

# MINIMUM COMPENSATION GUIDELINES

## For Full-time and Part-time Ministers of Word and Sacrament

**2023**

**2024**

SOUTHWESTERN PENNSYLVANIA SYNOD

EVANGELICAL LUTHERAN CHURCH IN AMERICA

For Use by Congregations  
Providing a Housing Allowance

**AND**

For Use by Congregations  
Providing a Parsonage

*These Guidelines, established by the Southwestern Pennsylvania Synod Assembly, are provided to assist congregations develop and maintain a financial compensation package for Ordained Ministers of Word and Sacrament of our synod that is both fair and competitive.*

*The policy established by Synod Assembly action in 1997 states:*

The Bishop of the Southwestern Pennsylvania Synod is precluded from placing pastors in congregations where minimum compensation cannot be met. [Minimum compensation shall consist of that year's cash salary, housing, Social Security allowance, required pension and health benefits, mileage, continuing education allowance, four weeks' vacation, and two weeks of continuing education time.]

## INTRODUCTION

If the call of a Minister of Word and Sacrament is for less than full-time (e.g., one-half time, three-quarters time) then the amounts listed in these guidelines for Cash Salary, Social Security Allowance, Housing Allowance, Professional Expenses and Vacation are to be calculated proportional to the part-time call. Thus, for example, if a pastor receives a part-time call equivalent to one-half time then the Cash Salary is to be one-half that of the Cash Salary for full-time; and the Housing Allowance, Professional Services and Vacation amounts are to be proportional to the mutual benefit of the pastor and the congregation.

### I. DEFINED COMPENSATION

#### Cash Salary

The minimum base cash salary for a new full-time Minister of Word and Sacrament (0 years of experience as an ordained pastor) is ~~\$41,694.0145,321~~. This reflects a cost of living increase of ~~5.98.7%~~ (this was the Social Security increase from ~~2021~~) ~~and a Synod Equalization Adjustment [bringing our synod to parity with surrounding synods] of \$572.2022~~). For pastors with years of experience, **\$400 for each year ordained** should be added to the **current** minimum base cash salary to determine the appropriate cash salary. The minimum base cash salary with years ordained additive should be used to calculate the minimum base cash salary for a part-time pastor. An additional amount may be added to reflect factors such as scope of responsibilities and/or exceptional proficiency. Additional compensation should be considered for the experience and needs of second career pastors.

The Synod Assembly encourages congregations to strive to raise their pastor's compensation above synod minimums. A congregation that has raised compensation above minimum guidelines may wish to calculate increases based on the congregation's budget from the previous year.

In cases where pastors are serving more than one ministry site, additional compensation, above minimum guidelines, should be considered.

