**2015 COMPENSATION GUIDELINES for CLERGY of the GREATER MILWAUKEE SYNOD - ELCA**

*Approved by the Greater Milwaukee Synod Council on September 18, 2014*

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# Introduction to Compensation Guidelines

This guidebook, work sheet and supporting documents are intended to be used by pastors and congregations to assist in determining levels of compensation. They are offered as guidelines. Congregations should decide on an annual basis the level of compensation for their leaders, after a period of discussion, research and evaluation. The following materials are provided to assist the congregation and the pastor in that process.

The overall goal is to provide fair and adequate compensation and benefits to pastors within our synod. When this happens, servant-leaders in the church will have their basic needs cared for so that they can focus their attention on the ministry to which they are called. On the other hand, inadequate compensation can have the effect of de-energizing pastors which could undermine their efforts to serve.

The synod strongly encourages each congregation and institution to maintain an active Staff Support or Mutual Ministry Committee. Contact the synod office for further information regarding a Staff Support Committee. One of the functions that this committee can exercise is to talk in an open and supportive way with the pastor regarding his/her compensation. In an atmosphere of trust and truthfulness, members of this committee can gather information from the pastor regarding his/her particular needs and make recommendations to the Finance Committee, Congregational Council, and congregation for fair and equitable compensation.

We recognize that there are a variety of settings in which pastors are serving throughout our territory. This document provides for some flexibility which can take into account those different ministry settings. The format of this document includes a work sheet that can be used each year when compensation is reviewed. The text goes into detailed explanations of most items on the work sheet, with references to Portico Benefit Services’ website where more detail than can easily be provided in this format is available. Finally, there are attached sample forms that can be helpful when congregations need to enter specific information into official records.

It is also important to note that the implementation of key provisions of the Affordable Care Act have meant significant adjustment in health care coverage, including in the plans offered by Portico.

Please contact the Greater Milwaukee Synod with any questions.

# PART I. Determining Compensation

As outlined in the ELCA Letter of Call, compensation includes salary and housing. Related considerations include allowances for Social Security, funds designated for tax deferred annuities, etc. Benefits and professional expenses are covered in Parts II and III of this manual.

## A. Base Salary

The number of variables involved that define the needs of the pastors and congregations makes it unreasonable to recommend one salary figure to apply to every pastor of this synod. These guidelines present a process that will aid your annual deliberations to arrive at a budget recommendation that best serves your pastor(s) and congregation. It is important that all individuals involved in these discussions are sensitive to the tax implications of different strategies in structuring the compensation package. A reference, such as the booklet Tax Planning for Clergy, by Manfred Holck, Jr, Prentice-Hall is recommended. Hopefully, each parish has a Staff Support Committee [or equivalent] to assist in this process. In addition, the Internal Revenue Service has materials related to church salary and benefit issues available at the IRS website, [www.irs.ustreas.gov](http://www.irs.ustreas.gov), with detailed information in Publication 1828 <http://www.irs.gov/pub/irs-pdf/p1828.pdf>.

The synod’s Appendix B – Minimum Compensation Guidelines for 2015 include a cost of living increase for each category, though one which increases most for beginning and early career pastors, and less for experienced pastors. This is in recognition of external factors, including comparisons with nearby synods and the impact of a revised healthcare premium structure through Portico.

### Factors to use in determining a proposed increase include:

#### Performance and proficiency

* Abilities of the pastor as preacher, worship leader, shepherd, teacher, counselor, administrator
* Years of experience as an ordained pastor
* Administrative ability
* Continuing Education beyond ordination requirements

#### Responsibilities

* Level of responsibility of the position (Senior, Associate, etc.) as defined by the job description
* Time demands of the position
* The size of the congregation

