



South Dakota Synod  
Evangelical Lutheran Church in America

# **Compensation and Guidelines for Lay Leaders**

## **2025**

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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.

# Glossary Of Terms

Ministry settings are diverse – for the sake of South Dakota Synod Guideline documents, the following terms are used:

## **ROSTERED MINISTER**

A person who is on the roster of leaders of the Evangelical Lutheran Church in America. There are two categories of rostered ministers:

- Minister of Word and Sacrament – Ordained Pastors
- Minister of Word and Service – Ordained Deacons

Since 2022 both Ordained Pastors and Ordained Deacons of the South Dakota Synod are covered by the same Guidelines for Rostered Ministers.

## **SYNOD AUTHORIZED MINISTER (SAM)**

This is for times when a congregation is without a Minister of Word and Sacrament (pastor) and the Bishop authorizes someone to preside at Holy Communion for a specific time and location. This is often a Synod Lay Minister who has met the additional requirements to serve in synod authorized ministry. This can also be a candidate for ministry. In some situations, this can be for one Sunday or two Sundays. In other cases, a person may enter into a contract for an extended period of time (up to one year with annual renewal possible) to serve a specific congregation or parish.

## **SYNOD LAY MINISTER**

The synod values lay ministry and seeks to equip lay leaders for service within congregations, parishes, and ministries throughout the synod. Synod Lay Ministers have been through a process of discernment, application, and education.

## **LAY PAID STAFF**

All those who are employed by a congregation who are not rostered ministers.

## **CHURCH STAFF**

Refers to ALL paid leaders of the congregation – rostered ministers and lay paid staff.

## **CONGREGATION**

For the sake of this document, the word “congregation” is synonymous with multi-point parish, synod, agency, organization, or specialized ministry.

Thank you to the Eastern North Dakota Synod of the ELCA for sharing the above definitions.

## **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**

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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....**

**The recommended starting wage for hourly employees is \$14.00 per hour.**  
(6.6% increase from 2024 to 2025)

**This recommendation may not reflect the “prevailing wage” in your community.**  
**Congregations may need to pay more to attract qualified staff.**

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

**5% increase** in base from 2024 to 2025

When a staff member brings other career experience and skills which enhances a person’s gifts for ministry, the value of those experiences should be strongly considered in establishing a salary.

EXAMPLE: credit 1/2 year for each year of experience, up to a suggested maximum of 10 years credit.

<b>Salaried Lay Staff</b>		
Years of Experience	2025 Low Guideline	2025 High Guideline
Starting	<b>\$37,624</b>	\$39,539
1	\$38,489	\$40,406
2	\$39,349	\$41,266
3	\$40,203	\$42,117
4	\$41,048	\$42,958
5	\$41,885	\$43,788
6	\$42,711	\$44,605
7	\$43,526	\$45,408
8	\$44,327	\$46,195
9	\$45,115	\$46,966
10	\$45,886	\$47,719
11	\$46,641	\$48,453
12	\$47,378	\$49,167
13	\$48,095	\$49,858
14	\$48,792	\$50,527
15	\$49,466	\$51,172
16	\$50,118	\$51,791
17	\$50,746	\$52,384
18	\$51,348	\$52,949
19	\$51,923	\$53,486
20	\$52,471	\$53,993

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

#### **4. Synod Authorized Ministers (SAM) and Synod Lay Minister**

For times when a congregation is without a Called Minister, the Bishop may authorize someone to serve the congregation as an interim pastor. The SAM or Lay Minister serves a unique role in the Church. They are not ordained but perform many of the duties of a pastor.

Compensation for a SAM should consider the following

*(taken from the Guidelines for Ministers: Appendix F – Temporary & Supply Ministers)*

1. The parish activities to be assumed during the interim.
  - a. Leading worship services
  - b. Holding office hours
  - c. Teaching Confirmation or Adult Education
  - d. Visitation
  - e. Participating in the Church Council or other committees
  - f. On-call status
2. The time needed to give leadership, including time of preparation.
3. The remuneration given to the past minister and promised the future minister.
4. Mileage traveled to serve the parish.
5. The benefits to be included in compensation, such as parsonage, health insurance, and pension.