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Yrs Service	2022 Base	2021 COLA	Synod Equal Fig	yrs +400	2023
0	\$38,830.98	\$2,291.03	\$572.00	\$ -	\$41,694.01
1	\$38,830.98	\$2,291.03	\$572.00	\$400.00	\$42,094.01
2	\$38,830.98	\$2,291.03	\$572.00	\$800.00	\$42,494.01
3	\$38,830.98	\$2,291.03	\$572.00	\$1,200.00	\$42,894.01
4	\$38,830.98	\$2,291.03	\$572.00	\$1,600.00	\$43,294.01
5	\$38,830.98	\$2,291.03	\$572.00	\$2,000.00	\$43,694.01
6	\$38,830.98	\$2,291.03	\$572.00	\$2,400.00	\$44,094.01
7	\$38,830.98	\$2,291.03	\$572.00	\$2,800.00	\$44,494.01
8	\$38,830.98	\$2,291.03	\$572.00	\$3,200.00	\$44,894.01
9	\$38,830.98	\$2,291.03	\$572.00	\$3,600.00	\$45,294.01
10	\$38,830.98	\$2,291.03	\$572.00	\$4,000.00	\$45,694.01
11	\$38,830.98	\$2,291.03	\$572.00	\$4,400.00	\$46,094.01
12	\$38,830.98	\$2,291.03	\$572.00	\$4,800.00	\$46,494.01
13	\$38,830.98	\$2,291.03	\$572.00	\$5,200.00	\$46,894.01
14	\$38,830.98	\$2,291.03	\$572.00	\$5,600.00	\$47,294.01
15	\$38,830.98	\$2,291.03	\$572.00	\$6,000.00	\$47,694.01
16	\$38,830.98	\$2,291.03	\$572.00	\$6,400.00	\$48,094.01
17	\$38,830.98	\$2,291.03	\$572.00	\$6,800.00	\$48,494.01
18	\$38,830.98	\$2,291.03	\$572.00	\$7,200.00	\$48,894.01
19	\$38,830.98	\$2,291.03	\$572.00	\$7,600.00	\$49,294.01
20	\$38,830.98	\$2,291.03	\$572.00	\$8,000.00	\$49,694.01
21	\$38,830.98	\$2,291.03	\$572.00	\$8,400.00	\$50,094.01
22	\$38,830.98	\$2,291.03	\$572.00	\$8,800.00	\$50,494.01
23	\$38,830.98	\$2,291.03	\$572.00	\$9,200.00	\$50,894.01
24	\$38,830.98	\$2,291.03	\$572.00	\$9,600.00	\$51,294.01
25	\$38,830.98	\$2,291.03	\$572.00	\$10,000.00	\$51,694.01
26	\$38,830.98	\$2,291.03	\$572.00	\$10,400.00	\$52,094.01
27	\$38,830.98	\$2,291.03	\$572.00	\$10,800.00	\$52,494.01
28	\$38,830.98	\$2,291.03	\$572.00	\$11,200.00	\$52,894.01
29	\$38,830.98	\$2,291.03	\$572.00	\$11,600.00	\$53,294.01
30	\$38,830.98	\$2,291.03	\$572.00	\$12,000.00	\$53,694.01
31	\$38,830.98	\$2,291.03	\$572.00	\$12,400.00	\$54,094.01
32	\$38,830.98	\$2,291.03	\$572.00	\$12,800.00	\$54,494.01
33	\$38,830.98	\$2,291.03	\$572.00	\$13,200.00	\$54,894.01
34	\$38,830.98	\$2,291.03	\$572.00	\$13,600.00	\$55,294.01
35	\$38,830.98	\$2,291.03	\$572.00	\$14,000.00	\$55,694.01
36	\$38,830.98	\$2,291.03	\$572.00	\$14,400.00	\$56,094.01
37	\$38,830.98	\$2,291.03	\$572.00	\$14,800.00	\$56,494.01
38	\$38,830.98	\$2,291.03	\$572.00	\$15,200.00	\$56,894.01
39	\$38,830.98	\$2,291.03	\$572.00	\$15,600.00	\$57,294.01
40	\$38,830.98	\$2,291.03	\$572.00	\$16,000.00	\$57,694.01

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Yrs Service	2023 Base	2022 COLA	yrs +400	2024
0	\$41,694.01	\$3,627.38	\$ -	\$ 45,321.39
1	\$41,694.01	\$3,627.38	\$400.00	\$ 45,721.39
2	\$41,694.01	\$3,627.38	\$800.00	\$ 46,121.39
3	\$41,694.01	\$3,627.38	\$1,200.00	\$ 46,521.39
4	\$41,694.01	\$3,627.38	\$1,600.00	\$ 46,921.39
5	\$41,694.01	\$3,627.38	\$2,000.00	\$ 47,321.39
6	\$41,694.01	\$3,627.38	\$2,400.00	\$ 47,721.39
7	\$41,694.01	\$3,627.38	\$2,800.00	\$ 48,121.39
8	\$41,694.01	\$3,627.38	\$3,200.00	\$ 48,521.39
9	\$41,694.01	\$3,627.38	\$3,600.00	\$ 48,921.39
10	\$41,694.01	\$3,627.38	\$4,000.00	\$ 49,321.39
11	\$41,694.01	\$3,627.38	\$4,400.00	\$ 49,721.39
12	\$41,694.01	\$3,627.38	\$4,800.00	\$ 50,121.39
13	\$41,694.01	\$3,627.38	\$5,200.00	\$ 50,521.39
14	\$41,694.01	\$3,627.38	\$5,600.00	\$ 50,921.39
15	\$41,694.01	\$3,627.38	\$6,000.00	\$ 51,321.39
16	\$41,694.01	\$3,627.38	\$6,400.00	\$ 51,721.39
17	\$41,694.01	\$3,627.38	\$6,800.00	\$ 52,121.39
18	\$41,694.01	\$3,627.38	\$7,200.00	\$ 52,521.39
19	\$41,694.01	\$3,627.38	\$7,600.00	\$ 52,921.39
20	\$41,694.01	\$3,627.38	\$8,000.00	\$ 53,321.39
21	\$41,694.01	\$3,627.38	\$8,400.00	\$ 53,721.39
22	\$41,694.01	\$3,627.38	\$8,800.00	\$ 54,121.39
23	\$41,694.01	\$3,627.38	\$9,200.00	\$ 54,521.39
24	\$41,694.01	\$3,627.38	\$9,600.00	\$ 54,921.39
25	\$41,694.01	\$3,627.38	\$10,000.00	\$ 55,321.39
26	\$41,694.01	\$3,627.38	\$10,400.00	\$ 55,721.39
27	\$41,694.01	\$3,627.38	\$10,800.00	\$ 56,121.39
28	\$41,694.01	\$3,627.38	\$11,200.00	\$ 56,521.39
29	\$41,694.01	\$3,627.38	\$11,600.00	\$ 56,921.39
30	\$41,694.01	\$3,627.38	\$12,000.00	\$ 57,321.39
31	\$41,694.01	\$3,627.38	\$12,400.00	\$ 57,721.39
32	\$41,694.01	\$3,627.38	\$12,800.00	\$ 58,121.39
33	\$41,694.01	\$3,627.38	\$13,200.00	\$ 58,521.39
34	\$41,694.01	\$3,627.38	\$13,600.00	\$ 58,921.39
35	\$41,694.01	\$3,627.38	\$14,000.00	\$ 59,321.39
36	\$41,694.01	\$3,627.38	\$14,400.00	\$ 59,721.39
37	\$41,694.01	\$3,627.38	\$14,800.00	\$ 60,121.39
38	\$41,694.01	\$3,627.38	\$15,200.00	\$ 60,521.39
39	\$41,694.01	\$3,627.38	\$15,600.00	\$ 60,921.39
40	\$41,694.01	\$3,627.38	\$16,000.00	\$ 61,321.39