#### Goals and objectives

* Local Congregation
* Professional Development
* Synod Participation
* Personal

#### Cost of Living adjustment for inflation

### Understanding the Compensation Worksheet (Appendix A)

* Base Salary is for use when a parsonage is provided. It does not include housing or Social Security allowances
* Base Compensation is for use when no parsonage is provided. It includes a housing allowance (based on 30% of salary), but does not include a Social Security allowance.
* Base Compensation is different from Defined Compensation as used in the ELCA pension plan.
* Guidelines for Second-Career Pastors: New pastors entering the ministry as a 2nd career bring with them a variety of skills and knowledge. While they may not be equivalent to those gained as a pastor, such experience will be reflected in the individual's maturity and can be of benefit to a congregation. While there is no empirical data establishing an equitable formula for converting years in a secular job to parish years of experience service, fairness and common sense dictate that it be considered. Consistent with the practice of other synods we suggest that based on the previous career's relevance to ordained ministry, one year of experience be granted for every 2 to 4 years’ experience. For example, a seminary graduate who spent ten years as a counselor may be granted five years’ experience and therefore start higher in the salary range. A seminary graduate who spent ten years as an office manager may be granted two and one-half years’ experience as an office manager's work is less directly related to the ministry, but still somewhat relevant.

## B. Housing Allowance

The ELCA Letter of Call considers housing to be part of the compensation for a pastor. Housing is not a benefit or a business expense.

### Parsonage Provided

The utilities and maintenance costs are to be borne by the congregation.

### Housing Equity Allowance

It is recommended that congregations contribute to a Housing Equity Fund. Such a contribution should match the equity that would be accruing if a pastor were making payments on the purchase of his/her own home. A reasonable amount would be equivalent to the amount of principle being paid partway through the payment of a mortgage; most Equity Allowances range from $1,200 to $2,500 per year. The amount can be discussed with the pastor. Contributions to such a fund are best made to the ELCA optional pension fund or other tax-deferred plan.

### Household Expenses and Furniture Allowance

An allowance may be designated to be used by the pastor for purchasing and repairing furnishings and miscellaneous expenses. To the extent that it is actually used for furnishings, etc., it is excludable from Federal Income Tax.

### Housing Allowance (without parsonage)

Housing allowance should be separately designated for tax purposes, and for comparison with clergy salary packages that include a parsonage. The "Base Compensation" figures provided in Table I, page 5, are guidelines for the total of cash salary and Housing Allowance, with the Housing Allowance figured as 30% of cash salary. Two additional points should be noted:

a. Since individual tax and housing situations vary, the actual figure to be used as Housing Allowance should be discussed and agreed upon by the pastor and council. The Housing Allowance figure must be set in advance of each calendar year by a congregation council resolution. (See Appendix C – Housing Equity and Housing Allowance Designation Forms.)

b. Housing costs vary, and congregations in some communities where housing is expensive may need to consider whether 30% of cash is an adequate housing figure. Consultants suggest figuring 1% of the value of an average house in a community as a monthly housing cost, plus the cost of furnishings and utilities.

## C. Additional Compensation

### Social Security Allowance

For social security purposes pastors are taxed as if they are self-employed. The current rate for self-employed persons is 15.3%. Since congregations pay half of the total Social Security tax for other employees, the same (i.e. 7.65%) should be considered for the pastor. **Note:** the congregation cannot pay the pastor's Social Security tax directly, but designates the amount as an allowance which is additional taxable income. Table II shows SS tax amounts for selected levels of compensation (salary + housing allowance + SS allowance).

#### Examples of Social Security Tax (2014 Rate 15.3%)

|  |  |  |  |
| --- | --- | --- | --- |
| Annual Compensation | 34,805 | 45,226 | 58,794 |
| Pastors Pay (15.3%) | 5,325 | 6,920 | 8,995 |
| Employer’s Share (7.65%) | 2,663 | 3,460 | 4,498 |

### For technical questions about Social Security

* Seek private legal counsel.
* Obtain publications and forms at 1-800-tax form (800-829-3676), or [www.irs.ustreas.gov](http://www.irs.ustreas.gov)
* Obtain direct assistance by calling Telephone Assistance for Exempt Organizations, Retirement Plan Administrators, and Government Entities at 1-877-829-5500

### Tax Sheltered Annuity

The use of a TSA allowance is a way that additional savings fund may be established for a pastor on the initiative of the congregation as a supplement to the pension benefits, or by redirecting monies from the Base Salary on the initiative of the pastor. (This can also be done through the ELCA Portico Benefits Plan.)

