



**EXPECTING TO BE  
SURPRISED**

2016 Northwestern Ohio **Synod Assembly** May 19-21, BGSU

**2017**  
**COMPENSATION**  
**GUIDELINES**



# TABLE OF CONTENTS - 2017

<b>INTRODUCTION</b>	<b>PAGE 1</b>
Northwestern Ohio Synod Gospel Response Themes Rostered Leader Categories	
<b>I. Compensation Recommendations</b>	<b>PAGE 3</b>
Annual Review of Compensation for Rostered Leader Determining the Compensation Package Compensation Worksheets	
1. ROSTERED ORDAINED PERSONS with Housing Allowance 2. ROSTERED ORDAINED PERSONS Living in Parsonage 3. ROSTERED Lay Persons (Associates in Ministry, Diaconal Ministers, Deaconesses)	<b>PAGE 4</b>
<b>II. DETERMINING COMPENSATION PACKAGE</b>	<b>PAGE 9</b>
Base Salary Social Security Offset/Allowance Clergy Housing Allowance Designation of Housing Allowance Furnishing Allowance Part-Time Rostered Leader's Compensation	
<b>III. DETERMING BENEFITS</b>	<b>PAGE 12</b>
Pension and Health Benefits Medical Expense Reimbursement Sick Leave, Disability, Workers' Compensation	
<b>IV. DETERMINING OTHER BENEFITS/COSTS/REIMBURSEMENTS</b>	<b>PAGE 15</b>
Automobile Expense Reimbursements Weekly Hours/Time Off, Continuing Education and Sabbatical Leave Day Off/Vacation Continuing Education/Sabbatical Leave First Call Theological Education (FCTE) Spiritual Retreat Sabbaticals Churchwide/Synodical Commitment	
<b>V. PARSONAGE GUIDLEINES</b>	<b>PAGE 18</b>
<b>VI. PASTORAL VACANCY</b>	<b>PAGE 21</b>
Supply Pastors Interim Pastors Pastoral Severance Policy	
<b>VII. APPENDIX</b>	<b>PAGE 23</b>
A. Compensation Guidelines Ordained Lay Roster	
B. Housing Forms	<b>PAGE 25</b>
B1 - Housing Equity Designation Form B2 - Designation of Household Furnishings' Allowance B3 - Congregational Council Action on Housing Allowance B4 - Notification of Housing Allowance by Congregation to Pastor B5 - Sample Letter of Agreement for Severance Package	

## INTRODUCTION

“Within the Evangelical Lutheran Church in America rostered leaders may serve as pastors, associates in ministry, diaconal ministers, or deaconesses. The process of calling rostered leaders within the life of the church is therefore primarily about discerning God’s will for and God’s call upon the congregation or ministry in which they will serve. *Prayerfully*, the church calls forth those they believe God can best use to help them carry out their mission together.

Rostered leadership is not a self-called vocation but a unique calling from God through the church to serve and equip the whole people of God. This is so that the church can live together faithfully as the body of Christ, equip the baptized for their work, and fulfill its purpose to proclaim and embody the redemptive intentions of God in the world”

“A Theology of Call” – ELCA Website

A calling implies mutuality between those rostered people being called and the agency or congregation issuing the call. This mutuality means that congregations and other ministry sites are to live for the wellbeing of the rostered leaders that they call, and rostered leaders are to live for the wellbeing of the communities into which they are called, so that together we might live in Christ as mission-centers, with mission-centered congregations. We in turn get to participate in making Christ known in our lives together, making Christ known in our communities, and making Christ known in the world.

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Being centered in God’s mission through Christ is a core value of the Office of the Bishop and the Northwestern Ohio Synod. All the ministries that have been accomplished so far have been accomplished to that end. Which is to say...

*God is busy making everything the way God wants it to be, and because we are God’s people, Jesus asks us to join him!*

What does this mean? It means we are...

- **One in Christ**  
*Because the Triune God is three persons, yet one God, and Christ Jesus draws us together at the foot of his cross, we commit ourselves by the power of the Holy Spirit, to embrace this God-given unity in our congregations, our synod and throughout the church, rejoicing, suffering, working and walking together with Christ Jesus. (John 12:32; 1 Corinthians 12; Ephesians 4)*
- **Growing as Disciples**  
*Because God is at work in us, re-forming us like a potter through the Spirit, making us more like Christ Jesus, we commit ourselves to grow in faith and faithfulness through prayer, encounters with scripture, repentance, listening and sharing with other. (Jeremiah 18:1-4; Luke 24: 26-27; Ephesians 4:11-13)*

- **Sent with the Spirit**

*Because in baptism the Holy Spirit has called, gathered and enlightened us, and sends us out into the world to be Christ's hands and voice to make God's love known, we commit ourselves to be servants of the Lord, sharers of God's love, a blessing for others, and a welcoming people who invite others to "come and see" that the Lord is good. (Matthew 25:40; 28:19-20; John 20:19-23)*

- **Valuing Young People**

*Because God promised to give young men visions and our daughters would speak for God, and our Lord Jesus welcomed children, we commit ourselves to cherish our young people, provide safe environments for them in the church, and listen for God speaking through them as through us all. (Jeremiah 1:6-8; Joel 2:28; Matthew 19:13-14; 1 Timothy 4:12)*

- **Expecting to be Surprised**

*Because our God is the God of surprises, who brings life out of death and hope out of despair in Jesus' resurrection, we will anticipate with joy the new things that God is doing among us and through us as signs of and participants in the inbreaking reign of God in Christ Jesus. (Isaiah 43:18-19; Matthew 28:1-10; Revelation 21:5)*

## **Rostered Leader Categories**

The ELCA recognize four categories for Rostered Leaders. Each rostered person has been fully approved by their Candidacy Committee and called to serve in their respective ministry fields.

1. **Pastors** have received theological and practical training for the ministry of Word and Sacrament that is carried out in a variety of settings in congregations and institutions of the ELCA. They have a four year Masters of Divinity degree and are ordained by the ELCA.
2. **Associates in Ministry** have specialized skills and training in ministries such as education, music and the arts, administration, service and general ministries. They have a B.A. or equivalent or an M.A. in a field appropriate for the primary service area and are commissioned by the ELCA.
3. **Deaconesses** are a community of women centered in spiritual and professional growth and support. Primary areas of service include nursing, social work and parish ministry. They have a degree appropriate to their primary service area and are consecrated by the ELCA.
4. **Diaconal Ministers** have received theological and practical training for ministry of the Word that is carried out in service beyond the congregations of the ELCA. They may serve through congregations, institutions of the ELCA, or in non-church related organizations. Diaconal Ministers have a Masters level theological degree and are consecrated by the ELCA.

## I. COMPENSATION RECOMMENDATIONS

The Compensation Guidelines for 2017 follow the same recommendations as were purposed in 2015 and 2016. The cost of living index was not factored into the 2017 compensation guidelines. A cost of living was included in the amounts in 2015 but due to the increases in Health Insurance there will not be an increase this year other than years of service increase. It is recommend that congregations follow the suggested salary guidelines for rostered leaders (Pastor, Diaconal Minister, Deaconess, and Associate in Ministry) reflecting years of experience and education as indicated in the **2017 Recommended Minimum Compensation Guidelines (Appendix A1 & A2 – pages 22 & 23)**. Also, visit the ELCA website ([www.elca.org](http://www.elca.org)) for further compensatory information; and the Portico Benefit services website ([www.porticobenefits.org](http://www.porticobenefits.org)) for the 2017 health benefits rate information.

