South Dakota Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Compensation and Guidelines for Ministers of Word and Sacrament & Ministers of Word and Service

2022

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Compensation Guidelines for Ministers of Word & Sacrament, Ministers of Word & 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 and 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 to grow together in ministry.

Please refer to *Appendix G: Mutual Ministry Committee – More than a Once-a-Year Conversation.*

The Compensation Review Task Force

Pastors are professionals by education, qualification, and function. Appropriate compensation for the pastor will be parallel to persons who hold similar positions of responsibility in the community: superintendent of schools, principal, hospital administrator, bank president/manager etc.

The salary scale provided in this document represents the minimum compensation for full time leadership. It is a starting point for salary discussions.

The base salary is just one component of the pastor's total compensation. Consideration must be given to housing, Social Security/Medicare, pension, health insurance, disability and life insurance. Frequently, these benefits are an additional 90-125% of the base salary.

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

Please refer to *Appendix H: Compensation Review Task Force*

Ministers of Word & Sacrament and Ministers of Word & Service

A. 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.

New for 2022: Ministers of Word and Service (Deacons) should be paid according to these guidelines.

This guideline chart for 2022 includes a 1.5% increase in the base salary for new graduates.

Additional Considerations:

1. Pastors with advanced degrees: i.e., DMin, PhD, STM, or other degrees the congregation deems germane to their ministry, add $1000.

2. Multi-point Parishes: If a pastor serves two congregations, add $2000; if three, add $3000; etc.

3. Large Congregations: For congregations over 600 baptized, add $1500. Administrative pastors serving congregations of over 900 members and supervising staff, add $3000.

4. Part-time Ministers of Word and Sacrament will have consideration for salary and benefits corresponding to the duties, amount, and length of time of service.

5. **Add $500 per year over 40 years.

Years of Experience	Year of Ordination	Low	High
Graduate	2022	$ 37,559	$ 39,095
1	2021	$ 38,235	$ 39,781
2	2020	$ 38,909	$ 40,465
3	2019	$ 39,580	$ 41,145
4	2018	$ 40,248	$ 41,822
5	2017	$ 40,912	$ 42,493
6	2016	$ 41,571	$ 43,160
7	2015	$ 42,226	$ 43,821
8	2014	$ 42,875	$ 44,476
9	2013	$ 43,519	$ 45,123
10	2012	$ 44,155	$ 45,763
11	2011	$ 44,784	$ 46,395
12	2010	$ 45,406	$ 47,019
13	2009	$ 46,019	$ 47,633
14	2008	$ 46,623	$ 48,237
15	2007	$ 47,217	$ 48,831
16	2006	$ 47,801	$ 49,414
17	2005	$ 48,375	$ 49,985
18	2004	$ 48,937	$ 50,545
19	2003	$ 49,488	$ 51,091
20	2002	$ 50,026	$ 51,624
21	2001	$ 50,551	$ 52,144
22	2000	$ 51,063	$ 52,649
23	1999	$ 51,561	$ 53,139
24	1998	$ 52,044	$ 53,614
25	1997	$ 52,513	$ 54,073
26	1996	$ 52,966	$ 54,516
27	1995	$ 53,403	$ 54,942
28	1994	$ 53,823	$ 55,350
29	1993	$ 54,227	$ 55,741
30	1992	$ 54,613	$ 56,114
31	1991	$ 54,982	$ 56,468
32	1990	$ 55,332	$ 56,803
33	1989	$ 55,664	$ 57,119
34	1988	$ 55,977	$ 57,415
35	1987	$ 56,271	$ 57,692
36	1986	$ 56,546	$ 57,947
37	1985	$ 56,800	$ 58,183
38	1984	$ 57,034	$ 58,397
39	1983	$ 57,248	$ 58,591
40	1982	$ 57,442	$ 58,763

B. Housing

A parsonage or minimum housing allowance shall be provided for all Ministers of Word and Sacrament under call.
Ministers of Word and Service (Deacons) may be subject to different IRS rules and guidelines. Each congregation served by a Deacon should check with a tax professional regarding use of a parsonage or housing allowance.

