



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

Compensation and Guidelines
for Lay Leaders

2024

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Compensation Guidelines for Ministers of Word & Sacrament, Ministers of Word & Service, Lay Leaders, and Staff

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 its Ministers of Word and Sacrament and Ministers of Word and Service and Lay Leaders. The function of the Mutual Ministry Committee is to provide a space for conversation between staff and congregational leaders to grow together in ministry.

Please see *Appendix A: Mutual Ministry Committee – More than Once-a-Year Conversation* for more information.

The Compensation Review Task Force

The salary scales provided in this document represents the minimum compensation for full time leadership. They are a starting point for salary discussions.

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/staff, and the effectiveness of the pastor/staff.

Congregations need to have conversations to determine which positions are “paid” versus time and labor “donated” by congregational members. Special consideration must be given to the compensation paid to musicians. Church musicians fall into a unique category. Years of training and hours of practice are required to be a “professional” musician even if the individual chooses to not make music his or her fulltime profession.

Please see *Appendix B: The Compensation Review Task Force* for more information

Fair Labor Standards Act (FLSA)

Most lay staff should be paid hourly according to Federal and State Minimum Wage Laws. However, some lay employees may be considered “Exempt” and paid a salary. The rules can be complicated. *Appendix C: FLSA Resources* can help determine if a position is exempt.

Compensation and Guidelines for Lay Support Staff

Non-rostered church workers are professionals and should receive compensation similar to other professionals in the community. Congregations must conform to all federal and state laws and provide for appropriate tax with-holding, payment of employer’s share of FICA taxes, provision of workers’ compensation insurance, adherence to applicable minimum wage laws and fair employment practices, etc.

A. Base Salary

In determining salary for lay staff, consider whether the staff person is in a support role or a program role. Examples of support staff include secretaries and bookkeepers. Program staff included music directors, youth and family ministers, and Christian education directors.

1. Musicians – organists, pianists, soloists

Music is an integral component of every Lutheran worship service. Years of training and hours of practice are required to be a “professional” musician even if the individual chooses to not make music his or her fulltime profession. Each congregation must determine the appropriate compensation for the musicians that fill this role in worship. The range for organists in South Dakota is \$40-150 per service. Most congregations pay \$50-100 per service with additional compensation if more than one service is held. Some musicians choose to “donate” their time and talent to the congregation as a gift. Congregations should not assume that donated music will continue indefinitely. It should be included in every annual budget.

2. Lay Support Staff – secretaries, bookkeepers, custodians....

5% increase from 2023 to 2024

Years of Experience	Minimum Recommended Salary/hour	Minimum Recommended Salary/hour for Congregations of over 600 Baptized
0	\$13.13	\$13.42
1	\$13.53	\$13.88
2	\$13.93	\$14.68
3	\$14.40	\$15.09
4	\$14.81	\$15.84
5	\$15.26	\$16.66
6+	+3% each year	+3% each year

3. Lay Program Staff – music directors, youth & family leaders, Christian education directors/teachers

5% increase in base from 2023 to 2024

Years of Experience	Low Guideline	High Guideline
Starting	\$35,832	\$37,656
1	\$36,656	\$38,482
2	\$37,476	\$39,301
3	\$38,288	\$40,111
4	\$39,094	\$40,912
5	\$39,891	\$41,703
6	\$40,677	\$42,481
7	\$41,453	\$43,245
8	\$42,216	\$43,995
9	\$42,966	\$44,730
10	\$43,701	\$45,447
11	\$44,420	\$46,146
12	\$45,122	\$46,825
13	\$45,805	\$47,484
14	\$46,468	\$48,121
15	\$47,111	\$48,735
16	\$47,732	\$49,325
17	\$48,329	\$49,889
18	\$48,903	\$50,428
19	\$49,451	\$50,939
20	\$49,973	\$51,422

Add \$500 per year for each step over 20 years.

B. Social Security

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

Lay leaders who are employed more than 20 hours per week for at least six months per year are eligible to enroll in the ELCA Pension and Other Benefits plan. Some congregations prefer to provide other benefit options to non-rostered lay staff. Such benefits should be described in the congregation's personnel policies and should be offered to all non-rostered lay staff.

D. Continuing Education

Lay Leaders are encouraged to develop their knowledge, acquire new skills, and experience growth for more effective service. It is recommended that lay staff be eligible for up to 5 days of continuing education and \$450. Continuing Education plans shall be discussed with the lay leader's supervisor or congregational council.

E. Workers' Compensation Insurance

Congregations are required by law to provide Workers' Compensation coverage for all employees. Please consult with your insurance agent for expert, current guidance.

F. Time Off

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.

