



Metropolitan Chicago Synod
Evangelical Lutheran Church in America
God's work. Our hands.

**2018 Salary Guidelines
for Rostered Leaders
in the
Metropolitan Chicago Synod
Evangelical Lutheran Church in America**

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“The gift he gave were that some would be . . . evangelists, some pastors, some teachers, to equip the saints for the work of ministry, for building up the body of Christ” (Ephesians 4:11-12).

“This church affirms the universal priesthood of all its baptized members. In its function and its structure this church commits itself to the equipping and supporting of all its members for their ministries in the world and in this church. It is within this context of ministry that this church calls some of its baptized members for specific ministries in this church” (ELCA Constitution 7.11).

Rationale

The 2018 Salary Guidelines for Rostered Leaders in the Metropolitan Chicago Synod are provided by the synod to assist in establishing appropriate salary packages. These guidelines are developed with awareness of both urban and suburban circumstances in our synod and of the other synods of Region 5. These synods are striving for uniformity in guidelines, although the dollar amounts may vary.

For 2018, we are recommending a 2.0% cost of living increase for rostered leaders. This is based on current inflation of 1.7% and forecasts that US Consumer Price Index for 2018 will be 2.0 - 2.4.

Minimum Housing Allowance for 2018 is based on the *U.S. Census Bureau Median* housing costs - with a mortgage, 2011-2015*, for each county in our synod. The rounded median amount for each county is as follows: Cook - \$22,200; Lake - \$25,500; DuPage - \$24,500; Kane - \$22,300. * Median is defined as a value in an ordered set of values in which there is an equal number of values below and above or which is the arithmetic mean of the two middle values if there is no one middle number.

Changes in the guidelines include:

- Part II, Option 1: recommended minimum housing allowance revised to reflect the rounded median housing costs per county (Cook, Lake, DuPage, Kane) of this synod.

Additional Information

In 2018, Portico continues to offer four different-priced ELCA-Primary health benefit options — platinum, gold, silver, or bronze — and sponsoring employers continue to pay different health contribution rates based on defined compensation, a member’s age, and geographical location.

Portico analyzes past claims experience and market trends annually to ensure that enough money is collected in the coming year to meet the benefit-related needs of the ELCA faith community, while at the same time being committed to finding ways to keep the cost of health care coverage affordable for ELCA congregations. Portico, thanks to its wellness approach and administrative efficiency, was able to keep the ELCA-Primary contribution rate increase at 5% for each of the four health benefit options even though health care costs are projected to rise 6.5% or more nationwide. Portico will also preserve current deductibles, out-of-pocket levels, and wellness dollars. One exception to the status quo is the amount members will pay for brand-name drugs. Portico has introduced a co-insurance for brand-name drugs under the Primary Platinum+, Gold+, and Medicare options. Overall prescription drug spending grew nearly three times faster than medical claims last year. The co-insurance was introduced to encourage more members to choose lower-cost generic drugs when possible.

Contribution rates for disability insurance, basic group life insurance, retiree support, and minimum required retirement contributions will remain the same.

Part I Determining the Cash Salary

Step 1 Base Salary

Base salary is that portion of compensation that is provided to sustain the rostered leader who is called to lead ministry through the congregation or another organization. Base salary does not include housing, social security allowance, or professional expenses.

See chart on pages 14-16 for salary guidelines based on years of ministry.

\$ _____

Step 2 Merit Increase

Education: Further education enriches ministry. Modest reimbursement for advanced degrees is appropriate. The suggested amount added to base pay for this component is a multiplier in the range of 1% to 5% of base pay.

\$ _____

Responsibility: Each call is unique to the situation in a given congregation. Things to consider in this area include solo parishes, multiple staff parishes, and specialized ministries. When there is a unique measure of leadership or workload, additional compensation is appropriate. The suggested amount added to base pay for this component is a multiplier in the range of 1% to 5% of base pay.

\$ _____

Previous Work Experience: Previous experience in the church and/or secular workforce that enhances a person's skills for ministry should be taken into consideration. Such experience prior to ordination should be calculated at a rate of 1/3 to 1/2 year for each year of prior experience, not to exceed 5 years of ministry credit.

