months. Unless covered by another employer, medical and retirement benefits are to be included as well. Excluded would be any other allowances, e.g. auto, book, education.

Moving Expenses

The congregation is responsible for the moving expenses of the rostered minister they have called. This cost can be significant. (Recent experience indicates that costs could easily be \$8,000 - \$15,000) It is a one-time expense. Some congregations work to set aside a sufficient amount during the rostered ministerial transition. Others have had a special offering to assist with this expense.

Questions and Answers

Question: Who decides the compensation for rostered ministers?

Answer: The decision will vary from congregation to congregation. In some congregations, the recommendation is often initially made by a finance committee or the Mutual Ministry Committee. In most congregations, the compensation is finally determined by the Congregation Council. It is appropriate for each member of the Finance Committee, Mutual Ministry Committee and the Congregation Council to have a copy of these salary guidelines so that all may make an informed decision.

Question: Who will be the rostered minister's advocate?

Answer: The Mutual Ministry Committee can be an advocate for the minister. Members of the synod's compensation task force can be consulted as well as synod staff.

Question: What will happen if we don't pay our rostered minister at guidelines?

Answer: Congregations that pay below the synod guidelines are often faced with sticker shock when they enter the call process for a new rostered minister. There is a relationship between clergy morale and compensation. In the past, some clergy found they could only receive appropriate compensation by seeking another call.

Question: What if we are below guidelines and want to move towards compensating our rostered minister at guidelines?

Answer: Some congregations develop a plan to be at guidelines over the next two or three years. What plan would work for your congregation? In some situations the finances have been limited. The stewardship committee of the synod can offer resources to assist the congregation and members to become better stewards.

Question: May we pay our rostered minister more than the minimum?

Answer: Yes! As stated in the introduction to this document, these guidelines are designed to provide for fair and competitive compensation for rostered ministers. If a congregation is able to provide compensation above Synod guidelines, they are encouraged to do so, factoring in job performance as well as any additional responsibilities the rostered minister may have.

Question: My rostered minister has 4 1/2 years of ordained/commissioned service. Does that put them in the 3 - 4 or 5 - 6 category?

Answer: It would be appropriate for your minister to be paid at the 5 - 6 year level. Congregations should begin building into the next category over a period of several years rather than trying to make that jump all at once.

Question: When I add the entire package together, it seems like a lot of money. Does the rostered minister really make that much?

Answer: No. In most jobs we do not consider retirement, benefits and expenses when we think about how much we make. All of these are not reported on our W- 2 forms. It is helpful to break down the package into the following three categories:

1. **Compensation.** This is the minister's pay. This is what the minister makes.

2. **Retirement and Benefits.** These are benefits that most of us receive but in most jobs, they are not considered compensation.
3. **Expenses.** Expenses are costs to the congregation for the minister to do ministry, much like the expenses that a corporation has for the work of an employee. The definition of compensation and benefits worksheet will be helpful in seeing the breakdown.

Question: How often and when must the congregation act to establish the rostered minister's housing allowance?

Answer: The Congregation Council must officially act annually on a motion to establish a housing allowance, and this figure must be designated at the council's first regularly scheduled meeting of each year. Simply providing the figure in the budget of the congregation is not enough. This provision applies only to rostered ministers who do not live in a congregational parsonage. As clergy housing allowance now stands, the amount of housing allowance that can be excluded from taxable income is always the smallest of the following:

- The amount officially designated in advance, as "housing allowance by the rostered congregation/church organization; or
- The amount spent for the rostered minister's primary residence (down payment, principal and interest, utilities, taxes, insurance, furnishings, maintenance, etc.); or
- The fair rental value of the rostered minister's home including furnishings and costs of utilities (owned or rented).

Question: What is the purpose of a sabbatical and what resources are available to assist us in planning?