These compensation guidelines are a tool intended to guide conversations in budgeting for the rostered leader's compensation and to give insight into what is fair and reasonable for trained, approved and called leaders of our church. As you review these guidelines please take into consideration the Five Gospel response themes and how they fit with your ministry. We often think of ministry in terms of a rostered leader's efforts on behalf of the members of a congregation. In the same way, the ministry of the laity includes the care of the rostered leader and the rostered leader's family. This mutual concern for one another is a witness to what we believe and practice in the life of the church.

### **Step 1: Annual Review of Compensation for Rostered Leader**

Compensation of each rostered leader under call will be reviewed annually by the congregation's Executive Committee or Congregational Council. The Congregational Council can then make recommendations to the congregation for fair, honorable, and equitable compensation.

Included in the yearly, compensation adjustments:

1. Base Salary based on years of experience
2. Social Security Offset
3. Housing Allowance for those living in a parsonage
4. Health and Medical Benefit adjustments consistent with \*Portico Benefit Services. In previous years we have been able to give the approximate percentages for Health and Medical Benefits. Due to the new Health plans each congregation will need to use the Calculators found at [www.PorticoBenefits.org](http://www.PorticoBenefits.org) to determine the amount of the rostered leader's benefits. You will need to have your rostered leader's birth date to enter into opening calculator information.

### **Step 2: Determining the Compensation Package**

*\*For the easiest means of calculating compensation, we **highly** recommend that congregations use the Calculators found on Portico Benefit Services' website: [www.PorticoBenefits.org](http://www.PorticoBenefits.org). When using the calculators the following terms are helpful:*

BASE SALARY is that portion of the compensation provided to sustain the rostered leader who is called by the congregation. BASE SALARY does not include housing or professional expenses.

DEFINED COMPENSATION includes BASE SALARY, HOUSING ALLOWANCE, and SOCIAL SECURITY ALLOWANCE.

CONTRIBUTION AMOUNTS include health and pension benefits.

*\*Before beginning this section, please be sure to read all sections in this booklet.*

## 2017 COMPENSATION WORKSHEETS

### ROSTERED ORDAINED PERSONS with Housing Allowance

#### I. COMPENSATION (\_\_\_ years of ministry)

- |  |              |
|--|--------------|
| A. Base Salary (Number from Appendix A reflecting years of ordination)   | \$ _____     |
| B. Additional Compensation for merit, skills, and/or experience  | \$ _____     |
| C. Housing Allowance (must be at least 30% of the base and is used to figure the benefits.<br>Housing allowance is figured on the median home value, see page 11 for more information)   | \$ _____ *   |
| D. Total of A, B and C   | \$ _____     |
| E. Social Security Allowance (Line D x 7.65)<br><i>Because Pastors are considered self-employed by the IRS for Social Security computations only, it is recommended that congregations contribute ½ of the self-employed social security tax which is 7.65%.</i> | \$ _____     |
| F. Cash Salary (Total of lines D & E)  | \$ _____ (1) |

#### II. RETIREMENT & OTHER BENEFITS

##### **BOARD OF PENSION CALCULATION – Defined Compensation**

- |   |          |
|---|----------|
| G. Annual base salary (before reductions for tax-sheltered annuities or reimbursement accounts) – Lines A & B above | \$ _____ |
| H. Pastor’s Social Security tax allowance (if paid directly to pastor)<br>Line E above                              | \$ _____ |
| I. Housing Allowance (including any household furnishings and utilities allowances if paid directly to pastor)      | \$ _____ |
| J. Total <b>Defined Compensation</b> (Total of Lines G, H, & I)   | \$ _____ |

#### K. ELCA Portico Contribution Amounts

(Total of Lines K-1, K-2, K-3, K-4, and K-5) \$ \_\_\_\_\_ \*\*

*\*Percentages and rates vary. See current rate schedule online at [www.PorticoBenefits.org](http://www.PorticoBenefits.org)*

K-1. Health Benefit (applicable rate ____x Line J)	\$ _____
K-2. Retirement (applicable rate 10% x Line J)	\$ _____
K-3. Disability (applicable rate ____x Line J)	\$ _____
K-4. Basic Group Life (applicable rate ____x Line J)	\$ _____
K-5. Retiree Support (applicable rate ____x Line J)	\$ _____
L. Additional Benefits (i.e. tax sheltered annuity, life insurance, etc.)	\$ _____
M. Total of K & L	\$ _____ <b>(2)</b>
Total Congregational Budget Line <b>(1) + (2)</b>	\$ _____

**III. CONGREGATIONAL EXPENSES**

A. Transportation Mileage reimbursement (Check IRS rate)	\$ _____
B. Continuing Education/Professional Expenses (\$1,200 is recommended)	\$ _____
C. Official Meetings (includes synod assembly, etc.)	\$ _____
D. Moving Expenses (when calling a new pastor)	\$ _____
E. Total of lines A, B, C, & D	\$ _____

**IV. OTHER BENEFITS**

Vacation: 4 weeks, including 2 Sundays  
 Maternity/Parental Leave \_\_\_\_\_ weeks  
 Continuing Education 2 weeks and Sabbatical \_\_\_\_\_ weeks after six years of service.

Notes:

- \*Housing allowance shall be approved by and recorded in congregational council minutes prior to effective date in order to be considered tax exempt by IRS (see page 26 for sample form)
- \*\* At least equal full family, dental, and insurance coverage should be provided even if the pastor utilized plans other than the ELCA Board of Pension Plans.
- \*\*\* Furnished by Board of Pension annually online at [www.PorticoBenefits.org](http://www.PorticoBenefits.org)

**2017 COMPENSATION WORKSHEET**

**ROSTERED ORDAINED PERSONS Living in Parsonage**

**I. COMPENSATION (\_\_\_ years of ministry)**

A. Base Salary (Number from Appendix A reflecting years of ordination)	\$ _____
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B. Additional Compensation for merit, skills and/or experience \$ \_\_\_\_\_

C. Total of A and B \$ \_\_\_\_\_

D. Fair Rental Value of Parsonage x 30% \$ \_\_\_\_\_

*\*This amount is not given to the pastor but used to calculate SS offset and Benefits*

**If pastor receives a utilities and/or furnishing allowance:**

E. Utilities Allowance (Include only if the Pastor pays the utilities with a cash allowance provided by the congregation. If the congregational treasurer pays the parsonage utilities directly to the utility company, no figure should be included here.) \$ \_\_\_\_\_\*

F. Furnishings Allowance (Part of compensation for Social Security but if expended not taxable for state or federal) \$ \_\_\_\_\_

G. Housing Equity Allowance \$ \_\_\_\_\_\*\*\*  
*(If paid directly to the pastor then this is taxed. If not paid directly and put in the Optional Plan on behalf of the pastor then go to Line T)*

H. Total of C, D, E, F, and G \$ \_\_\_\_\_

I. Social Security Allowance (Line H x 7.65) \$ \_\_\_\_\_  
*Because Pastors are considered self-employed by the IRS for Social Security computations only, the Synod Council recommends that congregations contribute 1/2 of the self-employed social security tax which is 7.65%.*

**J. Cash Salary (Total of lines H & I) \$ \_\_\_\_\_(1)**

**II. RETIREMENT & OTHER BENEFITS**

**BOARD OF PENSION CALCULATION – Defined Compensation**

K. Annual base salary (before reductions for tax-sheltered annuities or reimbursement accounts) – Lines A & B above \$ \_\_\_\_\_