1. When a Parsonage is Provided

The congregation and the pastor shall work to have a common understanding of the recommendations found in *Appendix A: Guidelines for the Provision and Use of Parsonages*.

a. Value of Parsonage & Utilities: Portico Benefit Services values congregation provided parsonage at 30% of Base Salary. This value is added to the Base Salary and Social Security Contribution to determine the Defined Compensation that is used to calculate the pension, health insurance, and other benefit amounts.

b. **Housing Equity Allowance:** The congregation should share with the pastor a part of the equity being gained on the parsonage. A minimum of *$125 per month ($1500 per year)* should be placed in a fund agreed upon by the congregational council and the pastor.

c. **Furnishing Allowance:** Pastors may receive part of their base salary as a furnishing allowance. This allowance must be designated by the congregational council prior to the beginning of the year. A sample motion:

Upon motion duly made and seconded, it was voted to designate $_____ of the total cash salary for _____ (year) to be paid to Rev. _____ as a furnishing allowance in response to pastor's request and acknowledgement that the allowance so designated will not exceed actual expenses for their home including utilities, upkeep and repairs, insurance, and furnishings. Therefore, cash salary shall be $_____ and furnishings allowance shall be $_____.

d. **Pastor's Death:** In the event of a pastor's death, the pastor's spouse/family shall be allowed to remain in the parsonage for six months or until the end of the school year (if there are children in the family) whichever is longer.

Congregations are encouraged to research the Fair Market Rental Value of the parsonage. Specific information for your area can be found online or through a local realtor.

2. When a Parsonage is NOT provided

a. Calculating Housing Allowance when a Parsonage is NOT provided

When a housing allowance is provided instead of a parsonage, the dollar amount of the allowance will be negotiated based upon fair rental value of appropriate housing in your community plus utilities. Each individual situation and community housing market must ultimately determine the appropriate housing allowance designation. The SD Synod recommends 50% of base salary to reach the appropriate allowance.

1. Base Salary (no additional considerations)	$40,000
2. Housing Allowance (50**% of Base Salary**)	**$20,000**
3. Social Security Allowance (7.65% of 1+2)	$ 4,590
Defined Compensation (Total of 1+2+3)	*$64,590*

If a pastor receives additional considerations for congregation size, supervisory leadership, or education, the additional considerations are not included in calculating the housing allowance but are added later:

1. Base Salary (no additional considerations)	$40,000
2. Housing Allowance (50**% of Base Salary**)	**$20,000**
3. Additional Considerations (ie.900+ members)	$ 3,000
4. Social Security Allowance (7.65% of 1+2+3)	$ 4,820
Defined Compensation (Total of 1+2+3+4)	*$67,820*

b. Designating the Allowance

The actual amount to be designated is determined by the pastor. Questions they might ask include: How much were my actual expenses in the last year? Are there any special projects I am planning to work on next year? Are there any purchases I am planning?

The congregation must designate a percentage of the total base salary (salary + housing allowance) as a "housing and utility allowance." THIS MUST BE DESIGNATED PRIOR TO THE START OF A NEW CALL AND AGAIN PRIOR TO THE BEGINNING OF EACH FISCAL YEAR. The amount of this allowance, which generally should not exceed the actual expenses paid by the pastor for mortgage payments, utilities, upkeep and repairs, taxes, insurance, and furnishings, may be excluded from the pastor's taxable income. The pastor will however be required to pay the Social Security Tax (15.3%) on all salary including that amount designated as housing allowance.

The congregation council would use this language when designating the housing allowance:

Upon motion duly made and seconded, it was voted to designate $_____ of the 2015 total cash salary of $_____ to be paid to Rev._____ as a housing allowance in response to pastor's request and acknowledgement that the allowance so designated will not exceed actual expenses for their home including mortgage payments, utilities, upkeep and repairs, taxes, insurance, and furnishings. Therefore, cash salary shall be $_____ and housing allowance shall be $_____.

