



South Dakota Synod
Evangelical Lutheran Church in America

Compensation and Guidelines for Lay Leaders

2026

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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*](#).

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*](#).

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.

PART-TIME MINISTRY

Ministry that is less than full-time is called Shared-Time Ministry by the ELCA. This document will use “part-time” ministry and highlight minimum expectations for a part-time call.

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

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 \$ 15.00 per hour.
(This is a 7.1% increase from 2025 to 2026)**

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

The South Dakota minimum wage for 2025 is \$11.50 per hour.

The 2026 minimum wage will be announced no later than October 15, 2025.

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

5% increase in base from 2025 to 2026

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 ½ year for each year of experience, up to a suggested maximum of 10 years credit.

For salaried employees, congregations need to follow the federal guidelines for exempt vs non-exempt employees.

Please refer to [Appendix C: FLSA Resources](#)

Salaried Lay Staff		
Years of Experience	2026 Low Guideline	2026 High Guideline
Starting	\$39,505	\$41,516
1	\$40,414	\$42,427
2	\$41,317	\$43,329
3	\$42,213	\$44,223
4	\$43,101	\$45,106
5	\$43,979	\$45,977
6	\$44,847	\$46,835
7	\$45,702	\$47,678
8	\$46,544	\$48,505
9	\$47,370	\$49,315
10	\$48,181	\$50,105
11	\$48,973	\$50,876
12	\$49,747	\$51,625
13	\$50,500	\$52,351
14	\$51,231	\$53,054
15	\$51,940	\$53,731
16	\$52,624	\$54,381
17	\$53,283	\$55,003
18	\$53,915	\$55,597
19	\$54,520	\$56,160
20	\$55,095	\$56,693

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

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.

(Guidelines for Rostered Ministers: Appendix F – Temporary & Supply Ministers)

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 annually. 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 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

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*

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

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>.

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

(from the Guidelines for Rostered Ministers: Appendix G – Mutual Ministry Committee)

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

(from the Guidelines for Rostered Ministers: 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 people who are representative of all segments of the congregation. They should consider the following factors when specific dollar figures are recommended:
1. Ministers are professionals by education, qualification, and function. Appropriate compensation for the minister 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 minister 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 minister, the additional education of the minister, and the effectiveness of the minister.
- 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 needs 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 – Fair Labor Standards Act

Exempt and Non-Exempt Status & Resources (added in 2024 Guidelines)

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).”

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.

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/week¹ or \$35,568/year.**

Again, Congregations are encouraged to seek legal counsel for advice on specific employment situations.

¹ As of January 27, 2025, the Fair Labor Standards Act (FLSA) exemption thresholds are as follows:

Standard Salary Level: \$684 per week (equivalent to \$35,568 annually).

Highly Compensated Employees (HCE): Total annual compensation requirement of \$107,432, which includes at least \$684 per week paid on a salary or fee basis.

These thresholds are based on the 2019 Department of Labor (DOL) rule, which remains in effect following recent legal developments.

Many are confused because in April 2024, the DOL issued a final rule intending to increase the salary thresholds in two phases:

- A. July 1, 2024: Increase to \$844 per week (\$43,888 annually);
- B. January 1, 2025: Further increase to \$1,128 per week (\$58,656 annually).

However, on **November 15, 2024**, the U.S. District Court for the Eastern District of Texas vacated the DOL's 2024 final rule, effectively nullifying these planned increases. Consequently, the DOL reverted to enforcing the 2019 rule's thresholds.

There are appeals filed against this ruling. The thresholds may be changed again.

The SD Synod will attempt to keep this document current, but congregations should monitor the FLSA salary exemption threshold themselves.