# PART II – Determining Cost of Benefits

## A. ELCA Pension and Other Benefit Plans

The employer/congregation contributes required contributions for each eligible employee whom the employer enrolls in the plans. Participation in the Other Benefit Plans is mandated for the pastor (member) if he/she participates in the ELCA Pension Plan. An ELCA congregation may enroll any or all of its employees. The amount of the required contributions is determined as a percent of defined compensation.

Detailed information about calculating defined compensation and required contributions are available through the EmployerLink section of the Portico Benefit Services website (<https://employerlink.porticobenefits.org/home>) or by calling 800-352-2876.

## B. Medical and Dental Benefits Contribution

With the advent of the Affordable Care Act, changes were made to plan offerings by Portico Benefit Services. Information provided in versions of this document prior to 2014 has been updated, especially with regard to the creation of multiple plan options and age-based premiums, as Portico continues to prepare the ELCA health plan options for the Affordable Care Act (ACA).

Congregations should keep in mind that there are four plan options from Portico, with differing levels of coverage and out-of-pocket expenditure requirements. The Portico website and representatives of Portico can provide you more detail about these plan options. The Gold+ Plan is recommended as the appropriate level for congregations to choose, in that it most closely approximates the plan offered prior to implementation of the ACA.

The call to choose the Gold+ Plan was endorsed both by the Church Council of the ELCA in April 2013 and by the Greater Milwaukee Synod Assembly in May 2013.

Congregations are **required** to cover medical and dental premiums for clergy and Associates in Ministry: participating in the plan is not optional, except that Portico Benefit Services provides for waiver of medical-dental coverage if proof is given of coverage under a spouse's plan.

When a waiver is granted it is strongly recommended that the congregation *not* simply absorb the saved dollars into the church budget. Doing so would cause difficulty when the congregation again needs to provide such coverage. Rather, it is recommended that the savings be used for their intended purposes (providing benefits to church staff leadership) either by providing an offset for any additional costs, particularly premium costs, incurred by the spouse to have family medical coverage or by implementing Supplemental Benefits of Medical and Dental Reimbursement.

Members may re-enter the plan at any time. Dependents who are covered under an employed spouse's plan are able to re-enter the ELCA plan without a waiting period or additional pre-existing condition limitation upon termination of other coverage.

It is expected that congregations will provide family coverage for those families who do not have other coverage.

Congregational contributions toward medical and dental coverage are based on the level of dependent coverage required. Portico Benefit Services EmployerLink can provide detailed information on premiums and related calculations. Pastors who are already covered should have received a letter detailing their 2015 premiums.

In order to participate in the above Benefits Program, an individual must be enrolled in all of the plans. The program is available to clergy and lay professionals who are scheduled to work 20 hours or more per week for at least six months during the year.

## C. Supplemental Benefits

### Medical and Dental Expense

The ELCA Medical and Dental Benefit Plan does not cover all medical expenses, but incorporates deductibles and co-payments. The parish and pastor should review the pastor's exposure to these out-of-pocket expenses and consider some allowance for reimbursement or insurance of these expenses.

One method of doing so is reimbursement, with the congregation identifying a sum to be used for medical and dental costs incurred by the pastor that are not covered by insurance. To avoid this being considered as taxable income, these reimbursements should be paid directly to the medical provider upon presentation of a bill and "Explanation of Benefits" from ELCA insurance.

The employee may also wish to take advantage of a Tax-Advantaged Account offered by Portico.

### Disability Insurance Supplement

As a benefit of participation in the ELCA Benefits Plan your pastor has Disability Insurance. Plan details are available through Portico. The parish provides full compensation including housing for the first two months of disability on a self-insured basis. The parish is also expected to pay the medical, dental and survivors insurance contributions during the first two months of disability. Thereafter, the Disability Plan would pay these premiums. The parish should evaluate the need to provide additional disability coverage and the advisability of insuring its own self-insured obligation. This coverage would be obtained apart from the ELCA plan.