3. Two Clergy Households

A clergy couple, called to different congregations, should each receive a full housing allowance or parsonage from their respective congregation. When a clergy couple is called to the same congregation, we recommend the housing allowance be designated to one pastor and the other receive pension contributions as if they were living in a parsonage. This ensures that pension benefits for all clergy are equitable.

4. Tax Matters

In all tax matters, pastors and congregations are urged to obtain expert, current guidance.

C. Social Security and Workers' Compensation

1. Social Security

Since the IRS recognizes clergy as self-employed for Social Security purposes, clergy must pay their own Social Security tax. Congregations shall reimburse pastors for the employer's share of the tax which is a percentage of base salary and housing allowance or the fair rental value of the parsonage.

The Social Security offset shall be distributed as part of regular payroll or on a quarterly basis prior to the pastor's deadlines for estimated tax payments. The Social Security offset is considered income for the pastor and needs to be included on the W-2 form.

For more information on employment taxes, see Publication 15 (Circular E), Employer's Tax Guide can be found at www.irs.gov.

2. Workers' Compensation

Congregations are required by law to provide Workers' Compensation coverage for all employees. Clergy are considered employees in this regard.

D. ELCA Pension and Other Benefits Plan

Portico Benefit Services, the nonprofit benefit ministry of the ELCA, provides the benefit program for rostered ministers, lay employees, and their families. Portico provides health, dental, prescription drug, retirement, disability, and group life insurance benefits in one bundled program.* This program is designed to address the needs of rostered ministers and provide seamless benefits during change of call, leave from call, and other events unique to ministry. A bundled approach helps ensure rostered ministers and lay employees are protected against significant financial loss from a variety of risks. Through Portico, congregations** in this synod and across the country pool their collective purchasing power to provide benefits in a cost-effective manner. For more information, see the ELCA Philosophy of Benefits at PorticoBenefits.org/philosophy.

Congregations and plan members share the cost of benefits. Congregations are expected to support the well-being of their covered plan members by paying all or a significant portion of the contributions for benefits. Plan members are expected to participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays).

The ELCA Church Council has approved a balance of cost-sharing between congregations and plan members. Portico offers a choice of ELCA-Primary health benefit options that fit this approved balance: Gold+, and Silver+ with either Level A or B employer HSA contribution. Each fall, congregations should engage in conversation with their sponsored plan members to determine the option that best fits their needs, and then make their selection during annual enrollment. Current contribution rates are available on at EmployerLink.PorticoBenefits.org or by calling Portico at 800-352-2876.

*A plan member may waive health coverage if they have access to valid medical insurance coverage through their spouse or another employer.
Congregations are encouraged to maintain a line item in their annual budget for future pastoral calls.

**"Congregations" may also refer to multi-point parishes or other non-parish ministry agencies such as Bible camps, long-term care facilities, hospitals, campus ministries, etc.

1. Flexible Spending Plan
Members of the ELCA Pension and Other Benefits Plan may set up a Flexible Spending Account (FSA) through Portico. Payroll dollars may be set aside on a pre-tax basis to pay for certain out-of-pocket health care and dependent care expenses for their family.

2. Pre-Tax Retirement Contributions
Members of the ELCA Pension and Other Benefits Plan may set up additional pre-tax retirement contributions through Portico.

3. Medical Reimbursement
The congregation may provide $1,000 for a medical reimbursement fund to assist with co-payments and out-of-pocket expenses. Reimbursement shall be paid to the pastor with proper documentation.