Answer: The word sabbatical comes from the same root as the word Sabbath, which means to cease or to rest. Rostered ministry is intense work. A sabbatical can be part of the plan to keep rostered ministers fresh and vital over the long haul. Sabbaticals should be mutually planned by rostered ministers, the Mutual Ministry Committee and the Congregation Council. The Lilly foundation, in Indianapolis, Indiana, has a clergy renewal grant program to assist pastors in the planning of and funding for sabbaticals. If a rostered minister chooses not to pursue a Lilly Grant to fund their sabbatical, please contact the synod office for resources to assist with planning for a Sabbatical.

Question: What resources are available for compensation planning for lay employees?

Answer: The Compensation Handbook for Church Staff is no longer available. We continue to look for helpful resources.

Question: What are the rates for part time rostered ministerial work?

Answer: When a congregation contracts for the services of a rostered minister on a part time basis, the recommended compensation is \$30-35 per hour plus expenses (meals and mileage, according to IRS rates) depending on the rostered minister's experience and the specific needs of the congregation.

Question: What are the guidelines for supply rostered ministers?

Answer: Compensation for Sunday supply preaching should be paid on the day of service as follows: One worship service at \$225 with \$50 for each additional Sunday service. An additional service that is not on Sunday will be \$175 with \$50 for each additional service on that day. The supply preacher is to be reimbursed for travel expenses (according to IRS rates), lodging and meals.

Question: Should we be providing our rostered ministers with the self-employment social security allowance (SECA)?

Answer: Yes. All employers pay half of the social security tax (FICA). According to IRS guidelines, rostered ministers are considered self-employed and, therefore a social security offset (SECA) is appropriate to provide them with the same benefit.

Definition of Compensation and Benefits Worksheet

Housing – No Parsonage

Defined Compensation

Base Salary _____

Housing Allowance _____

Social Security Allowance _____

Total Defined Compensation _____

Retirement & Other Benefits

www.porticobenefits.org

ELCA Retirement at ____%

ELCA Medical and Dental _____

Disability and Life Insurance _____

Total Retirement Benefits _____

Professional Expenses

Auto and Travel Allowance _____

Other Professional Expenses _____

Official Meetings _____

Continuing Education _____

Total Professional Expenses _____

Definition of Compensation and Benefits Worksheet

Housing – Parsonage Provided

Defined Compensation

Base Salary	_____
Housing Equivalence (30% of Base Salary)	_____
Base Salary x 0.30	_____
Social Security Allowance	_____
Total Defined Compensation	_____

Retirement & Other Benefits

www.porticobenefits.org

ELCA Retirement at ____%	_____
ELCA Medical and Dental	_____
Disability and Life Insurance	_____
Housing Equity Allowance	_____
Total Retirement Benefits	_____

Professional Expenses

Auto and Travel Allowance	_____
Other Professional Expenses	_____
Official Meetings	_____
Continuing Education	_____
Total Professional Expenses	_____

Model Congregational Sabbatical Policy

Southeast Michigan Synod

Introduction

It is important for both the congregation and the rostered minister to realize the importance of the minister's lifelong continuing education through workshops, seminary courses, and personal study. We have long been encouraged to provide time and financial assistance to enable rostered ministers to maintain and improve their skills. From time to time, however, it is very beneficial to the rostered minister, associate in ministry, or diaconal minister and the congregation for there to be an extended period of time for study, personal growth, and renewal without the demands of daily parish responsibilities. That extended time is called a sabbatical. Experience has shown that the congregation's ministry directly benefits from such study, growth, and renewal. Long-term ministry is revitalized and stimulated. The congregation, as well as the rostered minister, benefits from implementing a sabbatical policy.

This document should be given to the Mutual Ministry Committee and Congregation Council.

Purpose

A sabbatical leave is granted to provide an opportunity for a rostered minister to take an extended period of time for renewal, enrichment, study, spiritual growth, travel, skill development and research.

Eligibility

- Any full time rostered minister.
- A sabbatical may be taken after every 5 full years of service in the present call.

Duration

- A sabbatical will normally be for three months (including the two continuing education weeks normally granted).
- Vacation is not included as sabbatical time.
- The sabbatical leave may be split into two blocks of time. Both shall be taken within a twelve month period.