\$ _____

Step 3 Total Cash Salary

\$ _____(1)

Part II Determining Housing Allowance (choose Option 1 OR 2)¹

Option 1: Allowance if pastor is a homeowner or renter

If your congregation provides a housing allowance for your pastor and family, this amount should be sufficient to provide adequate housing as well as care for the related expenses of upkeep and utilities (e.g., electricity, fuel, trash removal, water/sewer, internet, and basic telephone service). Your pastor may exclude the housing allowance from taxable income up to the *Fair Rental Value* of a furnished home plus utilities to the extent that the housing allowance is actually spent for housing. Expenses that qualify for the housing allowance include payments on purchase, mortgage payments (principal and interest), taxes, insurance, utilities, maintenance, repairs, furnishings, landscaping, etc. Thorough consultation with the pastor is required relating to the total housing costs and the amount of housing allowance needed to sufficiently cover the cost of housing within the community in which your congregation is located. A helpful guide is to start with the median cost of a home in the community (which can be found at <http://www.elca.org/Our-Work/Congregations-and-Synods/Research-and-Evaluation/Demographic-Reports>. Add an additional 12% of that cost to that figure for being fully furnished. A rule of thumb is taking 1% of this figure to determine the fair market rental value. This 1% equals the monthly amount of housing allowance. For example: the median cost of a home in Elmwood Park, Illinois, was \$229,455. Fully furnished, that home would be valued at \$256,990 (\$229,455 x 1.12). 1% of \$256,990 (\$256,990 x .01) gives you a monthly housing allowance figure of \$2,570 (annually: \$30,840) to which the cost of utilities would be added.

The annual minimum based on county (page 4) is recommended.

\$ _____ (2a)

Option 2: Allowance if parsonage is provided

Portico Benefit Services determines 30% of Total Cash Salary is to be added to the Defined Compensation. This is its value only, not an amount paid to the pastor.

Value \$ _____ (2b)

Utilities

Congregations are encouraged to pay utilities directly, but may instead add an allowance of about \$3,600.

OR Allowance \$ _____ (2c)

Furnishings Allowance

Congregations may add a portion to the cash salary called "furnishing allowance" or may designate an amount from the cash salary for this allowance. Purchases made with this allowance are the property of the pastor. OR Designated

Added \$ _____ (2d)

(Option 2 continued on page 7)

¹ Please see Appendix C for Internal Revenue Service housing resolution.

Housing Equity

When a church-owned or rented parsonage is provided as part of the pastor's compensation, the pastor does not have the opportunity to build equity, as do homeowners. Some congregations choose to compensate for this lack of equity with a housing equity allowance. These funds are vested in the pastor. The congregation pays a predetermined amount in monthly installments directly to Portico (preferred) or to another depository agreed upon by the pastor and the parish or directly to the pastor. If paid directly to the pastor, it becomes taxable income. It is recommended that the housing equity allowance be placed in a tax-deferred account with Portico. The housing equity allowance is intended to assist the pastor or the pastor's family to provide housing that would be available when the pastor decides to purchase a home, retires, becomes disabled, dies, or when the congregation disposes of its parsonage and begins paying a housing allowance. When the pastor resigns, the assets accumulated in the depository (if not Portico) are transferred to another congregation or paid directly to the pastor, at the pastor's discretion. Our recommendation would be to pay a housing equity allowance of at least \$3,600 per year.

\$_____ (2e)

Total Housing Compensation [2a or 2b+2c+2d+ (2e, if amount is paid directly to the pastor)]

\$_____ (2)

Part III Social Security

Social Security Allowance

Pastors are required to pay 15.3% Self-Employment (SE) Tax (Social Security/Medicare). The 15.3% is comprised of 7.65% employee portion and 7.65% employer portion. The employer portion of this tax is a deductible item for income taxes. Your local Social Security Office should be consulted for recent changes. This allowance is taxable income to the pastor and subject to SE tax.*

It is recommended that the congregation assume at least the employer portion of the Social Security Tax that the pastor must pay. This is done by paying at least 8.235% of the sum of lines 1 + 2.

*(7.65% x 7.65% = 0.00585% + 7.65% = 8.235%)

\$_____ (3)

Part IV Retirement and Other Benefits

Retirement

Under the ELCA Retirement Plan, the congregation is required to pay the minimum retirement contribution percentage. The congregation may choose to pay a retirement contribution percentage that is higher than the minimum.

RETIREMENT CONTRIBUTION RATES

| | |
|---|---|
| <u>Attained Age on 12/31/87</u> <u>if enrolled prior to 1988</u> | <u>Minimum Required</u> <u>Contribution Rate</u> |
| 45 through 54 | 11% |

| | |
|----------------------------|-----|
| All other rostered leaders | 10% |
|----------------------------|-----|

Defined Compensation² X _____%

Retirement Contribution

\$ _____

ELCA Medical and Dental Benefits

Calculate benefit costs by using Portico calculator found at [https://employerlink.porticobenefits.org/ Resources/ Calculators/BenefitsCostCalculator.aspx](https://employerlink.porticobenefits.org/Resources/Calculators/BenefitsCostCalculator.aspx).

See Appendix F, page 21, for more information.

\$ _____

Disability, Basic Group Life, and Retiree Support

Contribution is set by Portico Benefit Services at 4.0% of Defined Compensation in 2018. See Appendix F, page 21.

\$ _____

Additional Benefits

The congregation may also provide Supplemental Medical Insurance.

\$ _____

Tax-Sheltered Annuity

The congregation may also provide a tax-sheltered annuity.

