



**South Dakota Synod**

**Evangelical Lutheran  
Church in America**

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DRAFT

**Compensation and Guidelines for Ministers of Word and Service**

**2019**

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**Compensation and Guidelines for Ministers of Word and  
Sacrament, Ministers of Word and Service and Lay Leaders  
Recommendations for Conversation**

## **Mutual Ministry—More than a Once-A-Year Conversation**

The South Dakota Synod encourages congregations to form a Mutual Ministry Committee for each of its Ministers of Word of Sacrament and Ministers of Word and Service. The function of the Mutual Ministry Committee is to provide a space for conversation between pastoral and congregational leaders in order to grow together in ministry.

The functions of a Mutual Ministry Committee fall into four areas:

1. Identifying professional leadership needs for the congregation, preparing job descriptions, serving as the call or interview committee at the time when a congregation seeks to call a pastor, or as the exit interview group when a pastor leaves. Serving as the personnel committee, dealing with other staff, such as the secretary, organist, choir director, or custodian.
2. Identifying continuing education possibilities with the pastor in light of his/her and the congregation's needs, encourage developing a Continuing Education Covenant between pastor, church council, and the synod. Enabling the pastor to participate in such opportunities.
3. Providing on-going reflection on the needs and expectations of both pastor and congregation, guided by the mission statement of the congregation, and periodically reviewing the call/contract/appointment extended to the pastor, as provided for in the Letter of Call.
4. Serving as the personal and confidential support group to the pastor, and spouse, providing opportunities for open communication between congregation and pastor, initiating possibilities for reconciliation in times of conflict.
5. The synod office suggests a Mutual Ministry resource, "Pastor and People, Making Mutual Ministry Work," which can be ordered at [www.augsburgfortress.org](http://www.augsburgfortress.org).

A Mutual Ministry Committee may be composed of six members, three to be appointed each year for a term of two years. This committee shall be appointed jointly by the council president and pastor (or senior pastor). Committee members will hold no other office in the congregation during their term.

## **The Compensation Review Task Force**

A. Such a task force might be made up of two council members, chair of the Mutual Ministry Committee, and one member at large from the congregation. These should be persons who are representative of all segments of the congregation and they should take into account the following factors when specific dollar figures are recommended:

1. Pastors are professionals by training, qualification and function. Just compensation for the pastor will be parallel to persons who hold similar positions of responsibility in the community (superintendent of schools, principal, hospital administrator, etc.). An appropriate compensation package should be large enough so that a pastor does not have to rely on sporadic honorariums. (Honorariums are expressions of gratitude, not payment for services.)
2. An underpaid pastor will be undervalued. A well paid pastor has added incentive!
3. The salary scale provided in this document represents the minimum compensation for full time leadership. They are a starting point for salary discussions.

4. Other factors which need to be kept in mind are the economics of the parish, the degree of administrative responsibility, geographic location of the parish, non-parish experience of the pastor, the additional education of the pastor, and the effectiveness of the pastor.

B. At the first meeting, the task force meets with the pastor or other staff member in a review of responsibilities, goals attempted, and objectives achieved, inviting the pastor's input into the discussion using the following questions:

1. Briefly review your education and your experience in church work.
2. What has the congregation needed most from you this past year?
3. What was accomplished in the past year? What specific goals did you meet?
4. What are your goals and objectives for the coming year? (Pastors: write out the "specific responsibilities or emphasis" which you think the congregation need from you in the coming year, updating that part of your Letter of Call.)
5. What could the members of the congregation do to make your work more pleasant and effective? What are your family needs?
6. List your community and church activities outside the parish.
7. What do you consider fair compensation and benefits for the coming year? Why?

