

Definition of Compensation, Benefits and Responsibilities of the Pastor at Lutheran Church of the Resurrection (LCR)

Prepared by: Dawn Jacobson and Jay Weiss
for the Reverend **NoName**

for the period: start date: **September 1, 2023** through on-going review annually (calendar year). First review will be January 2024 and each calendar year thereafter.

		The annual amounts below will be paid <u>Semimonthly</u>
A. COMPENSATION (base compensation/housing represents 9 years of experience per ELCA guidelines) LCR will provide the following annual compensation		
1. Base compensation		\$25,936
2. Housing Allowance ¹		\$43,884
3. Self-Employed Social Security payment allowance (church portion)		\$ 5,341
4. If a parsonage or other housing is provided:		
a. Utilities allowance		None
b. Furnishings allowance		None
c. Housing equity allowance		None
5. Incremental Healthcare Premium²		\$ 6,000
Sub-total: Defined Compensation ³		\$81,161
B. PENSION AND OTHER BENEFITS (paid to the plan(s) not the pastor)		
1. ELCA Pension at 10% of total defined compensation		\$ 8,116
2. ELCA Medical and Dental Insurance		
☐ a. Pastor only	☐ d. Pastor, Spouse/partner & children	
☐ b. Pastor and spouse/partner	☒ e. Coverage waived	
☐ c. Pastor and children		
3. Other insurance or benefits:		
a. Disability at 3.0% of total defined compensation		\$ 2,435
b. Group life at 0.3% of total defined compensation		\$ 244
C. EXPENSES ⁴		
The congregation will provide <u>up to the following annual amounts</u> for expenses related to this pastor's ministry: ⁵ The exception is the moving expenses are a one-time amount		
1. Automobile and travel reimbursement ⁶		\$ 1,500
2. Other professional expenses ⁷		\$ 600
3. Expenses for official meetings of the synod as reimbursed		None
4. Continuing education ⁸		\$ 1,300
5. Other (Synod Assembly) ⁹		\$ 200
6. Pay for moving expenses to this congregation ¹⁰ One-time payment		\$ 3,000

D. AGREEMENT

1. Vacation time of 20 days per year, including 4 Sundays¹¹
2. Continuing education time of two weeks per year¹²
3. Ongoing care through a Mutual Ministry Committee
4. Up to two months of continued salary and contributions to the ELCA pension and other benefits program in a 12-month period in the event that the pastor is physically or mentally disabled¹³
5. Maternity/paternity or adoptive leave of six weeks with full salary, housing allowance and benefits
6. Technology equipment and support will be provided¹⁴
7. Office decorating allowance is provided¹⁵
8. Decision to end this contract (from either party) requires a minimum of a 30 day notice and will follow ELCA Policy and Procedure Manual.

E. OTHER PROVISIONS

1. During this contract, **the pastor will** give special attention to the following:
 - a. Foster the spiritual needs of the congregation in various way for example: Sunday services, teaching youth and adults, congregation member visitations, individual meetings with congregation members, community outreach projects engaging the congregation to participate in, youth event, etc.
 - b. Actively support and encourage LCR's established mission and strategic priorities.
 - c. Follow established policies, procedures, and financial responsibility. Support and follow the organization chart reporting structure (see attached).
 - d. Support and direct all day to day church activities for the staff that directly report to the pastor bringing issues, concerns and highlighting positive work to council and/or executive council as appropriate.
 - e. Offer ideas and suggestions for improving the church and community experience of learning and following Jesus.
 - f. Make connections with leaders in the greater Racine community to understand its needs and where LCR can have a positive impact on the community.
2. **LCR will** encourage and support this pastor's ministry in the following ways:
 - a. Provide support and resources for the pastor's assimilation to LCR. This support will be led by the council and supported by the congregation.
 - b. Encourage and support spiritual education and fellowship activities (for all ages) that will strengthen families and make connections within our church family as well as within our community.
 - c. Support the outreach/service programs that are selected by council and pastor.
 - d. Support worship, music and church services.

FOOTNOTES

Footnotes on **Compensation section**:

- ¹ Housing allowance is the pastor's responsibility (working with their personal tax person) to determine the appropriate amount each year. This is to be communicated to the Financial Secretary and the Finance Committee Chair in an appropriate time period to allow for correct payroll statements.
- ² The amount included as compensation is an estimate of the incremental premium cost to be covered under his/her spouse/partner's benefits. The church will cover this amount as extra compensation within defined compensation. The final amount will be determined upon documented annual incremental cost of health and dental coverage. This documentation is to be provided to LCR by the pastor each year prior to benefits being finalized. The documented incremental annual cost will be grossed up at a rate of 15% (to cover appropriate taxes). Given this incremental premium is included in defined Compensation, 10% of this is included in the pension calculation and therefore we are grossing up at 15% vs. a typical 25% gross up%. This additional compensation is specifically a result of Reverend NoName choosing to waive health care and dental coverage and is intended only to cover the additional premium cost of coverage under their spouse/partner's plan. At such time that Reverend NoName and/or his spouse experiences a qualifying event and therefore elects to be covered under the ELCA health care program, this additional compensation will cease.
- ³ Total defined compensation is equal to the sum of base cash salary, housing allowance, self-employed Social Security payment allowance (church's portion) and incremental healthcare premium.