\$ _____

Total Retirement and Other Benefits

\$ _____(4)

² Defined Compensation: *Defined Compensation* is the sum of Total Cash (line 1), Housing (line 2a OR 2b+2c+2d), and Social Security (line 3).

Part V Reimbursable Expenses

Automobile Allowance

There are three ways to handle auto expenses (choose one):

- a. Congregation purchases or leases an auto \$ _____
- b. Reimburse miles driven at 54.5 cents per mile³ \$ _____
- c. Pay monthly allowance (taxable as income) \$ _____

Continuing Education

It is recommended that \$1,200 per year be spent for the continuing education of a rostered leader. The rostered leader is encouraged to provide 1/3 of this amount, with the congregation providing 2/3 or \$800 annually. \$ _____

A minimum of 50 contact hours per year of intentional continuing education is strongly encouraged. To meet this requirement, it is recommended that 2 weeks (14 days, including two Sundays) be given annually.

A provision allowing the pastor to accumulate continuing education dollars and time up to a maximum of 3 years may provide for a more structured study opportunity.

First Call Theological Education

First Call Theological Education (FCTE) is a requirement of the ELCA for a pastor in the first three years of ministry. This program helps pastors transition from seminary to congregational ministry. The FCTE requirement is in addition to the above recommended continuing education for the first three years of the pastor's ministry. Currently FCTE is four to six days per year.

Publications and Other Resource Expenses

Congregations are encouraged to reimburse for books, periodicals, resource materials, and appropriate dues up to \$500 annually. \$ _____

³ The reimbursement amount is the Standard Mileage Rate for business set by the Internal Revenue Service (IRS) and announced annually. Anytime the IRS revises this rate (as was done midyear in 2008 & 2011) the revised rate will become the current rate to use for reimbursements. This information is available at www.irs.gov, search phrase – *standard mileage rates*.

Official Meetings

All rostered leaders under call are expected to attend the synod assembly and other meetings called by the bishop, including the synod Professional Leaders Conference. It is recommended that the expenses for these meetings be budgeted and paid for by the congregation. In situations where the congregation does not pay these meeting expenses, the pastor should be reimbursed.

\$ _____

Other Expenses

Congregations are encouraged to reimburse other expenses incurred by the pastor that are related to the ministry of the congregation.

\$ _____

Total Reimbursable Expenses

\$ _____ (5)

| | |
|-----------------------------|----------|
| Total Salary Package | \$ _____ |
|-----------------------------|----------|

Part VI Other Considerations

Workweek

Because of the “on-call” nature of ordained ministry, serious consideration needs to be given to the pastor’s self-care. It is recommended that pastors be encouraged to set aside 1.0 – 1.5 days a week for personal time. A minimum of one day off per week is a necessity. It is suggested that at least once per month the pastor should have two (2) consecutive days off.

Vacation

The need for annual vacation is self-evident. Four weeks of paid vacation time per year, encompassing four Sundays, is considered the minimum. The congregation should consider granting additional vacation time based on the length of service in ministry. The length of vacation time, including the number of Sundays off and when vacation time is to be taken, are all matters which need to be discussed openly with your pastor and are an important part of compensation.

A written agreement regarding vacation time and days off should be approved by the pastor and the church council.

Holidays

Appropriate time off for general holidays should be provided. If the actual day cannot be taken, another day should be designated as the holiday.

Parenting Leave

The number of weeks leave before and after the birth or adoption of a child should be negotiated and specified in advance. A specific parenting leave plan should be carefully drawn up in open consultation with your pastor. Parental leave should include eight (8) weeks full salary, housing, and benefits. Any other specific conditions should be clearly defined in a written document. The congregation is responsible for compensating a substitute pastor.

Parental leave may be granted by the congregation at other times, such as during times of severe illness, trauma, or death of a child. The length of the leave and the salary and benefits that the congregation will provide should be mutually negotiated. It is recommended that at a minimum the congregation provide full benefits for the pastor during the leave granted.

Sick Leave

Recommendation is one day per month, cumulative to 30 days. Full compensation should be paid during the illness. The congregation is responsible for compensating a substitute pastor during the illness.

Compassion Leave

Compassion leave for a death in the rostered leader’s immediate family (spouse, children, parents, grandparents, brother, sister, grandchildren, parent-in-laws, or legal guardian) should be offered. While circumstances vary, three to seven days of paid leave, potentially including a Sunday, is recommended as a compassionate first step.

Temporary Disability

In the event of temporary disability of a full-time rostered leader, full compensation should be paid for the first 60 days of disability.

After the first 60 days of disability, the ELCA disability plan becomes effective and will pay 2/3 or 66.67% of the monthly defined compensation. Congregations should consider paying the remaining 1/3 or 33.33% of the monthly defined compensation. Contact Portico Benefit Services for more information.

The congregation is responsible for compensating a substitute pastor during the disability.