Cost to the Congregation

The congregation will continue to pay full salary and benefits (base salary, housing allowance, retirement and insurance coverage). Car allowance will not be paid during the sabbatical time.

- Accrued continuing education dollars can be used for the educational costs of the sabbatical - limited to an accrual of three years.

- The congregation will need to provide additional leadership support and service during the sabbatical time such as guest preachers for Sunday worship, teaching, leading the liturgy, confirmation camp, new member classes, visitation, funerals, weddings, etc.
- The congregation is not responsible to fund the sabbatical in any other way. However, the congregation may consider gifting as a means of providing financial assistance.

Planning

- Planning should begin the calendar year before the sabbatical so the congregation and rostered ministers can plan for financial and ministry adjustments.
- The rostered minister is expected to provide an outline of the planned use of the sabbatical time to the Mutual Ministry Committee. Working with this committee the rostered minister will develop and present to the Congregation Council the proposed sabbatical leave.
- The Southeast Michigan Synod can be contacted as a resource when planning the sabbatical.

Commitments Following the Sabbatical

- The rostered minister will submit a report of the sabbatical time and share the learning and experiences with the congregation.
- The rostered minister is expected to remain at least one additional year in the parish following the sabbatical.
- The Mutual Ministry Committee along with the Congregation Council shall evaluate the benefits and costs of the sabbatical as a basis for planning future sabbaticals.

Housing Allowance Resolution

(Congregational Council Minutes)

In order to permit (Name of Rostered minister) _____

to benefit from the provisions of Section 107 of the Internal Revenue Code of 1954, the Council

specifies that the total compensation paid to them during the calendar year ending

(Subsequent Year) _____ includes a housing allowance.

(Name of Rostered minister) _____ estimates

that they will spend \$_____ during the year for housing expenses.

Since such approval by the Council would permit them to deduct that amount from their

taxable income and has no further effect upon our congregation or budget, it was **RESOLVED,**

that the total compensation of \$_____

paid to (Name of Rostered minister) _____

include a housing allowance of \$_____ .

Signature

Title

Date

The above resolution should be included in the minutes of the Congregational Council prior to January 1 of each year. A copy should be made, signed and titled by the president or secretary of the congregation, and given to the rostered minister(s) for their records.



Part-Time Ministry Guidelines for The Southeast Michigan Synod

With thanks to the Northwest Synod of Wisconsin for creating a framework for this document.

The Evangelical Lutheran Church in America understands shared-time ministry to exist when Ordained Ministers of Word and Sacrament or Ordained Ministers of Word and Service are called to serve in one or more settings of this church while earning income from other employment or while devoting substantial time to other activities.

The ELCA defines ministry that is less than full-time to be “shared-time.” However, we will use “part-time” throughout this document, because it provides more clarity as to the type of work we are describing, which is primarily that of a solo pastor in a ministry setting which is not large enough to support them in full-time ministry.

The expectations for pastors have changed in terms of the types of work they are now expected to do beyond worship leadership, visitation and teaching. It is a challenge to both pastors and congregations to strike a balance in terms of what they expect and what the pastor can realistically do in an average work week. It is a challenge for those who work in full-time ministry. It is even more of a challenge for those who have part-time calls. But it can also provide opportunities for more flexibility on the part of Pastor and parish, and more growth in the lay leadership of the congregation.

Congregational mission and ministry needs do not change when a pastor is called less than full-time. The shift must happen in who takes responsibility for various tasks and aspects of mission and ministry. This is a conversation that is essential to happen in an open and honest way during the negotiating of the call process, and revised along the way during the tenure of the pastor serving the congregation. This is particularly important if the pastor has been under full-time call and is shifting to part-time; which missional areas will be fulfilled by the laity rather than the pastor?