**Social Security Allowance**

The pastor must pay 15.3% Social Security tax on the total of cash salary, Social Security allowance and housing allowance. If there is a difference between the auto and professional allowances and

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the actual expenses in those areas, Social Security Tax will also be owed on the amount that is over expenses. Congregations are urged to provide an allowance of **at least 50% of the Social Security tax** (as is provided for employees by their employers). [The total of cash salary and housing allowance may be multiplied by .08284 to determine the congregation's approximate share of the Social Security tax.]

### **For Congregations Providing a Housing Allowance**

The minimum housing allowance is **\$18,490,098**. This number reflects the ~~2021~~2022 social security cost of living adjustment of ~~5.98.7~~%. Congregations located in areas of the synod where housing is costlier should consider an additional amount.

- Per IRS regulations, at the request of the minister of word and sacrament, a portion of cash salary (up to 100%) may be reallocated as housing allowance. This is particularly important for retired ministers of word and sacrament as well as those serving part-time calls.

### **For Congregations Providing a Parsonage**

When the congregation provides a parsonage as part of the compensation package the following factors should be noted.

- The pastor should receive free use of the parsonage including maintenance and utilities (i.e. telephone, internet, electric, gas, waste and recycling pickup, sewage, water).
- For tax purposes, a portion of the cash salary may be designated as a "furnishings allowance" either in the congregational budget or by motion at the first council meeting of the year. The pastor is responsible to document the use of the furnishings allowance to the IRS and to pay tax on any portion not used.
- In order to calculate the Social Security allowance and the Portico Benefit Services payments, establish the fair rental value of the parsonage OR calculate 30% of the cash salary plus social security allowance, plus furnishings allowance.
- A housing equity allowance may be extended as an additional benefit for pastors who live in parsonages and are not acquiring the financial gains that can come from owning a home.

## **II. REIMBURSABLE MINISTRY EXPENSES**

**Changes in Federal Taxes:** Allowances for travel, etc. are no longer permitted. However, REIMBURSABLE MINISTRY EXPENSES are permitted. The Committee on Ministry suggests that ministers provide receipts, mileage logs, etc. in a written report to the church treasurer. Congregations should develop a reimbursable ministry expense form to be submitted monthly.

### **Travel Reimbursement**

Two options are available:

1. Reimbursement for miles driven according to the ~~2023~~2024 IRS allowance
2. Furnish a car and all related expenses (gas, maintenance, insurance, etc.)

It is also appropriate for the congregation to reimburse the pastor for tolls, parking, and other travel-related expenses when such expenses are incurred during call-related travel (not commuting to/from work).

### **Continuing Education**

In the Evangelical Lutheran Church in America, congregations and Ministers of Word and Sacrament

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are expected to contribute annually to a continuing education fund or to maintain an annual budget line from which the pastor draws for continuing education expenses. The establishment of a fund enables money to be carried between years so that the pastor will be able to participate in a broader scope of continuing education events. Congregations that have called full-time pastors are recommended to contribute **\$1000** for continuing education with a **\$700 minimum**; and full-time pastors are to contribute **\$300**. Congregations that have called part-time pastors are to contribute an amount proportional to the terms of the call. Registration fees, materials, lodging, meals and travel expenses are included in continuing education expenses. Two full weeks, including two Sundays, of continuing education per year is expected for both full-time and part-time pastors. We especially encourage congregations to support the pastor's attendance at the theological convocation held each October.