If a full-time rostered leader, because of the disability, receives compensation from some source other than the ELCA disability plan, such as Workers Compensation, then compensation should be mutually negotiated so that the total does not exceed the usual monthly compensation.

Military Leave

It is expected that any rostered leader interviewing for a call who has commitments to the National Guard or a reserve component of the military will disclose this information. Time off for these commitments should be mutually negotiated prior to extension and acceptance of call.

Flexible Spending Account (FSA)56040

In a flexible spending account an employee elects to “reduce” his or her salary by a set amount. That amount is then available either as a reimbursement for medical expenses or for dependent care, based on which plan the employee selects. That reimbursement is non-taxable, saving the employee the tax dollars on this amount. There is a minimal cost to the congregation, but big savings to the employees. It is an inexpensive way to add some significant benefits for employees. There are restrictions that should be explored, but the advantages make that exploration well worth the time and effort. More information can be obtained from Portico Benefit Services website www.porticobenefits.org

Tax Sheltered Annuity (TSA)

The use of TSA allowance is a way that an additional savings plan may be established for a rostered leader. ELCA defined compensation and IRS rules affect TSA annual limits and should be researched. When a TSA is provided by the congregation as a supplement to pension, it is a benefit and is not included in the defined compensation. When a rostered leader requests that a portion of his or her base salary be redirected into a TSA, it is not considered a benefit and is included in the defined compensation for Portico Benefit Services purposes.

Spiritual Renewal

It is recommended that all rostered leaders under call be given three days to one week or more per year for spiritual renewal which is not classified as vacation or educational leave. It is suggested that the rostered leader spend this time at a retreat center or facility where she or he is able to fully focus on “renewal.” Therefore, the pastor should have a colleague cover emergencies during this time away.

Spiritual Guidance

It is recommended that all rostered leaders under call have a spiritual director or guide during their time of call.

First Call Pastors

Congregations are asked to give serious consideration to making a gift of up to \$5,000 to help pay off any first call pastor's educational loans. The money should be repaid directly to the loaning organization.

Moving Expenses

The congregation is responsible for moving a rostered leader to the community. All reasonable expenses should be covered by the congregation and negotiated with the incoming pastor. It is preferable to use a professional moving company. If other arrangements are made, they must be mutually agreeable.

Sabbatical Leave

It is recommended that the congregation consider Sabbatical Leave for their pastor. See Appendix E for Guidelines for Sabbatical Leaves.

APPENDIX A

MINIMUM GUIDELINES FOR ORDAINED PASTORS

| Year ⁴ | BASE SALARY FOR 2017 | BASE SALARY FOR 2018 | Year | BASE SALARY FOR 2017 | BASE SALARY FOR 2018 |
|-------------------|----------------------|----------------------|------|----------------------|----------------------|
| 1 | \$39,945 | \$40,744 | 26 | \$57,721 | \$58,875 |
| 2 | \$40,744 | \$41,559 | 27 | \$58,320 | \$59,486 |
| 3 | \$41,543 | \$42,374 | 28 | \$58,919 | \$60,097 |
| 4 | \$42,342 | \$43,189 | 29 | \$59,519 | \$60,709 |
| 5 | \$43,141 | \$44,004 | 30 | \$60,118 | \$61,320 |
| 6 | \$43,940 | \$44,819 | 31 | \$60,617 | \$61,829 |
| 7 | \$44,739 | \$45,634 | 32 | \$61,116 | \$62,338 |
| 8 | \$45,538 | \$46,449 | 33 | \$61,616 | \$62,848 |
| 9 | \$46,337 | \$47,264 | 34 | \$62,115 | \$63,357 |
| 10 | \$47,136 | \$48,079 | 35 | \$62,614 | \$63,866 |
| 11 | \$47,835 | \$48,792 | 36 | \$63,114 | \$64,376 |
| 12 | \$48,534 | \$49,505 | 37 | \$63,613 | \$64,885 |
| 13 | \$49,233 | \$50,218 | 38 | \$64,112 | \$65,394 |
| 14 | \$49,932 | \$50,931 | 39 | \$64,612 | \$65,904 |
| 15 | \$50,631 | \$51,644 | 40 | \$65,111 | \$66,413 |
| 16 | \$51,330 | \$52,357 | 41 | \$65,510 | \$66,820 |
| 17 | \$52,029 | \$53,070 | 42 | \$65,910 | \$67,228 |
| 18 | \$52,728 | \$53,783 | 43 | \$66,309 | \$67,635 |
| 19 | \$53,427 | \$54,496 | 44 | \$66,709 | \$68,043 |
| 20 | \$54,126 | \$55,209 | 45 | \$67,108 | \$68,450 |
| 21 | \$54,725 | \$55,820 | 46 | \$67,508 | \$68,858 |
| 22 | \$55,324 | \$56,430 | 47 | \$67,907 | \$69,265 |
| 23 | \$55,924 | \$57,042 | 48 | \$68,307 | \$69,673 |
| 24 | \$56,523 | \$57,653 | 49 | \$68,706 | \$70,080 |
| 25 | \$57,122 | \$58,264 | 50 | \$69,106 | \$70,488 |