# PART III – Professional Expenses

It is recommended that the congregation adopt the policy that all professional expenses incurred by the pastor(s) and other employees be reimbursed in full. Adequate allowances, in addition to salaries, should be provided in the church budget to cover anticipated costs. The IRS insists that for these allowances to be non-taxable, they must be fully documented and appropriately paid. The congregation council should frequently review the allowances and their use to be certain that the professional staff are submitting reimbursement requests on a timely basis and are being fully reimbursed.

The primary areas for professional expenses are shown below. There may be additional professional expenses unique to your parish situation. This matter should be discussed with your pastor and professional staff.

## A. Automobile Expenses

The largest single church-related expense for the pastor is the cost of transportation, which includes fuel, repairs, insurance, tolls, etc. Transportation expenses throughout the business world are commonly covered by the employer. For 2014 Internal Revenue Service allows deductions of $.0.56 per mile for a car used for business purposes. This figure is usually adjusted annually. Surveys indicate that the cost of operating automobiles is greater than the mileage amount the IRS allows. The travel allowance should be adequate to cover all transportation costs to the pastor including automobile expenses. Parishes should pay the full cost of car expenses incurred in the fulfillment of pastoral duties.

There are three options available:

### Parish –Owned Vehicle

Where extensive driving is required, a parish owned or leased vehicle may be the most satisfactory approach. Any personal miles must be reimbursed to the congregation or claimed as taxable income.

### Reimbursement

Reimbursement can be based on the actual number of miles driven.

### Flat Rate

A flat rate, regardless of mileage driven, could be paid. However, the parish and pastor must be careful how this is structured for income tax purposes. The pastor must be able to demonstrate to the IRS that reimbursed mileage was driven for professional purposes. A daily log is normally kept for this option.

## B. Continuing Education

In order to update skills and thereby strengthen his/her ministry, your pastor must be encouraged to enroll in courses of Continuing Education. Such activities improve ministry and are not vacations. The best way to encourage your pastor's continuing growth is to provide the time and money that make Continuing Education activities possible. The recommended congregation's share is $700 or more per year. The pastor contributes $300 on his/her own each year. Two-week study leave is also included. Pastors are encouraged to work with their congregation to develop a covenant - an annual plan that includes at least 25 hours of continuing education. The ELCA provides Continuing Education Covenant forms to be worked out by the clergy and congregational leadership, signed by them, and filed with the synod office. Another form of continuing education may be the sabbatical leave.

## Synod Assembly Expenses

Attendance at the Synod Assembly is constitutionally mandated, and expenses for registration, lodging, meals, travel and other fees are the responsibility of the congregation.

## Publications & Technology

Your congregation may choose to provide an allowance for the purchase of, or subscription to, books, periodicals and/or web services, enabling the pastor to keep abreast of developments in his/her profession and the rapidly evolving nature of the church.

Use of technology enhances the effectiveness of ministry by providing for better use of time and by making a pastor more accessible. Legitimate expenses incurred by a pastor for church-related activities should be equitably reimbursed. Examples include cell phones, email/internet for prayer groups, and computers. Unless otherwise agreed to, it is the expectation that the equipment remain with the congregation or be purchased at current market value by the pastor at the time the pastor leaves the congregation.

## Conference Expenses

Your pastor's attendance at conferences is a professional expense, and should 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 conferences in the coming year.

# PART IV – Other Benefits and Considerations

This section discusses the types of time off periods that are granted to the pastor(s) as a condition of employment. Time-off may be mandated by the call document, mandated or implied by law or by ELCA policy, or established by agreement between the pastor and the congregation. While this type of benefit does not involve additional compensation for the pastor, it does require that monies be provided in the budget to provide for services required while he/she is absent.