E. Professional Expenses

Reimbursements for professional expenses are separate from expenditures for salary, housing, health insurance, 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 pastors to intentionally update and acquire new skills for ministry. This is essential for the effective, ongoing ministry of 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 pastor 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 pastors serving less than full time. For first call pastors, 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 pastor be given a sabbatical from six weeks to three months with full pay, in lieu of two weeks continuing education time. The pastor is expected to return to the present call for at least one year following the sabbatical. It is recommended that the pastor and congregation begin planning at least one year prior to the sabbatical. Please refer to *Appendix D: Sabbatical Recommendations.*

5. Moving Expenses

A moving allowance shall be provided by the calling congregation to assist the pastor with his/her move. Please refer to *Appendix E: South Dakota Synod Moving Policy.*

F. Sabbath and Time Off

Adequate time off for pastors is essential. Five days shall be the normal maximum work week for clergy. The regular discipline of appropriate time off in a week is important to the ongoing energy and wellness of the pastor 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)

1. Annual Vacation Time

The minimum vacation schedule for pastors during the first four years of service should be four work weeks, including four Sundays, per year. Beginning with the fifth year, and thereafter, it is recommended that five workweeks, including five Sundays, be given each year. Additional weeks of vacation may be given upon additional years of service. Years of service means total years in pastoral 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 pastor and the congregation, including during the pastor's 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 pastor 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 pastor, in consultation with the congregation 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 (6) 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 pastors 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
A congregation whose pastor serves simultaneously in a military unit must by law 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 pastors while on military leave. Policy guidelines are available from the ELCA Federal Chaplaincy website (https://www.elca.org/Resources/Federal-Chaplains)

9. Leave without Pay.
Leave without pay may be requested for up to six months upon written application. This is to be received at least three months in advance of the time the leave is to begin. Exceptions may be considered by the congregational council.

10. Transition Time
A pastor 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.

11. Wellness Dollars
A "Wellness Reimbursement Fund" of $300 may be established to assist the pastor in continuing healthy activities.

Compensation Worksheet for Ministers of Word and Sacrament and Ministers of Word and Service when a Parsonage IS Provided

This worksheet is designed to help congregations build a compensation package for Ministers of Word and Sacrament using the synod's guidelines. Each item below is described within this document. Use only items which apply.
An Excel template is available on the Synod website www.sdsynod.org/compensation-guidelines/

	This Year	*Guidelines*	*Proposed*
I. Compensation			
A. Cash Salary	$_____	$_____	$_____
B. Value of Parsonage & Utilities (30% of A)	$_____	$_____	$_____
C. Additional Considerations	$_____	$_____	$_____
D. Social Security Reimbursement [(A+B+C) x 7.65%]	$_____	$_____	$_____
E. Defined Compensation [Total of A+B+C+D]	$_____	$_____	$_____
II. Additional Compensation			
A. Housing Equity	$_____	$_____	$_____
B. Annuities, Additional Pension	$_____	$_____	$_____
C. Other Compensation	$_____	$_____	$_____
III. ELCA Pension and Other Benefits[1]			
A. Pension (10% of E: Defined Compensation)	$_____	$_____	$_____
B. Medical	$_____	$_____	$_____
C. Disability/Life Insurance	$_____	$_____	$_____
IV. Reimbursements			
A. Automobile	$_____	$_____	$_____
B. Business/Professional	$_____	$_____	$_____
C. Continuing Education	$_____	$_____	$_____
D. Books/Subscriptions	$_____	$_____	$_____
E. Other _____	$_____	$_____	$_____
Total Value of Compensation	**$_____**	**$_____**	**$_____**

[1] 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 https://**porticobenefits**.org.

V. Other Agreements

A. Vacation time of _____ weeks and _____Sundays.

B. Continuing education time of 2 weeks including Sundays.

C. Two sick days per month accumulating up to 24 days.

D. Up to two months of continued salary, housing, and contributions to the ELCA Pension and Other Benefits Program in a 12-month period if the pastor is physically or mentally disabled.