⁴ Years of service under call

APPENDIX B

GUIDELINES FOR LAY ROSTERED LEADERS BACHELOR'S DEGREE

| Year | BASE SALARY FOR 2017 | BASE SALARY FOR 2018 |
|------|----------------------|----------------------|
| 1 | \$40,364 | \$41,171 |
| 2 | \$41,811 | \$42,647 |
| 3 | \$42,648 | \$43,501 |
| 4 | \$43,484 | \$44,354 |
| 5 | \$44,320 | \$45,206 |
| 6 | \$45,156 | \$46,059 |
| 7 | \$45,993 | \$46,913 |
| 8 | \$46,829 | \$47,766 |
| 9 | \$47,665 | \$48,618 |
| 10 | \$48,501 | \$49,471 |
| 11 | \$49,233 | \$50,218 |
| 12 | \$49,965 | \$50,964 |
| 13 | \$50,696 | \$51,710 |
| 14 | \$51,428 | \$52,457 |
| 15 | \$52,160 | \$53,203 |
| 16 | \$52,891 | \$53,949 |
| 17 | \$53,623 | \$54,695 |
| 18 | \$54,355 | \$55,442 |
| 19 | \$55,087 | \$56,189 |
| 20 | \$55,818 | \$56,934 |
| 21 | \$56,445 | \$57,574 |
| 22 | \$57,073 | \$58,214 |
| 23 | \$57,700 | \$58,854 |
| 24 | \$58,327 | \$59,494 |
| 25 | \$58,954 | \$60,133 |
| 26 | \$59,581 | \$60,773 |
| 27 | \$60,208 | \$61,412 |
| 28 | \$60,836 | \$62,053 |
| 29 | \$61,463 | \$62,692 |
| 30 | \$62,090 | \$63,332 |
| 31 | \$62,827 | \$64,084 |
| 32 | \$63,564 | \$64,835 |
| 33 | \$64,301 | \$65,587 |
| 34 | \$65,038 | \$66,339 |
| 35 | \$65,775 | \$67,090 |
| 36 | \$66,512 | \$67,842 |
| 37 | \$67,248 | \$68,593 |
| 38 | \$67,985 | \$69,345 |
| 39 | \$68,722 | \$70,096 |
| 40 | \$69,459 | \$70,848 |

MASTER'S DEGREE

| Year | BASE SALARY FOR 2017 | BASE SALARY FOR 2018 |
|------|----------------------|----------------------|
| 1 | \$46,458 | \$47,387 |
| 2 | \$47,905 | \$48,863 |
| 3 | \$48,863 | \$49,840 |
| 4 | \$49,821 | \$50,817 |
| 5 | \$50,779 | \$51,795 |
| 6 | \$51,737 | \$52,772 |
| 7 | \$52,695 | \$53,749 |
| 8 | \$53,653 | \$54,726 |
| 9 | \$54,611 | \$55,703 |
| 10 | \$55,570 | \$56,681 |
| 11 | \$56,408 | \$57,536 |
| 12 | \$57,246 | \$58,391 |
| 13 | \$58,085 | \$59,247 |
| 14 | \$58,923 | \$60,101 |
| 15 | \$59,761 | \$60,956 |
| 16 | \$60,600 | \$61,812 |
| 17 | \$61,438 | \$62,667 |
| 18 | \$62,276 | \$63,522 |
| 19 | \$63,115 | \$64,377 |
| 20 | \$63,953 | \$65,232 |
| 21 | \$64,671 | \$65,964 |
| 22 | \$65,390 | \$66,698 |
| 23 | \$66,109 | \$67,431 |
| 24 | \$66,827 | \$68,164 |
| 25 | \$67,546 | \$68,897 |
| 26 | \$68,264 | \$69,629 |
| 27 | \$68,983 | \$70,363 |
| 28 | \$69,701 | \$71,095 |
| 29 | \$70,420 | \$71,828 |
| 30 | \$71,139 | \$72,562 |
| 31 | \$71,737 | \$73,172 |
| 32 | \$72,336 | \$73,783 |
| 33 | \$72,935 | \$74,394 |
| 34 | \$73,534 | \$75,005 |
| 35 | \$74,133 | \$75,616 |
| 36 | \$74,731 | \$76,226 |
| 37 | \$75,330 | \$76,837 |
| 38 | \$75,929 | \$77,448 |
| 39 | \$76,528 | \$78,059 |
| 40 | \$77,127 | \$78,670 |