L. Pastor’s Social Security tax allowance (if paid directly to pastor) Line I above \$ \_\_\_\_\_

M. Total of K & L \$ \_\_\_\_\_

**For Parsonage**

N. 30% of Line M (used to determine benefits SS offset when living in parsonage. This amount is not paid to the pastor) \$ \_\_\_\_\_

O. Household furnishings and utilities allowances (if paid directly to pastor) \$ \_\_\_\_\_

P. Housing Equity Allowance (if paid directly to pastor) \$ \_\_\_\_\_

Q. Total **Defined Compensation** (Total of Lines M, N, O, & P) \$ \_\_\_\_\_



R. ELCA Health and Retirement Plan (Total of Lines R-1, R-2, R-3, R-4, & R-5) \$ \_\_\_\_\_

\*percentages and rates vary. See current rate schedule online at [www.porticobenefits.org](http://www.porticobenefits.org)

R-1 Health Benefit (applicable rate x Line Q) \$ \_\_\_\_\_

R-2. Retirement (applicable x Line Q) \$ \_\_\_\_\_

R-3. Disability (applicable rate x Line Q) \$ \_\_\_\_\_

R-4. Basic Group Life (applicable rate x Line Q) \$ \_\_\_\_\_

R-5. Retiree Support (applicable rate x Line Q) \$ \_\_\_\_\_

S. Additional Benefits (i.e. tax sheltered annuity, life insurance, etc.) \$ \_\_\_\_\_

T. Housing Equity Allowance (if tax sheltered x 4% of base salary) \$ \_\_\_\_\_

U. Total of R, S, & T \$ \_\_\_\_\_ (2)

**Total Line (1) + (2)** \$ \_\_\_\_\_

**Subtraction** of Line N -\$ \_\_\_\_\_

**Total Congregation Budget Line** \$ \_\_\_\_\_

### III. CONGREGATIONAL EXPENSES

A. Transportation Mileage reimbursement (Check IRS rate) \$ \_\_\_\_\_

B. Continuing Education/Professional Expenses (\$1,200 is recommended) \$ \_\_\_\_\_

C. Official Meetings (includes synod assembly, etc.) \$ \_\_\_\_\_

D. Moving Expenses (when calling a new pastor) \$ \_\_\_\_\_

E. Total of lines A, B, C, & D \$ \_\_\_\_\_

### IV. OTHER BENEFITS

Vacation: 4 weeks, including 4 Sundays

Maternity/Parental Leave \_\_\_\_\_ weeks

Continuing Education 2 weeks and Sabbatical \_\_\_\_\_ weeks after serving 6 years.

#### Notes:

\*It is preferable for the congregation to directly pay the utilities' costs. If money is given to the pastor for covering the cost of parsonage/utilities, this amount becomes a tax liability for the pastor.

\*\*At least equal full family, dental, and insurance coverage should be provided even if the pastor utilizes plans other than the ELCA – Portico Benefit Services.

\*\*\*Housing equity allowance (as a benefit) requires prior approval by and entered in congregational council minutes to be considered tax exempt by IRS. If paid directly to the rostered ordained person, the housing equity allowance is considered part of defined compensation and is taxable. (Housing equity allowance can be tax deferred by contribution made directly to Board of Pension Optional Pension Plan or other qualified plan.)

\*\*\*\* Furnished by Board of Pension annually online at [www.PorticoBenefits.org](http://www.PorticoBenefits.org)

## 2017 COMPENSATION WORKSHEET

### ROSTERED Lay Persons (Associates in Ministry, Diaconal Ministers, Deaconesses)

#### I. COMPENSATION

A. Base Salary (Number from Appendix B reflecting years of service)	\$ _____
B. Additional Compensation for merit, skills and/or experience	\$ _____
C. Total of A and B	\$ _____ (1)
D. Social Security Tax Allowance (line C x 7.65)	\$ _____
E. Total of Lines C & D	\$ _____

#### II. RETIREMENT AND OTHER BENEFITS

##### BOARD OF PENSION CALCULATION – Defined Compensation

F. Annual base salary (before reductions for tax-sheltered Annuities or reimbursement accounts) - Lines A & B	\$ _____
G. Rostered Leader’s Social Security tax allowance (if paid directly to the Rostered Leader) (Line D above)	\$ _____
H. Total <b>Defined</b> Compensation (Lines F & G)	\$ _____

ELCA Health & Retirement Plan (total of Lines I-1, I-2, I-3, I-4, & I-5) \$ \_\_\_\_\_ \*  
Percentages and rates vary. See current rate schedule online at [www.PorticoBenefits.org](http://www.PorticoBenefits.org)

I-1. Health Benefits (Line H x applicable rate)**	\$ _____
I-2. Retirement (Line H x applicable rate)**	\$ _____
I-3. Disability (Line H x applicable rate)**	\$ _____
I-4. Basic Group Life (Line H x applicable rate)**	\$ _____
I-5. Retiree Support (Line H x applicable rate)**	\$ _____
J. Additional Benefits (i.e., tax sheltered annuity, life insurance, etc)	\$ _____

K. Total of lines I & J \$ \_\_\_\_\_ (2)

**II. CONGREGATIONAL EXPENSES**

A. Transportation Mileage reimbursement (Check IRS rate) \$ \_\_\_\_\_

B. Continuing Education/Professional Expenses (\$1,200 is recommended) \$ \_\_\_\_\_

C. Official Meetings (includes synod assembly, etc.) \$ \_\_\_\_\_

D. Total of lines A, B, & C \$ \_\_\_\_\_

**OTHER BENEFITS**

Vacation \_\_\_\_\_ weeks, including \_\_\_\_\_ Sundays

Maternity/Parental Leave \_\_\_\_\_ weeks

Continuing Education \_\_\_\_\_ weeks and Sabbatical \_\_\_\_\_ weeks.

**Notes:**

\*At least equal full family, dental, and insurance coverage should be provided even if the pastor utilizes plans other than the ELCA – Portico Benefit Services.

\*\* Furnished by Board of Pension annually online at [www.PorticoBenefits.org](http://www.PorticoBenefits.org)

**II. DETERMINING COMPENSATION PACKAGE**

**BASE SALARY** is that portion of the compensation provided to sustain the rostered leader who is called to carry out the mission of the church through the congregation. **BASE SALARY** does not include housing or professional expenses.

**DEFINED COMPENSATION** includes **BASE SALARY, HOUSING ALLOWANCE, and SOCIAL SECURITY ALLOWANCE.**

**BENEFITS** include health and pension benefits. Please be aware that there will be changes in health and medical care in the year 2017. We will do our best to keep you updated with these changes.

**PROFESSIONAL REIMBURSEMENTS AND EXPENSES** are costs related to the necessary performance of ministerial duties, and include car reimbursement, continuing education allowance, books and journals, etc. These expenses are categorized as Congregational Expenses.

**BASE SALARY**

The starting point for determining the compensation package for your *current pastor* is his/her current **BASE SALARY**. The starting points for determining the compensation package for a pastor you are *about to call* is the recommended **MINIMUM BASE SALARY** standards. Other factors (e.g., educational debt load of first call candidates, prior experience of second career

candidates, merit and performance, length of time in the parish, the complexity of responsibilities, the financial ability of the congregation, etc.) should be taken into consideration when determining the final **BASE SALARY** figure. Honorariums or other fees received for weddings, funerals, outside speaking engagements, or from any other source should *not* be taken into account when setting the **BASE SALARY**, nor should any income received by the spouse be a consideration.