E. New Parent leave up to six weeks with full salary, housing, and benefits.

F. Other _____

_____

_____

_____

Compensation Worksheet for Ministers of Word and Sacrament and Ministers of Word and Service Receiving a Housing Allowance (NO Parsonage)

This worksheet is designed to help congregations build a compensation package for Ministers of Word and Sacrament using the synod's guidelines. Each item below is described within this document. Use only items which apply.
An Excel template is available on the Synod website www.sdsynod.org/compensation-guidelines/

	This Year	*Guidelines*	*Proposed*
I. Compensation			
A. Cash Salary	$_____	$_____	$_____
B. Cash Housing Allowance	$_____	$_____	$_____
C. Additional Considerations	$_____	$_____	$_____
D. Social Security Reimbursement [(A+B+C) x 7.65%]	$_____	$_____	$_____
E. Defined Compensation (Total of A+B+C+D)	$_____	$_____	$_____
II. Additional Compensation			
A. Annuities, Additional Pension	$_____	$_____	$_____
B. Other Compensation	$_____	$_____	$_____
III. ELCA Pension and Other Benefits[1]			
A. Pension (10% of E: Defined Compensation)	$_____	$_____	$_____
B. Medical	$_____	$_____	$_____
C. Disability/Life Insurance	$_____	$_____	$_____
IV. Reimbursements			
A. Automobile	$_____	$_____	$_____
B. Business/Professional	$_____	$_____	$_____
C. Continuing Education	$_____	$_____	$_____
D. Books/Subscriptions	$_____	$_____	$_____
E. Other _____	$_____	$_____	$_____
Total Value of Compensation	**$_____**	**$_____**	**$_____**

[1] 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 https://**porticobenefits**.org.

V. Other Agreements

A. Vacation time of _____ weeks and _____Sundays.
B. Continuing education time of 2 weeks including Sundays.
C. Two sick days per month accumulating up to 24 days.
D. Up to two months of continued salary, housing, and contributions to the ELCA Pension and Other Benefits Program in a 12-month period if the pastor becomes physically or mentally disabled.
F. New Parent leave up to six weeks with full salary, housing, and benefits.
F. Other _____
_____

Appendix A
GUIDELINES FOR THE PROVISION AND USE OF PARSONAGES

To enhance the ministry of the Gospel among us, the congregation and the pastor covenant to work with the following guidelines, which are established to provide a common understanding of expectations for both the congregation and the pastor.

When selecting a parsonage, consideration should be given as to its size and style, so it will serve a variety of ages and sizes of pastoral families. The parsonage's primary purpose is to provide housing for the pastor and the pastor's family, and not to provide additional meeting space for the congregation. Where a parish office must, of necessity, be within the parsonage, means should be taken to provide adequate privacy for both the parishioners and the pastor's family.

It is the congregation's responsibility to provide the parsonage with major appliances. It is the congregation's responsibility to provide and maintain in working order a hot water heater and a furnace or other means of heating the parsonage, and if deemed necessary by water conditions, also a water softener.

Specific Responsibilities

	Parish	**Rostered Minister**
Parsonage Committee	The congregation should establish a parsonage committee whose only responsibility is for the upkeep of the parsonage: 1. The committee should be provided with a line item in the church budget of at least $500 with authority to make needed repairs. 2. The committee shall inspect the parsonage at least once per year, with prior arrangements made with the pastor and family. 3. The committee should seek input from the pastor concerning the parsonage condition and needed repairs. 4. The committee should keep the congregation and church council informed of its work and the condition and needs of the parsonage. 5. The committee should establish goals and objectives for long range planning of maintenance and repairs. 6. When inspecting the parsonage, committee members should ask themselves, "Would I enjoy living here?"	The pastor shall report needed repairs promptly to the parsonage committee. The pastor shall make arrangements to invite the parsonage committee in to inspect the parsonage at least once per year.
Insurance	It is the congregation's responsibility to provide fire and extended coverage insurance on the parsonage.	It is the pastor's responsibility to obtain renter's insurance to cover his/her personal property.
Utilities	The congregation should provide for a utilities allowance that covers the cost of heat, lights, water, sewer, and garbage removal. The recommended method is for these bills to be paid directly by the congregation.	