APPENDIX B

GUIDELINES FOR LAY ROSTERED LEADERS BACHELOR'S DEGREE

| Year | BASE SALARY FOR 2017 | BASE SALARY FOR 2018 |
|------|-------------------------------------|-------------------------------------|
| 41 | \$70,206 | \$71,610 |
| 42 | \$70,953 | \$72,372 |
| 43 | \$71,699 | \$73,133 |
| 44 | \$72,446 | \$73,895 |
| 45 | \$73,193 | \$74,657 |
| 46 | \$73,939 | \$75,418 |
| 47 | \$74,686 | \$76,180 |
| 48 | \$75,433 | \$76,942 |
| 49 | \$76,179 | \$77,703 |
| 50 | \$76,932 | \$78,471 |

MASTER'S DEGREE

| Year | BASE SALARY FOR 2017 | BASE SALARY FOR 2018 |
|------|-------------------------------------|-------------------------------------|
| 41 | \$77,606 | \$79,158 |
| 42 | \$78,085 | \$79,647 |
| 43 | \$78,564 | \$80,135 |
| 44 | \$79,043 | \$80,624 |
| 45 | \$79,522 | \$81,112 |
| 46 | \$80,001 | \$81,601 |
| 47 | \$80,480 | \$82,090 |
| 48 | \$81,266 | \$82,891 |
| 49 | \$81,783 | \$83,419 |
| 50 | \$82,478 | \$84,128 |

APPENDIX C

Resolutions Regarding Housing

The Internal Revenue Service requires congregations and agencies to pass a resolution annually designating a specific amount of compensation to be used toward housing. The amount to be designated should be decided with the ordained minister based on his or her anticipated housing costs. This amount is one of three factors affecting the amount of housing a minister can claim on their taxes.

Draft Language for Church Council Action on Housing Allowance

(This wording may be used to officially describe the Council's action on a housing allowance.)

The _____ Committee advises the church council that under the U.S. income tax laws outlined in the Internal Revenue Code (IRC), enacted by Congress in Title 26 of the United States Code (26 U.S.C.) an ordained minister of the Gospel is not subject to Federal Income Tax on the amount of his or her compensation that the employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home including furnishings and appurtenances such as a garage, plus cost of utilities.

The council, after considering the request of the Rev. _____ to designate an amount of compensation as a housing allowance for the amount expected to be spent to rent or otherwise provide a home during the period _____ 201_ to _____ 201_, and in light of the Federal Income Tax law and of the established salary level, on motion duly made and seconded, voted to adopt the following resolution:

Resolved that the Rev. _____ is to receive a total cash salary of \$_____ for the year 201_, of which \$_____ is hereby designated as *housing allowance* in response to his/her request and acknowledgement. While Rev. _____ is called to serve this congregation (_____) in his/her current position, the above amount of designated housing allowance shall apply to all future years until modified.

Secretary's Signature _____ Date _____

Draft Language for Notification of Housing Allowance by Congregation

(This may be used to officially notify a pastor of the approved housing allowance.)

Date _____

Dear Rev. _____,

This is to advise you that at a meeting of the church council held on _____, your housing allowance for the year _____ was officially designated and fixed in the amount of \$_____. Accordingly, \$_____ of the total compensation payable to you during the year _____ will constitute housing allowance and the balance will constitute "salary" (as interpreted by the U.S. income tax laws outlined in the Internal Revenue Code (IRC), enacted by Congress in Title 26 of the United States Code (26 U.S.C.)).

Secretary's Signature _____

APPENDIX C (continued)

Pastor's Estimate of Housing Expense

(This form may be used to help the pastor determine an estimate of expenses qualifying under the pastor's housing allowance. The form may be but does not have to be given to the congregation council in requesting housing allowance amount.)

To: (Name of Congregation)

From: (Name of Pastor)

Date:

Re: Housing allowance for year extending from _____, 201_ to _____, 201_.

The amounts set forth below are the amounts I expect to spend during the period _____ (as above) to rent or otherwise provide a home for my family and me.

Item

- 1. Rent on leased property.....\$ _____
- 2. Payments on purchase of a home (including down payment, acquisition costs, mortgage payments [principal and interest])..... \$ _____
- 3. Garage rental (if not included above).....\$ _____
- 4. Real estate taxes.....\$ _____
- 5. Utilities (gas, electricity, water, sewer, oil, trash pickup, telephone, TV Cable/Satellite, Internet)\$ _____
- 6. Insurance (rental, homeowner's, fire, extended coverage, liability, contents, flood).....\$ _____
- 7. Repairs and maintenance\$ _____
- 8. Improvements and remodeling\$ _____
- 9. Furnishings and appliances.....\$ _____
- 10. Maintenance items (household cleansers, light bulbs, pest control, etc.)... \$ _____
- 11. Yard maintenance and snow removal.\$ _____
- 12. Other housing expense\$ _____

TOTAL.....\$ _____

Signed _____

Date _____

APPENDIX D

Average Clergy Compensation in the Metropolitan Chicago Synod

The following table summarizes the average compensation paid to full-time clergy⁵ in the Metropolitan Chicago Synod of the ELCA as of September 6, 2017. This information was provided by Portico Benefit Services and reflects **defined compensation**⁶ reported to them for pension purposes.