## Weekly Time Off (as part of defined work week)

Church work requires a great deal of evening and weekend involvement. In order to reasonably set expectations with the pastor, it may be useful to think in terms of blocks of time. Each day can be considered to have 3 blocks of time; morning, afternoon and evening. A seven day week consists of 21 time blocks. A reasonable expectation of full-time service might be 14-15 time blocks. Weekly time off to provide a normal opportunity for renewal, refreshment, and personal business would usually involve 6-7 time blocks per week. Arrangements should be flexible for both the pastor and the congregation, but should also provide for emergency pastoral care when the pastor is unavailable. Clearly defined expectations of time off are important for both the pastor and the congregation.

## Vacation

The congregation is to provide a minimum of four (4) weeks of vacation (encompassing four Sundays) per year with full pay. **The congregation should consider granting additional vacation time based on the length of service in the ministry.** The length of vacation, the number of Sundays, and when vacation is to be taken are all matters which need to be discussed openly with your pastor, and should be considered an important part of compensation. (A word of rationale: In addition to four weeks of vacation for entry level pastors being the national standard in the ELCA, the nature of pastoral work should be considered in granting vacation. A pastor does not work a five-day workweek as most laypersons do. Pastors work six days plus evenings. The pastor is on call 24 hours a day and does not have the same sense of a "break" for a weekend. A pastor's busiest times of the year are often those most lay people consider holidays - namely, Easter, Thanksgiving, and Christmas.)

## Disability Leave

When there is a disability, full salary, housing and benefits are to be paid by the congregation until the ELCA Disability Benefit Plan takes effect (two months). See Part II of these guidelines and the Portico website.

## Sick Leave

According to the ELCA call document, sick leave is up to eight (8) weeks per year with full salary, housing and benefits. This is not a cumulative benefit. Sick leave is thus coordinated with the ELCA disability plan. When there is extended illness contact should be made with the synod office to coordinate benefits.

## Other Leave Considerations

### 1. Family Leave

Family leave is paid time off to care for a seriously ill child, spouse or parent, or time off for the funeral of a family member. Congregations should carefully consider developing a family leave policy.

### 2. Parental Leave

Congregations are expected to provide for a paid parental leave of up to six weeks for the birth, adoption or pre-adoption placement of a child with full, salary, housing and benefits.

### 3. Sabbatical Leave

Sabbatical leaves are granted to provide an opportunity for the pastor to take an extended period of time for personal enrichment, study, spiritual growth, travel, skill development, research, and/or experimentation. A leave should be approved based upon a specific proposal that indicates how the planned activities will benefit the pastor, the congregation, and/or the wider church. All provisions should be negotiated well in advance of the sabbatical and clearly stated in writing. The proposal/agreement should define how the congregational ministry is to be handled during the absence. The Synod Council has adopted a policy of “Sabbatical Guidelines” for use by congregations in considering such sabbatical leaves. It appears in this document as Appendix E.

## Loans

Caution is urged in the practice of congregations making loans for down payments on homes or other purposes to Pastors. It is suggested that prior to entering into any such agreement it be discussed with appropriate members of the synod staff.

## 2015 Compensation for Supply Pastors

$100.00 - 1 worship service, plus mileage.

$150.00 - 2 worship services, plus mileage.

$ 50.00 - Each additional service at another time (Saturday evening or weekday), when the preparation involved is already completed for the related Sunday service.

# Appendix A – Compensation Worksheet for Pastors

This worksheet is designed to help build a compensation package for pastors using the synod's guidelines. See item descriptions in this document. Use only the items which apply.  
***Double-click on the table to access fillable spreadsheet: return to document by clicking on text, your work will be saved. Be sure to save this document to save your work.***



All items in **bold-face** with an asterisk (**\***) are required; all other items are by mutual agreement.