In many congregations, a specific committee is asked to have primary concern for this ministry in reviewing the yearly, compensation package for the pastor and his/her family. This group could be the Executive Committee comprised of the President, Vice President, Treasurer/Finance chairperson. The key task of such a committee is to discuss annually with the pastor a fair, honorable, and equitable compensation package. Since the pastor depends on the church council and the congregation to make adequate provision for his or her financial needs, the pastor requires an opportunity to discuss those needs in an open and supportive forum. The committee can receive data from the rostered person about his or her financial needs and subsequently make recommendations to Congregational Council for fair, honorable and equitable compensation.

### **SOCIAL SECURITY OFFSET/ALLOWANCE**

Currently, Social Security tax and Medicare is 7.65% (6.2% SS and 1.45% Medicare) for employer and 7.65% for the employee. That means as an employee you pay one half of the total Social Security assessed tax, and your employer pays the other half. Clergy are in a unique situation in that according to the Social Security Administration ordained professionals are classified not as 'employees', but as 'self-employed' meaning clergy pay the entire 15.3% Social Security tax.

According to the Internal Revenue Service clergy are NOT considered self-employed, but instead viewed as employees and thus are issued a W-2 like all other employees. Throughout the ELCA, Synods strongly recommend that all congregations pay the additional 7.65%, as does this synod. The Social Security offset/allowance is based upon the total cash salary plus housing allowance. Under current law, congregations are prohibited from directly paying social security tax for clergy. A congregation should provide an allowance for the pastor's social security tax of one-half of the amount of the self-employed social security tax of 15.30%. One-half = 7.65%. The allowance must be considered as salary in reporting to the IRS, and is also considered income when computing pension plan contributions.

### **CLERGY HOUSING ALLOWANCE**

It is fully expected that if a congregation furnishes a parsonage, it also must pay the taxes, insurance, maintenance, and all utilities of the home. An allowance for furnishings is also available and does not apply as taxable income for the pastor to the extent it is actually used. If the pastor lives in a parsonage, congregations should establish an **Equity Fund** in the range of 3%-5% of base salary (*Appendix B1, page 19*). Such contributions should be made directly to the ELCA Optional Pension Plan and should not be included as taxable salary income.

If a housing allowance is paid in lieu of the use of a parsonage, it should be **at least 30%** of the minimum base salary. Or, the housing allowance could be based on 1.25% - 1.75% of the average median home value found in the congregation's zip code area. One percent per month of the Fair Market Value (FMV) (the average cost of a home in the given area) is often used as a starting point for determining a monthly housing allowance to which should be added the cost of utilities and furnishings.

Once the Total Compensation (Base Salary + Housing + Social Security Reimbursement) is determined, the amount of this total that is designated as Housing Allowance can be adjusted to the needs of the minister as long as the Total Compensation remains the same. In other words, the pay designated as salary on the W2 can decrease (or increase) and the part designated as Housing Allowance can increase (or decrease).

### **DESIGNATION OF HOUSING ALLOWANCE**

In IRS Publication 517, the IRS states that "The church or organization that employs you must officially designate the payment as a housing allowance before the payment is made. A definite amount must be designated. The amount of the housing allowance cannot be determined at a later date." (See *Appendix B3 & B4, page 20 for a sample resolution for a housing allowance*).

When it is time to pay income tax, it is important to note IRS Publication 517:

If you own your home and you receive as part of your salary a housing or rental allowance, you may exclude from gross income the smallest of:

- The amount actually used to provide a home,
- The amount officially designated as a rental allowance, or
- The fair rental value of the home, including furnishings, utilities, garage, etc.

You must include in gross income the amount of any rental allowance that is more than the smallest of:

- Your reasonable salary
- The fair rental value of the home plus utilities, or
- The amount actually used to provide a home.

### **FURNISHINGS ALLOWANCE**

Pastors living in parsonages may be provided with a "furnishings allowance." Even in a parsonage, every pastor has some expense in maintaining his or her home. The amount of the allowance may depend on several factors: whether or not the parsonage is furnished, who provides the upkeep, pays the utilities, etc. When the furnishings allowance is designated in advance, and to the extent it is actually used, it is a non-taxable source of income for the pastor (see appendix B2, page19)

### **PART-TIME ROSTERED LEADERS**

Part-time rostered leaders shall receive proportionate compensation based on a 50-hour work week for full-time rostered leaders. We recommend that the congregation begin their calculations using the appropriate base salary indicated in the **Appendix A** and divide by the

percentage of time that the called position is requiring. Note that rostered leaders who are called to serve part-time are still granted four weeks of vacation (a total of 28 days) and two weeks (a total of 14 days) of continuing education as indicated in prior sections.

### III. DETERMINING BENEFITS

#### PENSION AND HEALTH BENEFITS

ELCA associated employers and those recognized by the ELCA as eligible employers may sponsor their employees in the ELCA Pension and Other Benefits Program offered by the ELCA – Portico Benefit Services. The program is available to all employees scheduled to work **15** or more hours per week for 6 or more consecutive months per year.

##### How Rates Are Set

According to the Portico Benefits Website ([www.porticobenefits.org](http://www.porticobenefits.org)) Contribution rates vary to help share costs among organizations of greater and lesser means, and to support a national community of leaders and other church employees. Rates are based on geographic location and rate class, **defined compensation**, plan member age, health benefit option, and household coverage level.

- **Geographic location:** Each synod is assigned to one of six rate classes that determine contribution rates, recognizing geographic differences in health care costs, so that the contributions from each synod will equal the expected cost of coverage for all sponsored employees in that synod. This way, the cost of coverage is shared within each synod, and not per individual congregation. Rate class assignments are reviewed periodically to ensure changes in health care costs are represented.
- **Defined compensation:** Contribution rates are calculated as a percentage of a plan member's defined compensation. This helps share the cost among employers of greater financial means with those of lesser financial means. We apply minimums and maximums to keep all employers' health contributions within a certain range, no matter how high or low their member's defined compensation is.
- **Plan member age:** Age affects contribution rates because age has an effect on health care costs.
- **Health benefit option:** We offer four health benefit options that vary in cost, so your organization's contribution rate depends on the one you chose to offer.
- **Household coverage level:** Costs differ if the organization is covering only the sponsored employee, or the employee and members of their household.

When a pastor waives coverage because of coverage through the insurance of a spouse, the congregation is strongly encouraged to provide a Health Reimbursement Allowance to cover co-pays, deductibles, and other medical expenses.

Portico Benefits Services program contribution rates are a percentage of defined compensation. Defined compensation is base salary, before any pretax benefit contributions\*\* are deducted. For pastors, annual defined compensation also includes the amount of any Social Security tax allowance paid to the pastor and housing allowance. If housing is not provided, the amount of any cash housing allowance paid to the pastor is included. If housing is provided, an additional 30 percent of base salary and any Social Security tax allowance, plus any household furnishings or utilities allowance paid is included.

In regards to the contribution amounts made toward the Pension, additional retirement contributions can be made by the employee (member pretax). If the employer chooses to make additional contributions from time to time, they can be included when paying the regular monthly bill by using the *Explanation of payment* included in the monthly billing statement. See *Understanding your bill* at [www.PorticoBenefits.org](http://www.PorticoBenefits.org).

ELCA-primary health benefits include a personal wellness account offering financial rewards of up to \$500 per year to members (and spouses). The ELCA Flexible Benefits Plan is also available to employees who are sponsored in the ELCA benefits program and receiving ELCA-primary health benefits. "ELCA-primary health benefits" does not include Medicare. (Those on Medicare may register for a personal wellness account, but are not eligible to receive the financial rewards.) See [www.PorticoBenefits.org](http://www.PorticoBenefits.org) for more information.