| Salary Range | Number of Ordained Ministers | Average |
|----------------------|------------------------------|-----------|
| Less than \$40,000 | 5 | \$34,842 |
| \$40,000 to \$49,999 | 9 | \$44,919 |
| \$50,000 to \$59,999 | 7 | \$56,156 |
| \$60,000 to \$69,999 | 32 | \$65,526 |
| \$70,000 to \$79,999 | 26 | \$76,251 |
| \$80,000 to \$89,999 | 20 | \$84,967 |
| \$90,000 and Above | 30 | \$104,805 |
| Total | 129 Full-time | \$66,781 |

⁵ Census includes full-time ELCA Ordained Ministers serving under letter of call in a congregation or campus ministry setting. Excluded are ELCA Ordained Ministers serving under letter of call at an ELCA seminary, the Metropolitan Chicago Synod office, the Lutheran Center, non-ELCA congregations, and hospital chaplaincies. Full-time is defined as at least 40 hours per week for at least six months per year.

⁶ Defined Compensation: *Defined Compensation* is the sum of cash compensation, Social Security offset, and housing allowance. In instances where a parsonage is provided, Defined Compensation includes an imputed value equal to 30% of the sum of the cash compensation and the Social Security offset. *Defined Compensation*, per synod guidelines, is the sum of Total Cash (line 1), page 5; Total Housing Compensation (line 2a OR 2b+2c+2d+2e), page 7; and Social Security (line 3), page 7.

APPENDIX E

Guidelines for Sabbatical Leave

It is important for both ordained pastors and the congregation/organization to realize the importance of the pastor's continuing education through workshops, seminary courses, and personal study. Lutheran congregations have long been encouraged to provide time and financial assistance to enable pastors to maintain and improve their knowledge and skills. However, a pastor may periodically benefit from an extended period of time for study, personal growth, and reflection without the responsibilities of regular service – in other words, a sabbatical leave. The Synod Council recommends that congregations and organizations consider sabbatical leave as a “privilege to be granted.”

The following guidelines should assist pastors and congregations/organizations in the contemplation of a sabbatical leave.

1. Ordained pastors and congregations/organizations should consult with the bishop early in the planning.
2. Sabbatical leave is intended for in-depth study on one or two topics directly related to the regular call of the pastor, and should include time for personal and familial reflection.
3. Sabbatical leave will normally be for a period of not less than three months, nor more than 12.
4. Pastors with a minimum of seven years in the active ordained ministry and who have served in their current call for five or more years may present proposals for sabbaticals. The proposal should include:
 - a) A rationale for the sabbatical, including personal goals, and potential value for the congregation or organization.
 - b) A detailed outline of the intended courses of study and the use of the time.
 - c) An outline of the financial implications of the sabbatical.
 - d) An indication of the use of vacation time during the sabbatical. In sabbaticals of three to six months, at least half of the period normally granted as annual vacation leave shall be so designated. In proposals for sabbaticals of seven to 12 months, the entire annual vacation shall be included.
5. Proposals for sabbatical leave shall be presented to the governing body of the congregation or organization not less than six months prior to the beginning of the leave.
6. Careful consideration shall be given to all aspects of the proposal and implications for the congregation or organization and the ordained minister.
7. Congregations or organizations may give sabbatical leave as “merit” benefits.
8. Normally, the financial considerations for the sabbatical shall be negotiated by the pastor and the congregation/organization. It is suggested, however, that base salary, housing allowance, and ELCA Pension and Other Benefits Program be maintained at the current budget level, with the pastor assuming responsibilities for all other personal and family expenses.
9. When a sabbatical is granted, a pastor shall normally agree to serve that congregation or organization for a minimum of two years following the return from leave.
10. Realizing the congregation or organization will be without the services of its regularly called pastor during the sabbatical, the pastor and the congregation/organization shall seek the consent of the bishop before finalizing the agreement.
11. Within six weeks of the completion of the sabbatical leave, the pastor shall present to the congregation/organization and to the bishop a detailed reflection on the experiences of the leave.

APPENDIX F

Beginning January 1, 2014, the most significant changes brought about by the Affordable Care Act (ACA), also known as health care reform, took effect. This has implications for many employers, including congregations.