C. At the second meeting, the task force meets without the pastor/or staff member. Each member of the task force present prepares in written form a response to the following questions:

1. Based on last year's statement of expectations (Letter of Call), how would you evaluate your pastor's work during the past year?
2. What do you see as the special skills or strengths of your pastor (or staff member)?
3. What do you see as especially needed from this pastor (or staff member) in the coming year?
4. Identify your pastor/staff member's community and church-related activities outside the congregation and consider how those relate to the mission of your congregation.
5. How can the congregation or its leaders make your pastor/staff member's work more pleasant and effective.
6. Considering the factors listed above, what would you consider fair compensation and fringe benefits for your pastor (or staff member) for the coming year? Why?

D. At a third meeting, the pastor (or staff member) meets again with the committee and the following items are reviewed and discussed together:

1. The education, experience and special abilities of this pastor/staff member.
2. The specific ways this pastor/staff member's gifts and abilities are needed and used in the congregation.
3. What specific goals and objectives do you have for the congregation for the coming year stated in writing and what is needed from the pastor/staff member to meet those objectives?
4. What can the congregation or its leadership do to make the work of our leaders more pleasant and effective?
5. The activities of your pastor/staff member in your community and beyond it.
6. The task force's recommendations for salary and fringe benefits for the coming year and the rationale behind these recommendations.

## **Compensation for Ministers of Word and Service**

In matters of compensations and benefits, Ministers of Word and Service are similar in many respects to pastors. Major differences arise from the unique federal tax treatment given to pastors.

## **A. Minimum Base Salary Guideline**

This chart represents the minimum guidelines recommended for single point congregations. These figures represent base salary only and do not include housing and utilities, social security, pension, medical insurance, or any other benefits.

### **Additional Considerations:**

1. Add \$1,500 for Ministers of Word and Service with a master's degree and an additional \$1,500 for each year of supervised internship and/or graduate work
2. Multi-point Parishes: If a Minister of Word and Service serves two congregations, add \$2000; if three, add \$3000; etc.
3. Part-time Ministers of Word and Service will have consideration for salary and benefits corresponding to the duties, amount, and length of time of service.
4. A housing allowance or parsonage may also be provided. Please refer to respective guidelines for Ministers of Word and Sacrament.

\*After 20 years of service, add \$500 per step.

Years of Experience	Year of Ordination	Low	High
Graduate	2019	\$32,084.00	\$33,636.87
1	2018	\$32,805.89	\$33,452.00
2	2017	\$33,524.34	\$34,164.00
3	2016	\$34,235.05	\$34,869.00
4	2015	\$34,940.30	\$35,565.00
5	2016	\$35,639.10	\$36,252.00
6	2015	\$36,326.94	\$36,928.00
7	2014	\$37,006.25	\$37,593.00
8	2013	\$37,676.06	\$38,245.00
9	2012	\$38,331.63	\$38,884.00
10	2011	\$38,975.60	\$39,507.00
11	2010	\$39,607.00	\$40,115.00
12	2009	\$40,224.87	\$40,705.00
13	2008	\$40,824.22	\$41,278.00
14	2007	\$41,408.01	\$41,832.00
15	2006	\$41,971.16	\$42,365.00
16	2005	\$42,516.78	\$42,878.00
17	2004	\$43,043.99	\$43,378.00
18	2003	\$43,551.91	\$43,878.00
19	2002	\$44,057.11	\$44,378.00
20	2001	\$44,563.77	\$44,878.00

## **B. Social Security**

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The congregation is responsible for the employer share of the Social Security Tax. The employee share and applicable taxes shall be withheld from the employee's salary including housing if provided.

## **C. ELCA Pension and Other Benefits Plan**

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Ministers of Word and Service serving under call are eligible to enroll in the ELCA Pension and Other Benefits plan provided they are employed by an eligible employer and are scheduled to work at least 15 hours per week for six or more months per year.

## **D. Professional Expenses**

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Reimbursements for professional expenses are separate from expenditures for salary, housing, health and retirement. Please refer to *Appendix B, Minister's Accountable or Non-Accountable Reimbursement*".

### **1. Automobile Expenses**

Mileage shall be reimbursed at the current IRS rate. In lieu of such reimbursement, the congregation may lease or purchase a vehicle for the pastor's use. In this instance, the congregation shall seek that advice of a tax professional to determine how to account for the vehicle's use.