1. Vacation Days

Years 1-4 10 days or two proportional work weeks
Years 5-9 15 days or three proportional work weeks
Years 10+ 20 days or four proportional work weeks

Vacation days should not be carried over to the following year.

2. Sick Leave

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.

3. Holidays and Leave

Holidays should be granted off in addition to vacation days. When the services of a non-rostered lay staff 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.

4. Other Benefits

Congregations should draft policies for Personal Days, Parental Leave, Bereavement Leave, and Military leave and include them in a personnel policy manual for staff. **Congregations are highly encouraged to extend paid leave and benefits to lay staff similar to the recommendations for Rostered Ministers.**

Compensation Worksheet for Lay Staff

This worksheet is designed to help congregations build a compensation package for lay staff 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>
I. Salary	\$ _____	\$ _____	\$ _____
II. Social Security	\$ _____	\$ _____	\$ _____
III. ELCA Pension and Other Benefits¹			
A. Pension	\$ _____	\$ _____	\$ _____
B. Health Insurance	\$ _____	\$ _____	\$ _____
C. Disability & Life Insurance	\$ _____	\$ _____	\$ _____
IV. Other Benefits			
A. Insurance	\$ _____	\$ _____	\$ _____
B. Pension	\$ _____	\$ _____	\$ _____
C. Other	\$ _____	\$ _____	\$ _____
V. Other Reimbursements			
A. Automobile	\$ _____	\$ _____	\$ _____
B. Business/Professional	\$ _____	\$ _____	\$ _____
C. Continuing Education	\$ _____	\$ _____	\$ _____
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>.
 2024 SD Synod Guidelines for Lay Leaders and Staff – Approved 6/3/2023 SD Synod Assembly

VI. Other Agreements

A. Vacation time of _____ weeks and _____ Sundays.

B. Continuing education time of _____

C. Other _____

Appendix A

Mutual Ministry Committee – More than 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.

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

1. Identify professional leadership needs for the congregation, preparing job descriptions, serving as the call or interview committee at the time when a congregation seeks to fill a position, or as the exit interview group when an employee leaves the position.
2. Serve as the personnel committee, dealing with other staff, such as the secretary, organist, choir director, or custodian.
3. Identify continuing education possibilities with the pastor and staff considering their and the congregation's need. Encourage a Continuing Education Covenant between staff, church council, and the synod. Enable the pastor and staff to participate in such opportunities.
4. Provide on-going reflection on the needs and expectations of both staff and congregation, guided by the mission statement of the congregation, and periodically reviewing the call/contract/appointment extended to the staff member, as provided for in the contract or job description.
5. Serve as the personal and confidential support group to the staff or any other employees. Provide opportunities for open communication between congregation and staff, initiating 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 B

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 consider 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 unique 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.

Appendix C

FLSA Exempt and Non-Exempt Status & Resources

US Department of Labor

www.dol.gov

www.dol.gov/agencies/whd/fact-sheets/17a-overtime

Federal wage and hour rules are found in the Fair Labor Standards Act (FLSA). Congress passed the FLSA in 1938 to restrict child labor and to establish a minimum wage. The law also established a 40-hour work week, with time and a half pay for overtime. The requirements of the FLSA are enforced by the Department of Labor.

Exempt and Non-Exempt Employees

Under the FLSA, employees are either exempt or non-exempt. *Exempt employees are exempt from minimum wage and overtime rules.* Non-exempt employees are not exempt from these rules. Employers cannot call employees “exempt” to avoid paying them minimum wage and overtime. An exempt employee includes “any employee in a bona fide executive, administrative or professional capacity (including any employee employed in the capacity of academic administrative personnel or teacher in elementary or secondary schools). Employees are exempt only if they meet certain legal criteria:

1. Primarily engages in managerial responsibility, or the management of general business operations.
2. Regularly and customarily directs the work of two or more other workers, or does special or technical work requiring special experience, training, or knowledge.
3. Either has the authority to hire or fire other workers or gets special consideration for his or her recommendations about hiring and firing.
4. Regularly and customarily exercises discretionary powers.
5. Does not spend more than 20% of his or her time on activities other than those listed in (1) through (4); and
6. Receives a salary of not less than \$684 per week (\$35,568/year). *As of January 1, 2020.*

Note: Historically, there has been a ministerial exemption for overtime. Also, slightly different criteria apply to executive, professional and administrative employees. It is best to seek legal counsel for advice on your situation.

If a non-exempt church employee works more than 40 hours a week, that person is entitled to overtime pay at one and one-half times their regular rate of pay. Some congregations mistakenly believe that if they put all employees “on salary” they can avoid paying overtime. That’s not true. Overtime can be calculated for employees who are either paid on an hourly or salaried basis. The key is whether the employee is exempt or non-exempt.