- At the request of the minister of word and sacrament, a portion of cash salary may be reallocated within the congregation's budget as continuing education reimbursement.

### **First Call Theological Education (FTCE)**

All persons newly ordained in the Evangelical Lutheran Church in America are expected to participate in FCTE for three years. Congregations served by a pastor in FCTE are invoiced by Region 8 for the congregation's share of financial support for the annual retreat and colleague groups. The synod contributes an equal amount for each person. It is intended that the FCTE fee be taken from the reimbursable continuing education expenses, leaving the remaining amount for participation in other educational activities.

### **Publications and Media Resources**

It is recommended that the congregation pay for books, journals, software, etc. directly or as a direct expense reimbursement so that this will not be taxable income for the pastor. An annual budget line of at least **\$200** is recommended for both full-time and part-time pastors.

### **Professional Expenses**

Congregations should also take into account other expenses that the pastor may incur related to church business. These expenses may include, for example, the cost of vestments, clerical attire, or attendance at meetings. An annual budget line of **\$400** from which such items can be reimbursed is recommended for full-time pastors. Part-time pastors should receive a proportional amount.

### **Synod Assembly Costs**

It is the responsibility of the congregation to provide the financial support necessary for the pastor(s) to attend the Synod Assembly.

### **Technology**

In our current environment, computers, and other technological items are often considered essential to ministry. Congregations are encouraged to discuss the needs of the particular context. Congregations should assume the costs of a computer, cell phone service, or other needed items in accordance with IRS guidelines. Tax policy concerning technology reimbursement changes rapidly; please consult a tax professional to ensure compliance with the law.

## **III. BENEFITS**

Congregations are expected to enroll their Ministers of Word and Sacrament and their families in the ELCA Pension, Health and Dental, Disability and Survivor Plans. Calculations of contributions to pension, health and dental, disability and survivor plans are based upon "Defined Compensation." To determine "Defined Compensation," add together: cash salary, Social Security allowance, and housing allowance.

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### **Portico Health Plan – ~~2023~~2024**

To maintain the current level of health benefits for our Ministers of Word and Sacrament, their families and lay church workers, it is recommended that the congregations of the Southwestern Pennsylvania Synod offer to provide the Gold+ ELCA health plan option in ~~2023~~2024 for their rostered leaders and lay church workers. In some cases, Platinum, Silver+ or Bronze+ plans (with Health Savings Account contributions) may be more beneficial for rostered leaders and their families. Please be in conversation about these options and consult a Portico Representative for assistance in weighing options, especially for part-time rostered leaders.

### **Pension**

Congregations in the Southwestern Pennsylvania Synod are urged to provide a minimum contribution of 12% through Portico Benefit Services.

### **Health/Dental/Disability/Survivor Plans**

The Board of Directors for Portico Benefit Services establishes annually the contribution amounts required to fund the Health and Dental, Disability, and Survivor Plans. Contribution rates for the next year are normally available in the fall. Since the contribution rates vary for health and dental according to geographical location and age, you should contact Portico Benefit Services directly for rate information.

Phone: 800-352-2876; E-mail: [mail@porticobenefits.org](mailto:mail@porticobenefits.org) Website: <https://porticobenefits.org>

## **IV. CONDITIONS**

**Vacation:** A minimum of four weeks, including four Sundays, is expected for full-time pastors. Part-time pastors are expected to receive four part-time work weeks, including Sundays.

**Continuing Education:** Two full weeks, including Sundays, per year is expected for both full-time and part-time pastors. However, an agreement to allow these two weeks to be carried over in a three-year period allows the pastor the opportunity for a more extended leave for study.

### **Leave at Birth, Adoption or Foster Care, Sick Leave, Bereavement, and Family Illness:**

Please refer to the “Family Leave Policy of the Southwestern Pennsylvania Synod” which can be downloaded directly from the “For Congregations” section of the synod’s website <http://www.swpasynod.org>

**Sabbatical Leave:** Please refer to the “Sabbatical Leave Policy which can be downloaded directly from the “For Congregations” section of the synod’s website <http://www.swpasynod.org>

**ELCA Rostered Couples:** When a rostered couple both receive separate calls within the synod, the synodical bishop will assist congregations in establishing equitable considerations to the rostered couple. Congregations should note, however, that 1) Portico Benefit Services establishes the annual rates for benefits (which considers rostered couple plan members) outside the control of local synods, and 2) a congregation or combined parish is expected to provide all parts of the established minimum compensation guidelines, including housing, to extend an independent call to a rostered ELCA person.

## **V. INTERIM MINISTRY**

Please refer to the “Interim Ministry Guidelines” in consultation with the bishop of the synod. The “Interim Ministry Guidelines” can be downloaded from <http://www.swpasynod.org/>.