### **2. Professional Expenses**

Professional expenses such as books, robes, periodicals, professional dues, entertaining and hospitality costs incurred in the performance of the duties of the pastoral office shall be shared by the congregation. A minimum of \$300 should be provided annually. Attendance at the Synod Assembly and Synod Theological Retreats is required of all Ministers of Word and Sacrament and Ministers of Word and Service, and all costs for these events are to be paid by the congregation and are not considered continuing education.

### **3. Continuing Education**

Continuing education allows Ministers of Word and Services to intentionally update and acquire new skills for ministry. This is essential for effective, ongoing ministry in the congregation. The ELCA expects a minimum of 50 contact hours annually in continuing education. A contact hour is defined as a typical 50-minute classroom instructional session or the equivalent. Therefore, it is recommended that each year a minimum of two weeks including two Sundays and \$800 be made available to a Ministers of Word and Service for continuing education, cumulative up to six weeks and \$2400 over a three year period. There should be no reduction of time or funds for Ministers of Word and Service serving less than full time. For first call Ministers of Word and Service, please refer to *Appendix C, First Call Theological Education*.

#### **4. Sabbatical**

After every five years of service in a current call, this synod recommends that a Ministers of Word and Service be given a sabbatical from six weeks to three months with full pay, in lieu of two weeks continuing education time. The Ministers of Word and Service is expected to return to the present call for at least one year following the sabbatical. It is recommended that the Ministers of Word and Service and congregation begin planning at least one year prior to the sabbatical. Please refer to *Appendix D, South Dakota Synod Policy on Sabbaticals*.

#### **5. Moving Expenses**

A moving allowance shall be provided by the calling congregation to assist the Ministers of Word and Service with his/her move.

### **E. Sabbath and Time Off**

Adequate time off for Ministers of Word and Service is essential. Five days shall be the normal maximum workweek for clergy. The regular discipline of appropriate time off in a week is important to the ongoing energy and wellness of the Ministers of Word and Service for ministry. “Sabbath” rather than “day off” is recommended terminology.

Recognizing this document cannot be all-inclusive, when special circumstances arise it is best to engage the congregational council in conversation regarding needs and realities. This conversation should be guided by grace and mutual care/respect, recognizing the blessing it can be to the pastor as well as the congregation. As an additional resource in this conversation, the NWPA Synod of the ELCA has adopted the following to help guide their congregations:

([http://www.nwpaelca.org/uploads/3/1/5/3/3153921/2012\\_family\\_leave\\_guidelines-1.pdf](http://www.nwpaelca.org/uploads/3/1/5/3/3153921/2012_family_leave_guidelines-1.pdf))

#### **1. Annual Vacation Time**

The minimum vacation schedule for Ministers of Word and Service during the first four years of service should be three work weeks, including three Sundays, per year. Beginning with the fifth year, and thereafter, it is recommended that four workweeks, including four Sundays, be given each year. Additional weeks of vacation may be given upon additional years of service. Years of service means total years in Ministers of Word and Service service or parish ministry not just the years served in this parish. Legal holidays are not considered vacation days.

Annual vacation time may be taken periodically during the year, at the mutual convenience of the Ministers of Word and Service and the congregation, including during the Ministers’ of Word and Service initial year of ministry to the congregation. Vacation time should not be carried over from one year to another year.

#### **2. Holidays**

Holidays should be granted off in addition to vacation days. When the services of a Ministers of Word and Service are required on recognized holidays, time off with pay should be granted at another time with minimal disruption to the congregation. The following days are traditionally considered holidays: New Year’s Day, Martin Luther King, Jr. Day, Easter Monday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

#### **3. Personal Days**

Two personal days may be taken annually at the discretion of the Ministers of Word and Service, in consultation with the congregational council president or executive committee.

#### **4. Sick Leave**

Sick leave for full time rostered ministers will be 24 days per year. For accounting purposes sick leave will accrue at two (2) days per month. Sick leave does not carry over. Sick leave accrual is prorated for personnel working 20-40 hours per week, to a maximum of 12 days. Personnel working less than 20 hours per week do not accrue sick leave.