While a part-time pastor in a staff situation may be called to serve in a particular ministry that is limited in scope (visitation, youth, education, for example), a part-time pastor in a solo pastor

role (most common in new part-time calls), will result in some things that will either not be done in that parish, or will be done by lay staff or volunteers. Congregations thinking of calling a part-time pastor will have to choose the focus of their leadership position, which may be:

- Focus on community relations, outreach and evangelism
- Focus on weekly worship
- Focus on adult congregational programming (Bible study, Sunday school, etc.)
- Focus on youth & children's programming (Bible study, Sunday school, confirmation, etc.)
- Focus on visitation (sick and homebound members, hospital, etc.)
- Other focus

One of these could be chosen as the primary focus for a part-time pastor, and one or two as secondary foci (which will be attended to if time permits after primary focus). Secondary areas will need solid lay leadership to assist the pastor. The other areas will have to move to lay leadership and staffing. This focus exercise and prioritization will be crucial for congregations preparing for a part-time call. While equipping leaders is an explicit and distinct role of all rostered leaders, it is especially important in part-time calls so they are feasible and reasonable for the good of the called leader as well as the mission of the congregation.

For congregations considering calling a part-time pastor, a conversation defining the expectations of the pastor is an essential part of the call process. These expectations and boundaries need to be overtly respected, the role of the pastor and congregation clearly defined, and an emergency plan, for when the pastor is not available, established and broadly understood. This emergency plan could include previous agreements with retired pastors, neighboring clergy, lay staff or other leaders.

Three Models for Part-Time Ministry

For most professionals, there is a societal assumption that the person will work at least 40 hours per week, on a somewhat predictable schedule (that the person will be in the office most weekdays- 5 days-from 8 am to 5 pm, for example). But most pastors will work more than that, because the job of a professional (as opposed to an hourly employee) is to work until the job is done.

For our purposes, the following are approximate guidelines:

- Full-time = 40-45 hours per week "regular" hours + 5-15 additional unscheduled hours
- 3/4-time = 30 hours per week "regular" hours + 5-10 additional unscheduled hours
- 1/2-time = 20 hours per week "regular" hours + 5-7 additional unscheduled hours

Pastors often define their job not in hours, but in number of days worked per week. Full-time pastors work 6 days a week, with one full day off during the week (usually Friday or Monday). Often pastors do not work every Saturday, but are scheduled frequently for special events. Sunday is almost always a mandatory work day, and vacation is usually determined by Sundays: the pastor has some flexibility in taking other days of the week off, but is expected, and usually covenanted, to be present 48 Sundays per year, with 4 off for vacation, and sometimes an additional 1 or 2 for continuing education.

The two broad models presented here should be part of the conversation between a call committee, Council and pastor. No one model will work for every situation and each call is contextual: but congregations must be aware that **calling a part-time pastor means a different model of ministry**, with more lay leadership, in any size congregation or ministry situation. This all needs to be negotiated between the congregation leadership and the pastor, and then communicated continually with the congregation.

Part-Time Pastor Model 1: Weeks (Including Sundays) Off Per Month

This model allows for a congregation to have a true picture of what part-time ministry looks like on a Sunday, and many pastors who have worked part-time consider a model that includes proportionate Sundays off the only fair model for pastors, who are otherwise simply expected to do a full-time job at a lower salary. This approach would give a part-time pastor the benefit of being able to have some full weekends with family who are often on more traditional work and school schedules. In this model, the pastor's vacation would be proportional as well (3/4 time pastors would have 3 weeks, 1/2 time pastors would have 2 weeks).

- For 3/4 time, 1 week (including Sunday) per month will be off (plus 3 weeks of vacation)
- For 1/2 time, 2 weeks (including Sundays) per month will be off (plus 2 weeks of vacation)

Part-Time Pastor Model 2: More Days a Week Off

As indicated in the benefits section of these recommendations (below), the part-time pastor working in this model should receive the full-time number of Sundays off (vacation), which is often 4 Sundays per year. (Note: Otherwise part-time pastors will be working more Sundays than full-time pastors.) In addition to this, a part-time pastor will have more than one day completely off, when no work is expected. At a minimum, this will mean that the congregation will need lay visitation people and some lay assistance with office tasks (phone messages, etc.), so that the part-time pastor truly is off those days, including being free to work at another job. For 3/4 time, 2 days per week will be off (plus standard 4 weeks of vacation) For 1/2 time, 3 days per week will be off (plus standard 4 weeks of vacation)