*\*\*Pretax benefit contributions include member pretax contributions to the Retirement Plan or another eligible retirement plan. They also include pretax contributions to qualified reimbursement accounts for health care, dependent care or transportation expenses.*

#### MEDICAL EXPENSE REIMBURSEMENT

A congregation may elect to reimburse medical deductible and co-payment expenses or dependent care expenses (often referred to as a Flexible Spending Account). This provision could be funded by a voluntary salary reduction or provided as a benefit in lieu of salary increase. The amount reimbursed would not be subject to Social Security or Income taxes, up to a maximum of \$5,000 per year. The proper steps must be followed in establishing an accountable plan in keeping with the IRS codes. Consult one or more tax planning guides or see a qualified Certified Public Accountant. The ELCA Board of Pensions administers such a salary deferral plan. Visit for following website for more information:  
<https://www.elcabop.org/en/UnderstandMyBenefits/Health/ELCAPrimary/FSA/FSAEnrollment>.

#### SICK LEAVE, DISABILITY, WORKERS' COMPENSATION

Sick leave of up to two months per year with full salary, housing and benefits should be provided by the congregation when needed. This is not accumulated and should not be abused.

#### MATERNITY/PARENTAL/FAMILY LEAVE

The church places a high value on family. These guidelines are offered to help congregations approach situations requiring maternal/parental/family leave in a caring manner.

**Maternal/parental leave** following the birth of a child - Six weeks of maternity leave should be available to mothers immediately following the birth of a child. Two weeks of paid parental leave is recommended for a father immediately after the birth of a child. The needs of each rostered leader and congregation may vary. It is recommended that the congregation pay full salary and benefits during this time. At a minimum, full benefits for the rostered leader should be maintained during a maternity or parental leave. Some factors that may be considered in determining salary and benefits during such a leave are the rostered leader's length of service with the congregation, vacation time available, housing costs, and the hardship to the rostered leader or the congregation.

**Parental leave following adoption** follow the same guidelines as stated above to parents who are adopting children, with maternal leave being available to a rostered leader who will be the primary care-taker.

**Family leave** at other times may be granted by the congregation. There are times in our lives when when leave is needed for families. Examples would be during times of severe illness, trauma, or death of a child, spouse or parent. The length of the leave and the salary and benefits which the congregation will provide the rostered leader should be negotiated by the rostered leader and the congregation. It is recommended that the congregation, at a minimum, provide full benefits for the rostered leader during any family leave granted.

Paid *family leave/maternity leave* of up to six weeks is recommended when a child is born or adopted. The number of weeks of leave before and after the birth should be specified in advance, and with mutual discussion with the pastor.

Parenting leave is directed towards illness (such as spouse, child, parent, or sibling) or other special needs. Such leave should include up to two weeks full salary and benefits.

In the event a sponsored member of the ELCA benefits program is unable to perform the material duties of her or his normal occupation for any employer as a direct result of injury or physical or mental disorder resulting in disability, the member is covered by these benefits:

### **DISABILITY INSURANCE**

Portico Benefit Services Disability Benefits Plan does not pay a benefit during the first two months of disability. During the first two months the congregation/organization provides full compensation including housing. Beginning with the third month the employee is entitled to receive from Portico Benefit Services a monthly benefit equal to: 2/3% of the employee's "Monthly Defined Compensation"

Minus any Social Security benefits to which employee and family members are deemed to be entitled based on employee's earning record (check limited Portico Benefit Services interpretation), and

Minus any other governmental disability program benefits payable to the employee and family members based on the employee's disability.



In general, the monthly benefits continue until the employee recovers from the disability. However, if the employee has not recovered by the 65th birthday, the monthly benefits will stop and pension benefits begin. During the first 12 months of the disability, the employer is responsible for continuing to pay the monthly contribution to the Medical and Dental Benefits Plan and the Survivor Benefits Plan. If coverage has been continued during the first 12 months, then thereafter the Disability Benefits Plan will pay the cost of continued coverage under the Medical and Dental Benefits and Survivor Benefits Plans.

### **1. Salary continuation**

During the first two months of disability, the employer is expected to pay the full salary and contributions to ELCA - Portico Benefits Service retirement plan, and for health, disability and survivor benefits.

### **2. Monthly disability benefits**

Beginning with the third month of disability, the member receives a monthly income benefit based on two-thirds of the monthly average compensation on which contributions were paid during the 12-month period preceding the disability, less any Social Security or any other government offsets, including benefits paid to the member or family members. Benefits continue until recovery or up to the maximum benefit period. See: [www.PorticoBenefits.org](http://www.PorticoBenefits.org) for more information.

### **3. Other benefits**

Health coverage, the lump-sum survivor benefit and monthly survivor income benefits continue at no charge until recovery or up to the maximum benefit period. In addition, an amount based on the current basic benefit will be contributed to the member's ELCA retirement account.

### **4. Benefits to surviving beneficiaries**

At retirement (or death) the balance in the member's ELCA retirement account will be available to the member (or spouse) for withdrawals or convert to an annuity, providing a monthly income stream in retirement.

The member must apply for partial or total disability benefits within six months of becoming disabled and must be actively engaged in medical treatment designed by a qualified health care provider. See [www.PorticoBenefits.org](http://www.PorticoBenefits.org) for more information.

## **IV. DETERMINING OTHER BENEFITS/COSTS/ REIMBURSEMENTS**

### **AUTOMOBILE EXPENSE REIMBURSEMENT**

The congregation should reimburse miles traveled in carrying out duties as a rostered leader at the rate allowed by the IRS. Check IRS guidelines at:

<http://www.irs.gov/taxpros/article/0..id=156624.00.html>). The rostered leader should submit a signed report each pay period or no less than monthly to the responsible financial officer of the congregation. Please note that Automobile Reimbursement may also occur through a reasonable auto allowance that is provided within the compensation package.

#### WEEKLY HOURS/TIME OFF, CONTINUING EDUCATION AND SABBATICAL LEAVE

Pastors, like anyone else, need some time off from work in order to replenish and re-energize. Congregations should ensure that each pastor has **two full days off per week**. The pastor's weekly schedule (days/hours) may be negotiated as necessary. For the well-being of the pastor and health of the congregation, such a schedule **should not exceed 50 hours in a work week**.

#### OTHER EXPENSES

Your rostered leader's attendance at official assemblies and conferences is a professional expense. Attendance at the Annual Northwestern Ohio Synod Assembly is constitutionally mandated and expenses for registration, lodging, meals, travel and other fees are the responsibility of the congregation. Attendance at other conferences should also be supported by the congregation or agency by payment of registration fees and other expenses. Discuss with your pastor his/her anticipated expenses in connection with assemblies and conferences in the coming year.

#### DAY OFF/VACATION

It is recommended that a full-time rostered leader take at least one full day off per week. In managing time at work and time off it might be helpful to consider each day as having three segments: morning, afternoon, and evening. Each week contains twenty-one such segments. Working fifteen or sixteen of those segments, equaling approximately 50 hours, is suggested as the norm. During certain of the year and especially during the Christmas and Easter season, more may be required. Correspondingly, some seasons of the church year may require less.

It is important for rostered leaders to have a period of time away from the call in order to refresh and recreate. The congregation should provide a minimum of **four weeks vacation** per year (28 days), including four Sundays for all pastors. Continuing education time is not to be regarded as vacation, nor should it be used by the professional leader for vacation.