Sick leave is paid at the personnel's base rate.

No payment will be made for unused, accumulated sick leave at the time of separation.

#### **5. Disability**

The Disability Process for rostered ministers is defined in the Letter of Call.

#### **6. Parental Leave**

Six weeks of parental leave with full salary, housing, and benefits is appropriate when a child is born or adopted.

#### **7. Bereavement Leave**

One week including one Sunday is to be made available for Ministers of Word and Service following the death of a member of their immediate family, including the loss of a pregnancy. Additional paid leave should be considered following the death of a child or spouse.

#### **8. Military Leave**

By law, a congregation whose Ministers of Word and Service serves simultaneously in a military unit must grant leave time for the leader to fulfill his/her military obligations. Such leave is to be granted exclusive of vacation and continuing education time. It is recommended that congregations develop explicit written policies relating to compensation issues for Ministers of Word and Service while on military leave. Policy guidelines are available from the ELCA Federal Chaplaincy website ([www.elca.org/federalchaplains/involuntarycallupguidelines.html](http://www.elca.org/federalchaplains/involuntarycallupguidelines.html))

#### **9. Transition Time**

A Ministers of Word and Service moving from one call to another may be permitted a transition period of one week (including a Sunday) of paid leave time, paid by the calling congregation, during which no official duties would be expected by the calling congregation, local conditions permitting.

#### **10. Wellness Dollars**

A “Wellness Reimbursement Fund” of \$300 may be established to assist the Ministers of Word and Service in continuing healthy activities.

## **Appendix A**

### **ROSTERED LEADER'S REIMBURSEMENT**

#### **“Accountable” Plan**

The Ministers of Word and Service is considered an employee. The congregation is responsible for their expenses, such as professional allowance and mileage. Therefore, all Ministers of Word and Sacrament and Ministers of Word and Service shall use an “accountable plan” for expenses. Reimbursed amounts are not considered taxable income. It is recommended that Congregations provide a line item in their annual budget for each item to be reimbursed. Each month the leader submits verification of expenses in the form of receipts and log of mileage. It is strongly recommended that reimbursements are paid with a separate check.

#### IRS guidelines for an “accountable plan”

1. The church is required to have a written reimbursement plan that must be recorded in the council minutes. (See below.)
2. The church is required to identify reimbursements either by making separate payment or by specifying the amount of both wages and reimbursement if they are combined in a single payment.
3. The rostered leader must adequately account to the church for the expenses he/she wishes to have reimbursed.
4. The rostered needs to keep a daily expense book, receipts, canceled checks, and credit card slips as well as an auto mileage log.
5. If a rostered leader receives an advance of expenses, (e.g. if a leader is going to a conference or continuing education event) the pastor must save receipts and return any excess reimbursement over the expenses for which he/she did not adequately account.
6. A church representative (It is recommended that this person not be the treasurer but perhaps someone from the executive board or management committee) needs to examine the substantiating records, which should be kept at least four years by the church.

A written accountable professional expense reimbursement plan might read as follows:

This parish recognizes the minister will incur expenses for which the congregation is responsible. We name, \_\_\_\_\_, who will substantiate the records professional expenses include, but are not limited to the following:

1. Purchases of books, magazines and tapes up to a designated amount.
2. Entertainment of visiting church leaders.
3. Hosting and entertaining local church members and groups.
4. Dues to clergy associations and other professional organizations.
5. Professional clothing (robes, stoles, collars, etc.), including dry cleaning.
6. Office supplies, postage.
7. Auto<sup>1</sup>

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<sup>1</sup> If the congregation wishes, the auto and professional reimbursement can be combined under one line item which includes mileage reimbursement at IRS recommended rate and professional reimbursement as listed in 1-6 above.