## **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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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**

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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**

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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**

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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 staff as well as the congregation.

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

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 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 does not carry over from one year to the next.

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**

Holidays should be granted off in addition to vacation days. **The Synod recommends a minimum of ten (10) paid holidays a year.** Congregations and staff should agree to the holidays granted each year.

**When the services of 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 fifteen (15) generally recognized holidays include**

<b>New Year's Day</b>	<b>Memorial Day</b>	Veterans' Day
<b>Martin Luther King Jr Day</b>	Juneteenth	<b>Thanksgiving Day</b>
Presidents' Day	<b>Fourth of July</b>	Thanksgiving Friday
Good Friday*	<b>Labor Day</b>	Christmas Eve*
<b>Easter Monday</b>	Indigenous People's Day	<b>Christmas Day*</b>

#### 4. Other Time Off 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 as listed below.**

##### **a) Personal Days**

Two personal days may be taken annually at the discretion of the staff member, in consultation with the designated supervisor.

##### **b) Parental Leave**

**Eight (8) weeks of parental leave with full salary and benefits is appropriate when a child is born or adopted. The leave should be used within one (1) year of the birth or the adoption.** There is no payout for unused parental leave. Staff and congregations are encouraged to work together to plan the leave in advance of the birth or adoption.

##### **c) Bereavement Leave**

One week is to be made available 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.

##### **d) Military Leave**

A congregation whose staff serves simultaneously in a military unit must by law grant leave time for the staff to fulfill their 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 staff while on military leave.

## **Compensation Worksheet for Lay Staff**

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*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>
<b>I. Salary</b>	\$ _____	\$ _____	\$ _____
<b>II. Social Security</b>	\$ _____	\$ _____	\$ _____
<b>III. ELCA Pension and Other Benefits<sup>1</sup></b>			
A. Pension	\$ _____	\$ _____	\$ _____
B. Health Insurance	\$ _____	\$ _____	\$ _____
C. Disability & Life Insurance	\$ _____	\$ _____	\$ _____
<b>IV. Other Benefits</b>			
A. Insurance	\$ _____	\$ _____	\$ _____
B. Pension	\$ _____	\$ _____	\$ _____
C. Other	\$ _____	\$ _____	\$ _____
<b>V. Other Reimbursements</b>			
A. Automobile	\$ _____	\$ _____	\$ _____
B. Business/Professional	\$ _____	\$ _____	\$ _____
C. Continuing Education	\$ _____	\$ _____	\$ _____
E. Other _____	\$ _____	\$ _____	\$ _____
<b>Total Value of Compensation</b>	\$ _____	\$ _____	\$ _____

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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 <https://porticobenefits.org>.

**VI. Other Agreements**

A. Vacation time of \_\_\_\_\_ weeks and \_\_\_\_\_Sundays.

B. Paid Holidays – select **a minimum of 10 days** from the list below (alternate days as needed.)

New Year’s Day	Memorial Day	Veterans’ Day
Martin Luther King Jr Day	Juneteenth	Thanksgiving Day
Presidents’ Day	Fourth of July	Thanksgiving Friday
Good Friday*	Labor Day	Christmas Eve*
Easter Monday	Indigenous People’s Day	Christmas Day*

C. Continuing Education time of \_\_\_\_\_

D. 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](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.

# 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 (added in 2024)

### US Department of Labor

[www.dol.gov](http://www.dol.gov)

[www.dol.gov/agencies/whd/fact-sheets/17a-overtime](http://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 **\$844/week or \$43,388/year.** *(As of July 1, 2024) (Pending a court ruling the amounts for 2025 are \$1,128/week or \$58,656/year.)*

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 is 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.