All costs and procurement of supply ministries during vacation times, including Sunday supply, are the responsibility of the congregation and the congregational council. A list of available pulpit supply may be secured from the synod web site ([www.nwos-elca.org](http://www.nwos-elca.org)).

#### CONTINUING EDUCATION/SABBATICAL LEAVE

It is the expectation of the ELCA and the Northwestern Ohio Synod that every rostered leader will engage in at least 50 hours of continuing education per year. This continuing education is intended to benefit both the rostered leader and the congregation through ongoing development of biblical/theological understanding and ministry skills. To assist the rostered leader in meeting this expectation, \$1,200 is suggested (with expenditures verified by receipts),

and two weeks (a total of 14 days including two Sundays) will be provided by the congregation for every rostered leader, accruable for up to three years.

Continuing education may range from a single day seminar to enrollment in a formal program at an educational institution. It is recommended that the professional staff attend the annual Professional Leaders Conference offered each January in the Northwestern Ohio Synod. Scheduling of continuing education opportunities should be determined by the rostered leader in consultation with the congregation's Staff Support (Mutual Ministry) Committee and the congregational council.

#### FIRST CALL THEOLOGICAL EDUCATION (FCTE)

FCTE is the ELCA three-year structured program designed to support and strengthen the new pastor in terms of: (1) ministry skills; (2) pastoral identity; and (3) discernment of context. FCTE is experiential learning designed to meet participants at their point of need as they encounter the demands and expectations of ministry. This program will consist of a portion of the contact hours.

#### SPIRITUAL RETREAT

In May of 1999, the Northwestern Ohio Synod Assembly passed a resolution calling for the Northwestern Ohio Synod Council to recommend to each congregation of the synod that time and expenses for each rostered leader be provided to spend at least one week a year on intentional, disciplined **spiritual retreat**. This is an addition to the continuing education time already provided.

#### SABBATICALS

Congregations shall offer their pastor **sabbatical** leave time for spiritual and personal renewal. Typically, a sabbatical is 12 weeks in length after a pastor has served six years in a congregation. The intent of sabbatical is to sharpen the rostered leader's skills and to refresh both the spiritual life and a sense of calling. Please see the websites for Portico Benefit Services and the ELCA for more sabbatical resources. The request, specific description and purpose of the sabbatical leave are to be submitted to and approved by the Congregational Council at least six months prior to the time it begins. Congregations might want to include in the budget and set aside funds each year toward the sabbatical so costs might be spread over several years.

During sabbatical leave, the congregation continues to provide normal compensation, and pays for pulpit supply and related congregational ministerial expenses. The pastor is responsible for expenses related to the sabbatical such as additional living expenses, tuition, books and supplies. Normal vacation time may be used to extend the sabbatical leave. A report of his/her sabbatical activities is to be submitted to the church council. A pastor taking a sabbatical is expected to continue to serve the congregation granting the sabbatical for at least one year following the leave.

## CHURCHWIDE/SYNODICAL COMMITMENT

There are times in the midst of a rostered leader's ministry when he/she is called upon to serve in ways that take her/him beyond the congregation. Examples may include church-related activities such as serving as a Bible study leader or chaplain at a church camp, on a syndical or ELCA committee or task force, or short-term teaching at a college or seminary. In any case, this "extended ministry" should be fully negotiated through the congregation's Staff Support (Mutual Ministry) Committee and with the approval of the Congregation Council. Such outside ministry should not be considered as vacation time.

Rostered leaders are constitutionally required to attend the Northwestern Ohio Synod assembly each year along with voting members from the congregation.

## V. PARSONAGE GUIDELINES

A parsonage is the home provided by the congregation for its' rostered leader. It should not only be a comfortable home for the rostered leader and his/her family but one that provides an environment that will be helpful to foster partnership and serve to enhance the ministry. These guidelines are designed to help both the rostered leader and the congregation. Using these as a guideline will help the congregation become aware of needed improvements and also alert the congregation and rostered leader of any abuses to the parsonage property.

Since the parsonage is the rostered leader's home, privacy should be respected. Members of the congregation should follow the same standards of politeness for such things as entering the parsonage as they would for any other home in the community. When changes/repairs need to be made in the parsonage, the rostered leader should be consulted about an appropriate time when the repairs might be completed. The quality of the parsonage should meet a standard set by the homes of the majority of the congregation's members.

The tenant/landlord model may apply on occasion, but its application is limited. Contrary to renters, the rostered leader normally has little choice of residence. The relationship between the rostered leader and congregation is not based on a lease or rental agreement, but upon a common bond in the ministry of the congregation. The Parsonage Guidelines are suggested as a basis of conversation between the rostered leader and the congregation when it comes to matters of maintenance, repair and responsibilities relative to a church-owned home.

1. It is recommended that the following appliances be provided in the parsonage:

- Stove with oven
- Refrigerator
- Dishwasher
- TV antennae (unless cable or satellite TV is provided)
- Air conditioning (usually central air conditioning is expected)
- Humidifier/de-humidifier (if needed)
- Soft water conditioner (if needed)
- Washer & dryer (optional)

- Garbage disposal (optional)
2. It is recommended that the following utilities be paid directly by the congregation or an adequate utilities allowance be provided for the rostered leader to pay for them:
- Electricity
  - Gas
  - Water/sewer/garbage
  - Telephone (except personal long distance)
3. Items that would normally be supplied by the congregation include:
- Paint
  - Wall coverings
  - Floor coverings
  - Ceiling fans
  - Window coverings
  - Light fixtures
5. Services
- An adequate supply of hot and cold water, in all rooms using water
  - Proper sewage system
  - Weekly trash pick-up when available
  - Water treatment if needed
  - Regular professional pest control if needed
  - Smoke detectors, carbon monoxide detectors, fire extinguishers, and radon inspection
  - Outside water faucets and electrical outlets
  - Snow removal and lawn service to be determined at time of call
  - Internet service if the rostered leader maintains an office in the parsonage
  - (Every congregation ought to have internet service to the church office. Wireless modem application might be considered to broadcast to the Parsonage as well.)
6. Maintenance and Improvements
- It is important to plan ahead for repairs and improvements. These should be a line item in the church budget in the amount of at least 1.5 % of the insured value of the parsonage to take care of routine and emergency expenses. If these funds are not used in any given year, they should be held in escrow for when it is needed. There should be a clear understanding in writing of who can use these funds and to what extent they can be used without the consent of the appropriate committee.
  - The electrical service should be inspected, and all wiring, including the installation of circuit breakers, required number of outlets, wall switches, and light fixtures are to meet the National Electrical Code.
  - It is important in the interest of both comfort and stewardship that all windows and doors be weather tight, with either storms or thermopane glass, and that there be screens for all windows. If new windows are installed, they shall be high-performance energy efficient type.
  - Both the interior and exterior of the parsonage should be kept in such repair as to preserve not only its physical condition, but also its aesthetic value, and this includes sensitivity to the historical design of a building when making changes. Painting and papering should be done regularly, in consultation with the parsonage family.
  - It shall be the responsibility of the occupants of the parsonage to provide for the cleanliness of it and the repair of any damage that they or their pets have caused to the interior, exterior, or grounds. An exiting rostered leader shall also be responsible for removing swing sets, above

ground pools, and other personal non-permanent additions. If, when leaving, the cleaning, restoration, and repair of damage have not been done, the rostered leader will be billed. If he/she does not pay this bill, or contests it, a recording of refusal or negations shall become a permanent part of the rostered leader's record.

7. Before a rostered leader moves into a parsonage, the congregation should see that it is thoroughly clean and may want to use this occasion to update and redecorate the parsonage.