## **Appendix B**

### **FIRST CALL THEOLOGICAL EDUCATION**

All new Ministers of Word and Sacrament and Ministers of Word and Service will participate in structured programs of theological education during their first three years of service under call. The purpose of First Call Theological Education is to enhance the transition from seminary to parish. The desired outcome is that during their first three years under call, pastors and Ministers of Word and Service of the ELCA will have made the initial transition into their respective leadership roles and will have grown in knowledge of God's Word and the Lutheran confessional witness, in love for Jesus Christ and his Church, and in commitment to its mission.

In order to address this common purpose, ELCA programs of First Call Theological Education will give special attention to:

1. Personal development of leadership style and collegiality, spiritual discipline, and ministerial identity appropriate to the respective rosters;
2. Competence in and overall integration of various aspects of the practice of ministry;
3. Discernment of the local and regional context of ministry.

Congregations are asked to covenant with the Rostered Leader to support their participation in the First Call program. This program means 50 hours of continuing education during each of the first 3 years of service.

Key components are:

1. A 3-day core event held annually in several locations in the region, which constitutes 25 contact hours.
2. 25 contact hours of elective experiences and events: seminars, workshops, synodical or churchwide events, etc.
3. Participation in regular meetings with colleagues or a mentor.
4. Structured reading designed to support and extend the other education components in fulfilling the goals of the program.

First-Call resources, including a 24-minute video "First Call Theological Education" and printed materials explaining the program, are available from the synod office.

## **Appendix C**

### **SABBATICAL RECOMMENDATIONS**

A Rostered Leader is eligible for a sabbatical after five full years of service in the same congregation. The concept of sabbatical is grounded on the biblical idea of Sabbath rest. The example of Jesus, who frequently sought out a quiet place where he could meditate and pray, away from the constant demands of the crowds, is a strong model for a sabbatical. Unlike a vacation, a sabbatical is intended for purposeful reflection and restoration. A sabbatical also provides the opportunity for the congregation to experience the freshness of a break in the rhythm of parish life and leadership. Conversation about a sabbatical could begin with the Mutual Ministry Committee, executive/personnel committee, church council or a task force formed for this particular assignment. The following guidelines give some helpful information.

1. A sabbatical provides the professional leader a measured time to step aside from congregational responsibilities in order to pursue opportunities for a renewal of vision and perspective. It creates space for creativity, rest and renewal, and may include continuing education, travel, a concentrated time to study or read, reconnection with immediate or extended family, and time away for spiritual renewal. Rested and energized pastors are likely to have longer and healthier calls in a congregation. Sabbaticals give congregations the opportunity to provide and experience new leadership opportunities. A sabbatical is a way for a congregation to express how much it values the rostered leader.
2. A sabbatical may be taken after five full years of service in a particular parish. Years of service can accumulate between calls but should be agreed upon at the time of the new call. A sabbatical will normally be for 12 weeks and should not be less than 6 weeks. The full 12 week sabbatical may include up to two weeks of vacation, a 10 week sabbatical may include up to one week of vacation, and a 6 week sabbatical would normally not include vacation time. Regardless of the length, the sabbatical needs to be consecutive weeks of time away. Clergy are expected to continue ministry in that congregation for at least one year after the sabbatical.
3. The congregation will continue to pay full salary and benefits for the rostered leader who is on sabbatical. The congregation will recruit a temporary minister and provide a salary in the rostered leader's absence.
4. The congregation is not under obligation to fund the cost of the sabbatical itself. Continuing education dollars, which can be accrued up to three years, can be used for the educational costs of the sabbatical. Planning for the sabbatical should begin the calendar year before the sabbatical is planned.