Safety	1. The electrical, water and sewer systems should be adequate. 2. The windows, doors and roof should be weather proofed against wind and water. 3. Measures should be taken to make sure the basement does not flood. 4. The parsonage should be checked for the presence of radon gas and corrective measures should be taken if the gas is present. 5. Smoke alarms should be installed and maintained in working condition. 6. Insulation should be checked for asbestos, and if present, corrective measures should be taken. 7. If the parsonage has lead water pipes for domestic use, those pipes should be checked for high lead concentration, and the pipes replaced if the lead concentration is higher than EPA standards. 8. If the services of an exterminator are required for pest control, the congregation should provide those services. 9. The parsonage should follow fire codes which include two (2) means of escape from each level.	The pastor should inform the parsonage committee of any concerns as soon as possible.
Maintenance and Repairs	It is the congregation's responsibility to provide for normal maintenance and repairs of the parsonage.	The pastor is the caretaker of the parsonage. It is his/her responsibility to: 1. Make sure that the parsonage is properly heated to prevent damage. 2. Make minor repairs as needed and if within their ability. 3. Provide for normal housekeeping and cleaning. 4. Maintain the lawn and grounds in a neat and orderly manner. 5. Clear sidewalks and driveway of snow. If the pastor is not able to or comfortable fulfilling these responsibilities, they shall be negotiated at the time of call.

Equipment	The congregation may consider providing lawn care and snow removal equipment for use by the pastor.	
A Good Exit	The parsonage should be cleaned, and the carpets should be shampooed after the pastor moves out of the parsonage.	The pastor shall clean the parsonage before leaving: 1. The oven and stove shall be cleaned. 2. The refrigerator shall be cleaned, unplugged, and the door left open. 3. Provisions shall be made for the disposal of unwanted items. The pastor shall leave the parsonage in as good as or better condition than it was when they moved in. It is the responsibility of the pastor to repair any damage done to the parsonage or property in excess of "normal wear and tear" including damage done by pets.
A Good Welcome	Prior to the arrival of the new pastor, the parsonage shall be painted with consideration given to the taste and style of the pastor. Any major repairs shall be completed prior to the arrival of the new pastor.	Any concerns about the parsonage should be addressed as soon as possible after arrival in the parish.

Appendix B
MINISTER'S REIMBURSEMENT - ACCOUNTABLE OR NON-ACCOUNTABLE

"Unaccountable" Plan
If a Minister is paid a set amount each month towards the professional allowance or the car allowance, this amount also is taxed and must appear on Box 1 of the W-2. The Minister can only take a deduction for these expenses as a miscellaneous itemized deduction on the tax return, limited to the amount above 2% of adjusted gross income.

"Accountable" Plan
Under the accountable plan, and for accounting purposes only, the minister is considered an employee. The congregation is responsible for the minister's expenses, such as professional allowance and mileage. Therefore, all Ministers of Word and Sacrament 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 pastor 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 Minister must adequately account to the church for the expenses he/she wishes to have reimbursed.
4. The Minister needs to keep a daily expense book, receipts, canceled checks, and credit card slips as well as an auto mileage log.
5. If a Minister receives an advance of expenses, (e.g., if a pastor 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[1]

[1] If a pastor and 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 C
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. If a pastor/deacon is unable to attend a gathering/First Call Retreat, the expectation is that he/she will make it up by attending the following year. 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, Ministers of Word and Sacrament 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.

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 Minister 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.

Appendix D
SABBATICAL RECOMMENDATIONS

A Minister of Word and Sacrament or Minister of Word and Service 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 special Sabbatical Task Force. The following guidelines give some helpful information.