# Appendix B – Minimum Compensation Guidelines for 2015

|  |  |  |
| --- | --- | --- |
| **Years’ Experience** | **2015 Base Salary** | **2015 Base Compensation** |
| 0 | $35,849 | $46,604 |
| 1 | $36,963 | $48,052 |
| 2 | $38,004 | $49,405 |
| 3 | $39,040 | $50,752 |
| 4 | $40,073 | $52,095 |
| 5 | $41,100 | $53,430 |
| 6 | $42,122 | $54,759 |
| 7 | $43,142 | $56,085 |
| 8 | $44,157 | $57,404 |
| 9 | $45,168 | $58,718 |
| 10 | $46.176 | $60,029 |
| 11 | $47,176 | $61,329 |
| 12 | $48,171 | $62,622 |
| 13 | $49,163 | $63,912 |
| 14 | $50,151 | $65,196 |
| 15 | $51,136 | $66,477 |
| 16 | $52,114 | $67,748 |
| 17 | $53,089 | $69,016 |
| 18 | $54,061 | $70,279 |
| 19 | $55,028 | $71,536 |
| 20 | $55,990 | $72,787 |
| 21 | $56,936 | $74,017 |
| 22 | $57,842 | $75,195 |
| 23 | $58,818 | $76,463 |
| 24 | $59,752 | $77,678 |
| 25 | $60,683 | $78,888 |
| 26 | $61,608 | $80,090 |
| 27 | $62,532 | $81,292 |
| 28 | $63,451 | $82,486 |
| 29 | $64,365 | $83,675 |
| 30 | $65,275 | $84,858 |

# Appendix C – Housing Equity and Housing Allowance Designation Forms

Housing Equity allowance agreement

(This form is for use when contributions to a housing equity allowance are not made by the congregation 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.)

At a properly called meeting of the congregation council of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Lutheran Church, with a quorum present, held on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, it was moved, seconded, and voted to establish a housing equity allowance fund for the Rev. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ with (1) initial contribution of $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the year 2015, and (2) with 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 by 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 paid to the pastor, as the pastor may direct.

5. The funds shall be payable to the pastor's estate if there is no surviving spouse.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed by an officer of the congregation

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed by the pastor

**DESIGNATION OF HOUSING OR FURNISHINGS ALLOWANCE BY CONGREGATION COUNCIL**

Upon motion duly made and seconded, it was voted to designate $\_\_\_\_\_\_\_\_\_\_\_\_ of the cash salary for 2015 to be paid to the Rev. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ as a housing/furnishings allowance in response to the pastor's request and acknowledgement that the allowance so designated does not exceed the fair rental value of his/her home, furnished, plus the cost of utilities (or the fair rental value of the furnishings where a parsonage is provided). Therefore, cash salary shall be: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and the housing allowance shall be $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed by an officer

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Signed by the pastor

# Appendix D – Housing Allowance Program Forms

The following forms may be utilized in developing a Housing Allowance Program for the pastor.

No. 1 Form for presentation of minister's estimate of expenses qualifying under the Pastor's housing allowance.

No. 2 Draft language for action on a housing allowance by the church council.

No. 3 Draft notification to the minister by the congregation (church council) of approved housing allowance.

**PASTOR'S ESTIMATE OF HOUSING EXPENSES**

TO: (Name of Congregation)

FROM: (Name of Pastor)

DATE:

SUBJECT: Housing allowance for year extending from \_\_\_\_\_\_\_\_, 20\_\_\_, to \_\_\_\_\_\_\_\_, 20\_\_\_.

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 me and my family.

Item

1. Rent on leased property or payments on purchase of a home

(including down payment, acquisition costs, mortgage payments

of principal). $\_\_\_\_\_\_\_\_\_\_\_

2. Garage rental (if not included above) $\_\_\_\_\_\_\_\_\_\_\_

3. Utilities (gas, electricity, water, sewer, oil, telephone,

refuse removal charges, firewood, TV cable) $\_\_\_\_\_\_\_\_\_\_\_

4. Insurance (homeowner's, fire, extended coverage, liability,

contents, flood) $\_\_\_\_\_\_\_\_\_\_\_

5. Repairs and maintenance $\_\_\_\_\_\_\_\_\_\_\_

6. Furnishings and improvements $\_\_\_\_\_\_\_\_\_\_\_

7. Interest and taxes (may want to itemize these separately) $\_\_\_\_\_\_\_\_\_\_\_

8. Other housing expense (list in detail) $\_\_\_\_\_\_\_\_\_\_\_

TOTAL $\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Minister's Signature)