1. Each state will have a health insurance marketplace, also called an exchange, where individuals can buy health insurance. In states that choose not to provide a marketplace, the federal government will manage one on the state's behalf, or the marketplace may be operated by the state and federal government jointly. Illinois has elected to partner with the federal government. The exchanges will offer four plans.
2. Portico Benefit Services expanded the ELCA-Primary health benefits from one to four options that compare to the "metallic" plans found on the exchanges. All four plans offer the same basic benefits required of the exchange plans, **plus (+)** large provider networks, dental benefits, a fitness center discount, health support programs, and wellness incentives. The four options are:
 - a. Bronze+ [60% plan - Highest deductible and out-of-pocket limit. Health Savings Account (HSA)]
 - b. Silver+ [70% plan - Higher deductible than 2013. Health Savings Account (HSA)]
 - c. Gold+ [80% plan - Most closely resembles 2013 ELCA-Primary health benefits and preserves the compensation packages (salary + benefits) currently being offered. Same deductible and out-of-pocket limit as 2013]
 - d. Platinum+ [90% plan – Lower deductible and out-of-pocket limit than 2013 ELCA-Primary health coverage.]
3. The options differ in contribution amounts for sponsoring employers and costs for plan members. The ELCA-Primary health contribution rates are based on geographic region (rate class), defined compensation, and plan member age.
4. The ELCA Church Council, at its April 6, 2013, meeting, acted to endorse as a benchmark the proposed plan option that approximated the current level of benefits provided by the ELCA-Primary health coverage, and encouraged congregations, synods, the churchwide organization, other ELCA-related organizations, and other interested persons to advocate for selection of this plan option – The Gold+ option.
5. The Metropolitan Chicago Synod concurs and considers the Gold+ or the Silver+ A health plan options the lowest options to meet minimum synod guidelines. Therefore, to maintain the current level of health benefits for our rostered leaders and lay church workers, we recommend that the congregations and worshipping communities of the Metropolitan Chicago Synod offer to provide either the Gold+ or the Silver+ A health plan option for their rostered leaders and lay church workers.
6. Plan members may buy up to a higher level plan option. The plan member would pay the cost difference through payroll withholding.

| Rate class 5 for sponsored members Coverage | Rates ¹ | Monthly Minimum | Monthly Maximum |
|--|-----------------------------|--------------------|--------------------|
| Health Benefits | | | |
| Calculate cost by using Portico calculator at https://employerlink.porticobenefits.org/Home/Resources/Calculators.aspx (use "Calculate Benefits Costs" button). | | | |
| Member | | | |
| Member and spouse ² | | | |
| Member and children ² | | | |
| Member, spouse, and children ² | | | |
| Retirement | 10 – 12% ^{3,4,5,6} | | |
| Disability | 3.0% | | |
| Basic Group Life | 0.3% | | |
| Administration, retiree support | 0.7% | | |

1. Rates are a percentage of [defined compensation](#).
2. Health benefits for a member's family should be covered by the congregation.
3. Contribution for employees of ELCA church institutions is 6% to 12% as determined by the institution.
4. Contribution for lay employees of ELCA congregations is 6% to 12% as determined by the congregation.
5. Contribution for rostered leaders of ELCA congregations is a minimum of 10%.
6. If a member participated in a predecessor plan on Dec. 31, 1987, was at least age 45 on that date, and has continuously been a sponsored member of an ELCA retirement plan since Jan. 1, 1988, the employer retirement contribution must be at least 11%.

APPENDIX F (continued)

Sponsoring couples

When you and your spouse are both sponsored in the ELCA Pension and Other Benefits Program (by the same or different congregation or organization), each sponsoring employer will make contributions for health, retirement, disability and basic group life, and retiree support. Sponsoring employers will pay for a portion of the health contribution each organization would pay if their plan member were not part of a sponsored couple. The Health contribution will be calculated independently for each member of the sponsored couple based on their age, total defined compensation, and coverage type. The resulting health contribution for each member is divided by two. These amounts will then be included on the respective sponsoring employer's monthly bill. Your sponsoring employers are billed monthly for coverage.

To calculate benefits, go to:

<https://employerlink.porticobenefits.org/Resources/Calculators/BenefitsCostCalculator.aspx>

To download a detailed information guide to sponsoring couples go to:

<https://employerlink.porticobenefits.org/Home/Resources/EmployeePartOfSponsoredCouple.aspx>

Region 5 Base Salary Guidelines Comparison - YEAR 2017

Note: all figures are from 2017 Guidelines.

| Synod | 5A MCS | 5B NIS | 5C CSIS | 5D SE IA | 5E W IA | 5F NE IA | 5G NGLS | 5H NW WI | 5I EC WI | 5J Gr. Mil. | 5K SC WI | 5J La Crosse |
|-------------------|-----------|-----------|------------|-------------|------------|-------------|------------|-------------|-------------|----------------|-------------|-----------------|
| First Call | | | | | | | | | | | | |
| Base | \$40,744 | \$37,230 | \$35,840 | \$36,758 | \$36,375 | \$37,110 | \$36,500 | \$37,881 | \$36,300 | \$37,662 | \$36,011 | \$36,050 |
| 25 Years | | | | | | | | | | | | |
| Base | \$58,264 | \$56,355 | \$54,715 | \$55,137 | \$56,418 | \$52,985 | \$54,500 | \$57,720 | \$50,425 | \$60,803 | \$55,661 | \$50,500 |