1. A sabbatical provides the professional leader a measured time to step aside from congregational responsibilities to pursue opportunities for a renewal of vision and perspective. It creates space for creativity, rest, and renewal. It 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 minister.
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 ten (10) week sabbatical may include up to one week of vacation, and a six (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 minister who is on sabbatical. The congregation will recruit a temporary minister and provide a salary in the rostered minister's absence. There are a variety of options for leadership including members of the congregation assume new leadership roles, a retired pastor, a neighboring ELCA. It is possible that a communion partner pastor and your pastor take a sabbatical at different times and exchange pastoral coverage. The bishop may authorize a well-qualified lay person for word and sacrament ministry for this specific time and place. Congregations are encouraged to begin putting money aside for a sabbatical when a newly called rostered minister begins. Grants are available through We Raise Foundation (formerly Wheat Ridge Ministries) at https://weraise.org/ or the Lilly Foundation at www.lillyendowment.org.
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 in order to take advantage of grant opportunities (We Raise Foundation, formerly Wheat Ridge Ministries, at https://weraise.org/ or the Lilly

Foundation at www.lillyendowment.org) and so that the congregational budget can allow for additional expenses.

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

1. "Creating a Sabbatical Plan", a Lutheran Partners article by Pastor John R. Gugel.
2. "Sabbaticals are a win-win", an article in the July 2007 issue of The Lutheran, https://www.livinglutheran.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 https://associationoflutheranresourcecenters.wordpress.com/.
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. We Raise Foundation, formerly Wheat Ridge Ministries, (https://weraise.org/) and the Lilly Endowment (http://www.lillyendowment.org/religion.html) both offer sabbatical grant opportunities to congregations.
7. For additional resources go to https://www.elca.org/Resources.

Appendix E
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 thoughtfully consider the needs of the other when undertaking a move. 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 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 or 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, agreed in advance of a move can help ensure that the ministry of the congregation and pastor has a good beginning.

Appendix F
Temporary and Supply Ministries

1. Worship Supply
Supply pastors conducting worship services (including weddings and funerals) in substitution of a regularly called pastor should receive $175 for one service and $75 for each additional service (if conducted in the same parish and not requiring a new preparation). Mileage should be compensated at the current IRS rate and housing provided if necessary. Teaching of confirmation classes should be reimbursed by $75 per preparation plus travel expenses. The rate of $20 per hour should be provided for visitations during the pastor's absence if requested by the congregation.

2. Interim Ministries
Interim clergy and lay ministers serving a congregation between permanent pastorates should be compensated as agreed upon by the individual and all church councils involved, considering the following:

1. The parish activities to be assumed during the interim.
2. The time needed to give leadership, including time of preparation.
3. The remuneration given the past pastor and promised the future pastor.
4. Mileage traveled to serve the parish.
5. The benefits to be included in compensation, such as parsonage and pension.

Appendix G
Mutual Ministry Committee – 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 and Sacrament and Ministers of Word and Service and all other staff. The function of the Mutual Ministry Committee is to provide a space for conversation between pastoral and congregational leaders to grow together in ministry.

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

1. Identify professional leadership needs for the congregation, prepare job descriptions, serve 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 a call.
2. Serve as the personnel committee, dealing with other staff, such as the secretary, organist, choir director, education director, or custodian.
3. Identify continuing education possibilities with the pastor considering his/her and the congregation's needs, encourage development of a Continuing Education Covenant between pastor, church council, and the synod. Enable the pastor to participate in such opportunities.
4. Provide on-going reflection regarding the needs and expectations of both pastor and congregation guided by the mission statement of the congregation, and periodically review the call/contract/appointment extended to the pastor, as provided for in the Letter of Call.
5. Serve as the personal and confidential support group to the pastor, and spouse. Provide opportunities for open communication between congregation and pastor, and initiate possibilities for reconciliation in times of conflict.

The synod office suggests a Mutual Ministry resource, "Pastor and People, Making Mutual Ministry Work," which can be ordered at 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.

Appendix H
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. They should consider the following factors when specific dollar figures are recommended:

1. Pastors are professionals by education, qualification, and function. Appropriate compensation for the pastor will be parallel to persons who hold similar positions of responsibility in the community (superintendent of schools, principal, hospital administrator, bank president/manager 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 table provided by the SD Synod represents the minimum compensation for full time leadership. It is 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