Here are some resources that congregations and Ministers of Word and Sacrament and Ministers of Word and Service may find helpful:

1. "Creating a Sabbatical Plan", a Lutheran Partners article by Pastor John R. Gugel, at [www.elca.org/lutheranpartners/archives/sabplan.html](http://www.elca.org/lutheranpartners/archives/sabplan.html).
2. "Sabbaticals are a win-win", an article in the July 2007 issue of The Lutheran, [www.thelutheran.org](http://www.thelutheran.org).
3. "Changing the Rhythm of Parish Ministry: Sabbatical Policy Insights," a 13 minute video that looks at sabbaticals through the experiences of three pastors and one congregational member. It comes with an 11-page study guide and is available at the Lutheran Resource Center at [www.lutheranresourcecenter.org](http://www.lutheranresourcecenter.org).
4. "Clergy Renewal: The Alban Guide to Sabbatical Planning" by A. Richard Bullock and Richard J. Bruesehoff.
5. "Why Should You Give Your Pastor a Sabbatical?" a video featuring Roy Oswald that is available from the Alban Institute.
6. Wheat Ridge Ministries ([www.wheatridge.org](http://www.wheatridge.org)) and the Lilly Endowment (<http://www.lillyendowment.org/religion.html>) both offer sabbatical grant opportunities to pastors and congregations.
7. For additional resources go to [www.elca.org/health/resources.html](http://www.elca.org/health/resources.html)

## **Appendix D**

### **SOUTH DAKOTA SYNOD MOVING POLICY**

Good beginnings are important. It is advantageous that the mutual ministry between pastor and congregation "get off on the right foot." It is urged that both congregation and pastor give thoughtful consideration to the needs of the other when undertaking a move. Because moving can be an exciting and very stressful event in a person's life, it is important that the congregation and pastor reach a mutually satisfactory agreement before the move actually takes place. The following guidelines are to help pastor and congregation in their moving and transportation negotiations.

The congregation shall be responsible for moving all household, professional and personal goods of the pastor and his/her family. It is recommended that professional movers be utilized. If their services are not used, the means of transporting pastor's goods must be mutually agreed upon ahead of time. When the services of professional movers are not used, it is strongly recommended that a separate insurance policy that will cover the transported goods be purchased by the congregation. These policies are available from most insurance agencies.

The congregation is not necessarily responsible for, but may choose to assume, the expenses of moving certain items. Items such as livestock as well as certain collections and hobbies, which would incur excessive expense, should be noted by the pastor before moving. The congregation can then decide if they would or would not incur the added expense. A mutually satisfactory moving policy that is agreed to ahead of time can help insure that the ministry of congregation and pastor will have a good beginning.

## Compensation Worksheet for Ministers of Word and Service

*This worksheet is designed to help congregations build a compensation package for Ministers of Word and Service using the synod's guidelines. Each item below is described within this document. Use only items which apply.*

	<i>This Year</i>	<i>Guidelines</i>	<i>Proposed</i>
<b>I. Salary</b>	\$ _____	\$ _____	\$ _____
<b>II. Housing</b>	\$ _____	\$ _____	\$ _____
<b>III. Social Security</b>	\$ _____	\$ _____	\$ _____
<b>IV. ELCA Pension and Other Benefits<sup>1</sup></b>			
A. Pension	\$ _____	\$ _____	\$ _____
B. Medical	\$ _____	\$ _____	\$ _____
C. Disability	\$ _____	\$ _____	\$ _____
<b>V. Other Benefits</b>			
A. Insurance	\$ _____	\$ _____	\$ _____
B. Pension	\$ _____	\$ _____	\$ _____
C. Other	\$ _____	\$ _____	\$ _____

## **VI. Reimbursements**

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<sup>1</sup> Contact Portico Benefit Services at 1-800-352-2876 (Monday-Friday, 7:30 am-5:00 PM CST) or visit their website for compensation calculators at [www.elcabop.org](http://www.elcabop.org).

- A. Automobile \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_
- B. Business/Professional \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_
- C. Continuing Education \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_
- E. Other \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

**Total Value of Compensation** \$ \_\_\_\_\_ \$ \_\_\_\_\_ \$ \_\_\_\_\_

**V. Agreements**

- A. Vacation time of \_\_\_\_\_ weeks and \_\_\_\_\_ Sundays.
- B. Continuing education time of \_\_\_\_\_
- C. Other \_\_\_\_\_  
\_\_\_\_\_