Part-Time Pastor Model 3: More Weeks of Per Year – The 80% Model

A new model that we have been working with in the Southeast Michigan Synod gives space and flexibility for both congregations and pastors. In this new model, which is ideal for congregations that can afford more than ¾ time but less than full time, pastor is provided with an extra 4 weeks of vacation per year. These four weeks can be taken in one contiguous block or be split into two, two week blocks. For the remaining 11 months of the year, pastor will serve in a full time capacity, and be allowed 4 weeks vacation, including Sundays as well as 2 weeks continuing education time, including Sundays. These weeks of vacation taken during the 11 months may not be taken in close proximity to the additional vacation time.

Implications of Part-Time Ministry

As mentioned above, part-time ministry requires a radical rethinking of the role of the pastor, the role of the congregation, and the kind of training that is necessary for both clergy and lay

persons. The following is a list of implications for congregations and pastors to consider in regards to part-time ministry.

- Using a Coach – It is highly recommended for pastors to use a coach to walk with them as they move into part-time ministry. This coach would be available to pastor to assist each in developing their own support structures so that their ministry may be enhanced.
- Having Mutual Ministry Support – Part-time ministry requires a change in how the work of the congregation gets done. A strong ministry support system is required for the health of the pastor and the congregation so that the congregation can make sure the pastor is not overworking and so that they are not expecting too much of the pastor.
- Training of Laity – Congregations are encouraged to utilize programs such as Stephen Ministry, which equips lay persons with skills to provide coverage when the need arises on those days and/or weeks the pastor is off.
- Strong Collegiality – Congregations in part-time ministry will need strong, collegial relationships with their ELCA and ecumenical peers so that there is pastoral presence when tragedy strikes and their pastor is unavailable to be present.

Rostered leaders are professionals by training, qualification, and function. Whether a rostered leader is in a full-time or part-time call, certain needs exist for the rostered leader to maintain their health and relationships with their families, congregations and the church. There are simply some things a rostered leader cannot do without if they are to faithfully carry out their role in the church. These necessities include participation in continuing education, First Call Theological Education, official meetings, and local gatherings of clergy. Congregations are encouraged to pay these expenses as well as any professional ministry dues and subscriptions. Please refer to the Southeast Michigan Synod Compensation Guidelines for recommended amounts.

Concluding Remarks

The purpose of this document is to start a series of conversations. The first is a conversation in a congregation considering a part-time call. A call committee and/or Council must engage the congregation in a conversation about what a part-time call will look like, and specifically, what pastoral tasks will not be part of the call, what tasks will be prioritized, and what tasks will be taken over by lay staff and members of the congregation. The congregation and call committee/Council should also be in conversation with the synod as they shape this new call.

Second, these congregational conversations must be supported by a conversation in our synod about how we as a body support congregations with part-time pastors and pastors in part-time calls. This must include addressing things like supply presiders, funding for coaching, and many other issues. These synod conversations also need to include larger congregations that might be able to help their neighbors.

Third, this is clearly part of a larger conversation in the ELCA. The question of what the church will look like in the future includes what it will look like in the growing number of congregations that cannot support full-time ordained pastors. For instance, how will we adapt seminary education so that pastors do not leave seminary with large amounts of debt and arrive at part-

time calls? If we expect some pastors to be bi-vocational, how will we create seminary programs and church work schedules that actually allow for that? How will we adjust to more part-time pastors at the same time as we continue to move toward most ELCA congregations offering communion at every worship service? As with many other issues, finding our way into the next generation of the church in this place will require deep theological thinking, working and talking together, and much prayer.

We pray that these conversations will result not only in ways to make part-time ministry possible, but to allow it to be a blessing to congregations, strengthen lay leadership, widen career and family options for clergy, and witness to the creativity and tenacity of the Christ's church.