**DRAFT LANGUAGE FOR CONGREGATION COUNCIL ACTION ON**

**HOUSING ALLOWANCE**

The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Committee advised the Congregation Council that under the tax laws an ordained minister 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." Where the Pastor owns a home this amount of the allowance will be an amount equal to the fair rental value of the home, including furnishings and appurtenances such as a garage, plus cost of utilities.

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

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

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Secretary Signature)

**NOTIFICATION OF HOUSING ALLOWANCE BY CONGREGATION (EMPLOYER)**

Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Dear Rev. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_:

This is to advise you that at a meeting of the Congregation Council held on \_\_\_\_\_\_\_\_\_\_\_, 20\_\_, 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 Income Tax Law).

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Secretary Signature)

# Appendix E – Sabbatical Guidelines

Greater Milwaukee Synod, ELCA

*Approved as a Guideline at Synod Council Meeting January 15, 1998*

**Introduction**

It is important for both rostered ministers[[1]](#footnote-1) and the congregation[[2]](#footnote-2) to realize the importance of the minister's life-long continuing education through workshops, seminary courses and personal study. Congregations of the ELCA have long been encouraged to provide time and financial assistance to enable ministers to maintain and improve their skills. From time to time, however, ministers need and require an extended period of time for study, personal growth, reflection and renewal without the demands of one's regular employment -- a sabbatical leave. Experience has shown that the congregation's ministry directly benefits from such study, growth, and renewal. Long-term ministry is revitalized and stimulated. All parties benefit.[[3]](#footnote-3)

These guidelines are provided to assist ministers and congregations in the contemplation and implementation of such sabbatical leaves.

**Purpose**

Sabbatical leaves are granted to provide an opportunity for the minister to take an extended period of time for renewal, enrichment, study, spiritual growth, travel, skill development, research, and/or experimentation.

**Eligibility**

a. Full time pastors, Associates in Ministry, and Diaconal Ministers.

b. A sabbatical may be taken after every sixth full year of service in a given parish. Years cannot accumulate between calls (unless agreed at the time of call).

c. Planning should begin the calendar year before the sabbatical so the congregation and minister can plan for financial and ministry adjustments involved.

**Duration**

A sabbatical will normally be for 12 weeks (including the two continuing education weeks normally granted). Vacation should not be included as sabbatical time. The sabbatical leave may be split into two blocks of time, which do not have to be consecutive, but shall be taken within a twelve month period from the beginning of the first block of time.

**Cost to the congregation**

a. The congregation will continue to pay full salary and benefits (base salary, housing allowance, pension and insurance coverage). Car allowance, a ministry expense, is normally not paid during sabbatical time.

b. Accrued continuing education dollars can be used for the educational costs of the sabbatical. Continuing education dollars can only be accrued for three years.

c. The congregation will need to provide for their ministry needs to be covered during the sabbatical time. Specific examples can be found in the Sabbatical Resource Packet available from the Synod office. In most cases, these needs are met in ways other than finding full-time replacement during the sabbatical. Considerations involve:

(1) Sunday worship/preaching. Normally done by a pastor engaged at the normal supply preaching rate of reimbursement (see page 10 of the Guidebook).

(2) Teaching, visitation, occasional services (funerals, weddings, etc.). The minister, congregational leadership, and the synod office can work together to arrange for these needs to be met during the sabbatical time. Another minister can be contracted for certain responsibilities, other staff may adjust responsibilities, and/or neighboring ministers may agree to cover certain responsibilities.

d. The congregation is not responsible to fund the sabbatical in any other way. However, it may choose to provide additional financial assistance.