- The colors, fabric, design, etc., selected in the redecoration would normally be selected by those who will be living in the house in consultation with the appropriate committee. The congregation, of course, shall determine the price ranges for these items.

8. Annual Inspection of the Parsonage and Dealing with Needs

- There should be an annual inspection of the parsonage by persons designated by the Congregational Council. The purpose of the inspection is to discover needed repairs, improvements, and refurbishing, and to make short-term and long-term plans for accomplishing these, with prompt attention given to safety and health factors. Needs which arise between inspections should be taken care of promptly.
- As part of the call process, the new rostered leader (and spouse) should tour the parsonage with a member of the call committee, Congregational Council chairperson and appropriate property committee person and agree as to what repairs and redecorating are to be done before the new rostered leader arrives.

9. Safety and Security

- If security is an issue in the community, whatever is needed to make the dwelling secure should be provided, i.e. dead-bolt locks, security systems, outdoor lighting, etc. A key change is suggested at the time of change of call.
- To make access to the house safe for occupants and guests, the driveway and the steps and sidewalks to all doors need to be of an even surface and kept in good repair.
- All outside steps should have safe and secure railings.

10. Pets in the Parsonage

While it is recognized that it is the right of the parsonage family to have pets, it is also recognized that the ownership of pets requires the rostered leader to assume responsibility for them. At minimum these responsibilities include:

- Caring for the pets in a humane and responsible manner.
- Securing permission of the local church for the construction of any needed facility.
- Assuming financial responsibility for the construction, maintenance, and eventual removal (at the time of a move) of any facility, such as a dog house, fenced enclosure, etc.
- Replacing/repairing any damage done by pets to the carpets, floors, drapes, doors, lawn, etc., as well as cleaning and deodorizing to the approval of the appropriate committee and the incoming pastor.
- Any cleaning, repair, or removal resulting from the ownership of pets that is not done by an outgoing rostered leader shall be billed to him/her.

11. A Parsonage Notebook or File

It is recommended that every parsonage family maintain and pass on the next rostered leader a notebook or file of records and helpful household data, including, but not limited to:

- A record of the date and place of purchase of all appliances and equipment. Manuals and service contracts for these are to be kept together.

- A record of the date and name of contractor and a description of any work done on the parsonage.
- A record of any decorating or refurbishing, to include paint color, type, brand, etc.
- Any special information necessary regarding shrubs, flowers, etc.

12. When a rostered leader moves out of a parsonage, and before all financial obligations are completed, there should be an inspection of the property to see that it is left clean and in good repair. The rostered leader should be held responsible for any excess wear or damage caused to the parsonage while he or she was living there. Normal, everyday wear should not be included or be considered as damage.

13. The grounds around the parsonage are usually the responsibility of the congregation. The congregation should see that the lawn, shrubbery and flowerbeds are in good condition when a rostered leader moves into the parsonage. It should be determined if the rostered leader is expected to care for these grounds (mow, rake, remove snow, apply fertilizer, insecticides, herbicides) or the congregation will bear this responsibilities. (The rostered leader and a person from Congregational Council should negotiate the division of labor immediately after the rostered leader's arrival.) Congregations should consider taking care of the grounds around the parsonage while the rostered leader is on vacation or study leave if it has been decided this is the rostered leader's responsibility.

## VI. PASTORAL VACANCY

### SUPPLY PASTORS

A supply pastor is one who fills in one Sunday at a time (e.g., while the pastor is on vacation).

A supply pastor shall receive:

1. Preaching:

One weekend service -- \$150 or higher

Each additional weekend service--\$30

Weekday service (i.e. Wednesdays in Lent)--\$150 or higher

2. Mileage shall be reimbursed at the current IRS

(<http://www.irs.gov/taxpros/article/0,,id=156624,00.html>) rate per mile

3. All reasonable hotel and meal costs shall be reimbursed.

### INTERIM PASTORS

The Northwestern Ohio Synod Bishop has the discretion to appoint an Interim whenever there is a pastoral vacancy and will often work with Congregation Councils to determine who would best serve in that position. An Interim Pastor is usually under a contract which can range from just a few hours on Sunday morning to full-time ministry. In some cases Interim pastors can be issued a term call from Synod Council, but this must be done in consultation with the Northwestern Ohio Synod Bishop and Synod Council.

A full-time interim pastor (five or more days per week) shall receive compensation according to their years of experience as indicated by the guidelines or comparable to the previous pastor. Either a parsonage or housing allowance is to be provided, as well as pension and medical

benefits, if applicable, mileage reimbursement for performing congregational responsibilities at the current IRS rate (<http://www.irs.gov/taxpros/article/0,,id=156624,00.html>) and reimbursement for any other ministry related costs incurred (e.g. telephone, postage, meals, etc.).

An Interim pastor called for less than full-time shall receive:

1. A minimum of \$35 per hour for visitation and other related ministry,
2. Mileage reimbursement for performing congregational responsibilities at the current IRS rate (<http://www.irs.gov/taxpros/article/0,,id=156624,00.html>),
3. Reimbursements for congregational expenses (e.g. telephone, postage, meals, hotel, etc.),
4. Preaching:  
One weekend service -- \$150 or higher  
Each additional weekend service--\$30  
Weekday service (i.e. Wednesdays in Lent)--\$150 or higher

#### PASTORAL SEVERANCE POLICY

When, after consultation with the Bishop of this synod, or his/her designee and congregational leaders, a pastor deems it necessary to resign a call without having accepted another call or entering into retirement, the congregation, in consultation with the bishop of the synod and /or his/her designee, shall provide a severance package to the pastor.

It is recommended, the severance package shall be offered at least 13 weeks or three months, and shall include salary, housing allowance, medical and pension benefits, and Social Security offset. If the pastor is living in the congregation's parsonage, the pastor shall be given the opportunity to remain in the parsonage for at least 13 weeks or three months. Excluded would be any other allowances, e.g. auto, book, education.

Additionally, any accrued but unused vacation time for the current calendar year shall be compensated with full salary and benefits for up to four weeks.

In the event the pastor is called to rostered ministry prior to the conclusion of the severance period, the congregation is released from further severance responsibility as of the date of the new call's acceptance. *See appendix B5, page 21 for a Sample Letter.*



## VII. APPENDIX

### A1 – 2017 GUIDELINES for ORDAINED

RECOMMENDED 2016 CLERGY SALARY GUIDELINES NORTHWESTERN OHIO SYNOD, ELCA		
Recommended for Adoption to the Synod Assembly – May 2016		
Years Ordained	Year Of Ordination	2014 Recommendations Salary Guidelines
0	2017	\$34,209
1	2016	\$34,705
2	2015	\$35,240
3	2014	\$35,756
4	2013	\$36,308
5	2012	\$36,823
6	2011	\$37,348
7	2010	\$37,866
8	2009	\$38,443
9	2008	\$38,964
10	2007	\$39,474
11	2006	\$39,966
12	2005	\$40,552
13	2004	\$41,076
14	2003	\$41,631
15	2002	\$42,142
16	2001	\$42,672
17	2000	\$43,227
18	1999	\$43,753
19	1998	\$44,259
20	1997	\$44,791
21	1996	\$45,338
22	1995	\$45,840
23	1994	\$46,368
24	1993	\$46,908
25	1992	\$47,456
26	1991	\$47,975
27	1990	\$48,482
28	1989	\$49,052
29	1988	\$49,567
30	1987	\$50,088