Footnotes on **Expenses section**:

- ⁴ Reimbursement for all allowable expenses is made contingent upon the LCR financial secretary receiving complete and proper documentation of all expense receipts.
- ⁵ Allowance amounts are established annually, at the start of each calendar year in conjunction of the approved LCR budget. All amounts provided in this contract apply only to the calendar year 2023.
- ⁶ Typically used for mileage of personal automobile directly related to the performance of pastoral responsibilities (excluded is commuting miles - to and from home to work, per IRS). Prevailing IRS mileage reimbursement rates are applied. Pastor is solely responsible for demonstrating to the IRS that reimbursed mileage was driven for professional purposes only. A daily log is highly recommended. May also be used for airfare, lodging or meals associated for approved theological conferences. LCR's financial reports identify this expense item as "Travel Allowance".
- ⁷ Expenses typically incurred in the day-to-day performance of pastoral responsibilities, for example: meals with ministry peers, LCR staff or congregation members. LCR's financial reports identify this expense items as "Business Expenses".
- ⁸ Reimbursable expenses may include those associated with attending the Synod Fall Theological conference and other professional/peer conferences/meetings, books or study, specifically related to continuing education. Annual budget continuing education dollars that are unused at the end of the calendar year may be accumulated up to three years on a perpetual, rolling year basis. No more than three budget years (dollars) may be accumulated. Any unused accumulate continuing education time and unused budget dollars will be forfeited and will not be paid out at the end of this call. LCR's financial reports identify this expense item as "Continuing Education".
- ⁹ Reimbursable expenses include Synod Assembly fee, lodging, meals, and mileage expenses specifically related to the Synod Assembly. It should be noted that this line item is not included in the Pastor compensation section on the LCR financial reports but instead resides under "Misc. Programs: Synod Assembly" and includes a budget for all those, including the pastor, that attend the assembly.
- ¹⁰ Moving expenses are specific to the pastor/family home move that is advantageous to the call at LCR. These expenses should be completed prior to 2 full years from start date of this contract. The pastor is expected to remain in this call for 2 additional years (from date of move) or reimburse LCR for the moving costs. Exceptions could be made to this requirement from vote of Executive Council.

Footnotes on **Agreement section:**

- ¹¹ Vacation election may be taken in increments of up to two continuous weeks or less. Unused vacation may not be carried over to subsequent year(s). Any unused vacation, in the year the call ends, will be prorated based on end date and paid out in cash at the end of this call if not taken before end date. All vacation of a week or more (or any Sunday's) must be approved by the Council President (or another Executive Committee member if the Council President is not available) and should be approved at one month prior to the start of the intended vacation. All vacation must be reported on the vacation tracker schedule (see church secretary) and the pastor is expected to find an appropriate ELCA Supply pastor to perform Sunday service requirements when a vacation includes a Sunday. A back up Supply pastor for funerals should also be secured for vacation more than a few days.
- ¹² There is no annual carry over for education time. Only dollars maybe carried over (as stated above in footnote #7).
- ¹³ Provision may be made for further unpaid time for disability recovery as agreed by the Council and Congregation. Any agreement would have the stipulation that unused time/unneeded time will not be compensated at the end of this call. General sick days throughout the year are expected and should be used as appropriate.
- ¹⁴ At the request of the pastor, a laptop computer will be provided, if needed, for his/her professional related use only (reasonable personal usage is acceptable). The computer provided could be an existing asset of the church (if usable) or a new computer if the available computers do not meet the reasonable needs of the pastor to perform his/her duties. Periodic updates and maintenance will be included as necessary for the church's computer. This equipment is considered an asset of LCR and must be returned at the end of this call. All assets purchased by the church remain church assets. Cell phones and associated phone costs are not reimbursed.
- ¹⁵ A one-time decorating allowance of up to \$1,000 will be provided to update and refresh the pastor's office space. The discretionary purchase of furniture, fixtures, drapes, blinds, area rugs or wall hangings, compatible with existing interior building décor may be selected by the pastor. Associated tax, delivery and installation cost are included in this allowance. Flooring, walls, doors and permanent bookcases, etc. are excluded from this provision and must remain as currently installed. All purchases made under this allowance are considered assets of the congregation and must remain with the church at the end of this call.

SIGNATURE SECTION:

Pastor _____ Date: _____

Tony Baumgardt (Council President) _____ Date: _____

Dawn Jacobson (Council Treasurer) _____ Date: _____