**Planning**

a. Planning should begin at least a year before the sabbatical is to take place.

b. A congregational sabbatical policy should be in place before any other planning begins. This policy may be this synod guideline or a locally adapted version.

c. Normally the minister provides an outline of the planned use of time to the Council or responsible committee before the sabbatical is approved.

**Commitments following the sabbatical**

a. The minister will submit a report of the sabbatical time, and find occasion to share with congregational members reactions, learnings, insights, etc.

b. The minister is expected to remain at least one year in the parish following a sabbatical.

***An illustrative checklist/timeline*** *(to be used along with the synod's Sabbatical Resource Packet)*

\_\_\_\_\_ Mutual Ministry Committee or its equivalent encourages staff to consider a sabbatical.

\_\_\_\_\_ Staff determines interest and what he/she might like to do with the three months.

\_\_\_\_\_ Council receives request/proposal, approves sabbatical leave.

\_\_\_\_\_ Council or committee adjusts budget to allow for additional staff coverage.[[4]](#footnote-4)

\_\_\_\_\_ Staff or Council consults with the synod office regarding pastoral assistance.

\_\_\_\_\_ All arrangements with persons involved should be in place three months in advance.

\_\_\_\_\_ Staff makes all necessary arrangements for his/her course of study, travel, etc.

*Please call the synod office if you have questions.*

# Appendix F – Addendum to the Letter of Call

*For FIRST CALL Pastors, Diaconal Ministers and Associates in Ministry of the Greater Milwaukee Synod of the Evangelical Lutheran Church in America*

Following the 1995 resolution of the Evangelical Lutheran Church in America in its Churchwide Assembly, and working in partnership with the respective synod, all congregations, institutions and agencies which are calling a First Call candidate, defined as being in the first year of ordained, consecrated or commissioned ministry, will provide continuing education opportunities for all First Call rostered staff.

Under the guidelines of First Call Theological Education (FCTE), provisions will be made for all First Call persons to complete fifty (50) continuing education contact hours (50 minute periods of educational activity to meet program goals) annually for the first three years of call. Other expected components during these first three years include the Mentor Program and First Call Gatherings, which are administered by the synod.

Participation in these programs will be achieved through the working partnership of the First Call person, the congregation, institution or agency, and the synod office. The Greater Milwaukee Synod will provide annual events, totaling 25 continuing education contact hours. The remaining 25 contact hours and continuing education days for each year will be fulfilled with electives, chosen by the rostered person in consultation with the leaders of the congregation, institution or agency.

The below listed congregation, institution or agency of

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

agrees to provide \_\_\_\_\_ days (7 minimum) annually for First Call Theological Education, in addition to \_\_\_\_\_ days (synod guidelines minimum 14 days) for electives in continuing education.

We also have budgeted $\_\_\_\_\_\_\_\_\_ ($300 minimum) annually to assist with FCTE expenses, in addition to $\_\_\_\_\_\_\_\_\_\_ ($700 minimum) for electives in continuing education

This congregation/institution/agency recognizes that during the first three years of First Call staff member will also participate in the mentoring program and attend the bi-annual gatherings with peers, usually scheduled to coincide with other synod events.

These provisions will be available for the next three years.

President/Chair \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_

First call person \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_

Synod representative \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_

1. The terms "rostered ministers" or "ministers", for the purpose of these guidelines, refer to those persons on the ELCA's roster of ordained pastors, Associates in Ministry, or Diaconal Ministers. [↑](#footnote-ref-1)
2. These guidelines are written for congregations, recognizing that a rostered minister serving in another setting is guided by the policies of that employing body. These other agencies and institutions are also encouraged to consider sabbatical policies. [↑](#footnote-ref-2)
3. For comments about such benefits from both ministers and congregational leaders, see the sabbatical resource packet available from the synod office. [↑](#footnote-ref-3)
4. How much time will the interim need to work? Full time? Part time? Will regular office hours need to be kept? Who will be responsible for pastoral needs that arise - crisis counseling, weddings, funerals, etc.? [↑](#footnote-ref-4)