*\*Add \$350 for each year of completed service beyond 30 years.*

**A2 - 2017 GUIDELINES for THE LAY ROSTER**

RECOMMENDED 2017 LAY ROSTERED LEADER'S SALARY GUIDELINES NORTHWESTERN OHIO SYNOD, ELCA			
Recommended for Adoption to the Synod Assembly – May 2016			
Years Of Service	Non- Degree	Bachelors Degree	Masters Degree
0	\$31,872	\$36,821	\$40,741
1	\$32,377	\$37,327	\$41,249
2	\$32,952	\$37,849	\$41,743
3	\$33,458	\$38,365	\$42,355
4	\$33,970	\$38,927	\$42,861
5	\$34,558	\$39,435	\$43,371
6	\$35,078	\$40,020	\$43,875
7	\$35,579	\$40,581	\$44,463
8	\$36,086	\$41,034	\$44,971
9	\$36,821	\$41,541	\$45,477
10	\$37,180	\$42,129	\$46,055
11	\$37,628	\$42,648	\$46,570
12	\$37,686	\$43,156	\$47,078
13	\$38,208	\$43,675	\$47,584
14	\$39,435	\$44,250	\$47,757
15	\$39,808	\$44,755	\$48,704
16	\$40,380	\$45,263	\$49,211
17	\$40,887	\$45,850	\$49,719
18	\$41,407	\$46,356	\$50,291
19	\$41,982	\$46,865	\$50,553
20	\$42,502	\$47,384	\$51,304
21		\$47,958	\$51,879
22		\$48,477	\$52,399
23		\$48,984	\$52,906
24		\$49,490	\$53,506
25		\$50,066	\$54,026
26		\$50,611	\$54,521
27		\$51,105	\$55,066
28		\$51,679	\$55,428
29		\$52,186	\$56,119
30		\$52,694	\$56,628

*\*Add \$350 for each year of completed service beyond 30 years.*

HOUSING FORMS – APPENDIX B

**B1 - Housing Equity Designation Form**

[This form is for use when the congregation does not make contributions to a housing equity allowance to the member’s ELCA optional pension plan. When payments are made to the ELCA optional pension plan, the congregation uses the forms presented by the custodians of this fund.]

**Housing Equity Allowance Agreement**

At a properly called meeting of the congregation of \_\_\_\_\_ Lutheran Church, with a quorum present, held on \_\_\_\_\_, it was moved, seconded, and noted to establish a housing equity allowance fund for the Rev. \_\_\_\_\_ with one (1) initial contribution of \$ \_\_\_\_\_ for the year 20\_\_\_\_, and with two (2) subsequent annual contributions to be determined each year thereafter by vote of the congregation.

The conditions of this agreement are as follows:

1. The annual contribution shall be placed in an interest-bearing account in the name of the congregation.
2. The fund shall not be available for use by the congregation or the pastor except for the purchase of a house by the pastor or the pastor’s spouse.
3. The fund shall be paid in full to the pastor or survivors in the event of the pastor’s disability, retirement or death.
4. Upon resignation as pastor from this congregation and acceptance of a call to another congregation or organization, the fund balance shall be transferred to the new employer or the pastor, as the pastor may direct.
5. The funds shall be payable to the pastor’s estate if there is no surviving spouse.

Congregational President or other Officer	Date
Pastor	Date

**B2 - Designation of Household Furnishings’ Allowance**

Upon motion duly made and seconded, it was voted to designate \$ \_\_\_\_\_ as a *Household Furnishings Allowance* for 20\_\_ to be paid to the Rev. \_\_\_\_\_ in response to the pastor's request and acknowledgement that the allowance so designated does not exceed the fair value of the cost of those items covered by this allowance (furnishings, cleaning supplies, renter's insurance, minor repairs and maintenance, appliances, and/or utilities). It is furthermore acknowledged by the pastor that should these funds exceed the total expenditures for the year the difference will be reported as taxable income.

Congregational President or other Officer	Date
Pastor	Date

**B3- Draft Language for Congregational Council Action on Housing Allowance**

*Under the tax laws of the United States, an ordained pastor of the Gospel is not subject to Federal Income Tax with respect "to the rental allowance paid as part of compensation to the extent used to rent or provide a home." The allowance provided should be equal to the fair rental value of the home, including furnishings and appurtenances such as garage, plus cost of utilities.*

The Congregation Council, after considering the request of the Rev. \_\_\_\_\_ setting forth the amount expected to be spent to rent or purchase a home during the period of \_\_\_\_\_, 20\_\_, to \_\_\_\_\_, 20\_\_, and in light of the Federal Income Tax law and the pastor's established salary level, on motion duly made and seconded, adopted the following resolution:

Resolved that the Rev. \_\_\_\_\_ receive a salary of \_\_\_\_\_ for the year of \_\_\_\_, and a housing allowance of \$ \_\_\_\_\_ for the same year, the housing allowance to be so designated in the official records.

\_\_\_\_\_  
Congregational President or other Officer

\_\_\_\_\_  
Date

**B4 -NOTIFICATION OF HOUSING ALLOWANCE BY CONGREGATION TO PASTOR**

TO: [NAME OF PASTOR]

FROM: \_\_\_\_\_ Lutheran Church Congregational Council

RE: Housing Allowance for Tax Tear 20\_\_

DATE: \_\_\_\_\_

This correspondence is to advise you that at a meeting of the Congregational Council of \_\_\_\_\_ Lutheran Church held on \_\_\_\_\_, 20\_\_, your housing allowance was officially designated and fixed in the amount of \$ \_\_\_\_\_.

Accordingly, \$ \_\_\_\_\_ of the total compensation payable to you for the year 20\_\_ will constitute housing allowance and the balance will constitute "salary" (as interpreted by the Federal Income Tax Law.)

\_\_\_\_\_  
Congregational Secretary

\_\_\_\_\_  
Date

**B5 - Sample Letter of Agreement for Severance Package with Pastor and Congregation**

Date \_\_\_\_\_

As officers of \_\_\_\_\_ Lutheran Church of the Northwestern Ohio Synod, the President, Vice President, Secretary and Treasurer (Officers or Elders) do hereby accept the resignation of Pastor \_\_\_\_\_ as Pastor of \_\_\_\_\_ Lutheran Church, and pledge our prayers in Christian love for Pastor \_\_\_\_\_.

In an effort to extend our concern for Pastor \_\_\_\_\_ and his/her family, and as a gesture of appreciation for his/her service to this congregation, Pastor \_\_\_\_\_ will be granted a severance package for three (3) months, including regular salary, housing allowance\*, full medical and pension benefits (if included in current congregational full compensation package), and Social Security offset (if included in current congregational full compensation package). Pastor \_\_\_\_\_ will also be fully compensated for \_\_\_\_\_ weeks/days of unused vacation time.

\*If pastor lives in a parsonage, he/she will be given the opportunity to remain in the parsonage residence for the three months of severance as well as the weeks/days of unused vacation for the current year.

In the event that Pastor \_\_\_\_\_ is called to roster ministry prior to \_\_\_\_\_ (last day of severance and unused vacation period combined), the severance responsibilities of this congregation will be terminated at that time.

May God grant peace and love to Pastor \_\_\_\_\_, his/her family, and to this congregation.

\_\_\_\_\_  
President                      Date    Vice President                      Date

\_\_\_\_\_  
Secretary (or Elder)                      Date    Treasurer (or Elder)                      Date

I have read the contents of this severance agreement and understand and accept this agreement.

\_\_\_\_\_  
Pastor                      Date    Synod Bishop/Designee                      Date