



## Oregon Synod Evangelical Lutheran Church in America

God's Work. Our Hands

Oct 1, 2023

Dear Deacons, Pastors, Congregation Councils and Budget Committees,

Each year, the Oregon Synod produces Care and Compensation guidelines based on Federal data that is released in mid-October. The guidelines start as a draft that is reviewed by the personnel committee, then are updated and shared with you to help with conversations about compensation for the coming year. While we as the church are concerned for all our employees (administrators, musicians, janitors, youth workers and rostered leaders,) we produce guidelines only for our professional ministers—deacons and pastors.

Attached at the back of this packet (and available on the Oregon Synod website at <http://oregonsynod.org/index.php/resources/congregations/>) is a **Worksheet for Rostered Minister Compensation**. We have also provided a spreadsheet version of the worksheet. I recommend that you use this worksheet and append it to your Annual Budget or Council Minutes. The IRS requires congregations to note Housing Allowances in a formal budget or minutes of your Annual Meeting if the rostered leader is to claim a deduction for this money.

I understand that maintaining fair compensation for pastors and deacons is becoming increasingly difficult for some congregations. The truth is that our Oregon Synod Guidelines are often lower than those of similar synods. Those that have problems meeting guidelines are really challenged with capacity for mission issues which are hard to address when putting together a budget. If you face financial challenges, I encourage you to ask the larger questions of sustainability and mission in a thoughtful and more relaxed manner during the coming year. The Sustainability Assessment found on our website at <http://oregonsynod.org/index.php/resources/congregations/> can be a helpful place to start. Don't hesitate to call the Bishop's Office.

Our 2024 Care and Compensation Guidelines include a 3.7% cost of living increase over the 2023 guidelines. This increase is based on the CPI-U West index. The 3.7% increase is the average of the 12-month change reported for the months July 2022 through August 2023. We also recommend that you compare the salaries of teachers in your local school districts to see what

occupations with a similar education level to ministers are paid. The MA +45 category is approximately equivalent to a 4-year Master of Divinity degree.

I invite us all to give time and attention to the “Covenant of Care” on page 13. This form is designed to help us all—pastors, deacons, congregations and synod staff- focus on mutual opportunities and support. Missional capacity and effectiveness are greatly increased as we commit to common goals in an environment of mutuality and intentional planning.

Should you need help understanding these Care and Compensation Guidelines please do not hesitate to contact the synod office. Finances and salaries are important and are directly related to other issues of transparency, common mission goals, and professional support.

We look forward to working together with you in the coming year.

Blessings,

A handwritten signature in cursive script that reads "Laurie L. Caesar". The signature is written in dark ink and is positioned below the word "Blessings,".

Bp. Laurie Larson Caesar  
Oregon Synod, ELCA

# CARE & COMPENSATION 2024

## For Oregon Synod Rostered Leaders in 2024

Oregon Synod - Evangelical Lutheran Church in America

### **THE GOAL: A Healthy Relationship Between Pastor, Deacon and People**

- *A mutually shared vision of the congregation and its mission.*
- *Mutual respect for the gifts and responsibilities that each has.*
- *Good communication and collaboration are pursued, especially through an active Mutual Ministry Committee, or other support and conversation, committee or process.*
- *Clearly defined goals for the congregation and pastor that have the solid support of the whole congregation.*
- *Rostered leaders are enabled and encouraged to keep their energy, dedication, creativity, and spiritual vitality strong.*
- *Compensation is designed to be fair, to acknowledge effort and gifts, and to show appreciation and care.*

### **HEALTHY, VITAL LEADERSHIP: Items for the Congregation to Consider**

Caring for the rostered leaders of our church is about their compensation, but it is also about much more. It is about mutual affirmation, goal setting, communication, responsibility and accountability. When done well, this sense of mutual ministry can make all the difference in staff morale, attitude, longevity, creativity, and productivity.

These *Care and Compensation Guidelines* are designed to help you shape a complete plan for staff and ministry support. Our work prospers with healthy leaders who are focused, diligent, prayerful, and part of a committed leadership team. "Just" (fair) compensation, health care and appropriate professional support are important. Equally important are a mutual ministry plan between the congregation and pastor/deacon; ministry reviews and evaluations; a strong sense of lay and leader mutuality; and our connection one to another. We hope these guidelines help you towards these ends.

### **PLANNING MINISTRY TOGETHER The Work of a Mutual Ministry Committee**

The work of the Mutual Ministry Committee includes developing a process where goals are established by the pastor or deacon and congregation together. Such goals are born in a spirit of earnest desire for faithfulness to the

Great Commission. It is vitally important that such goals emerge out of a

sharing, caring, collaborative process. The people responsible for achieving goals must all participate in their development.

### **Considerations when setting goals include:**

- Goals faithful to God's mission which challenge both pastor and congregation to growth, needed change and faithful stewardship.
- Goals should not be a "to do" list or a listing of normal activities of pastor and congregation. They should identify those ministry tasks that will be central to the pastor's and congregation's work in the coming year. As such they will reflect the deep intent of the congregation's Mission Statement.
- Goals should build on the pastor's and congregation's strengths, *but* they will also challenge both to new levels of effectiveness and learning.
- Pastors or deacons and congregations should identify only three to six goals per year, and then be responsible for their accomplishment. These will focus action and the "regular" work of ministry.
- The pastor or deacon is accountable for his/her ministry to the Congregation Council via the Mutual Ministry Committee.
- The goals should be reviewed quarterly by the pastor or deacon and Mutual Ministry Committee. A final review of the stated goals and a re-negotiation of goals for the coming year are the central tasks of the annual pastoral review which is conducted in anticipation of the conversation about compensation for the coming year.
- The goals are recorded on the "Definition of Compensation, Benefits, and Responsibilities of the Pastor" document

## Caring for a Pastor or Deacon

In the community of faith, pastors and deacons have particular leadership tasks. Congregational support is key to a healthy leadership. We know that the clearer the mission of a congregation, the better the congregation functions. There are a variety of models to support your pastor and create a place for conversation about hopes and dreams as well as evaluation and accountability.

One specific model is the Mutual Ministry Committee. There are different ways to organize this committee and the shape and frequency of meetings varies greatly from congregation to congregation. Here are some things to consider in designing yours:

- Who are the members of the congregation that can provide ongoing confidential support and conversation for the pastor?
- Is there a past congregational president you can request to serve on the Mutual Ministry Committee because they know the current issues?
- Will your Mutual Ministry Committee members be the ones to review and edit annual reviews of the pastor? Help with sabbatical planning?

However they are designed, Mutual Ministry committees seek to build trust and support with their pastors, and to encourage their continued growth, competence, and leadership for the community of faith. Clear goals, regular evaluation, and the place for reflection and conversation are essential parts of this important work.

The Personnel Committee focuses on all of those employed by the congregation, and is tasked with having policies in place, setting salary, and supervising staff (check your constitution to see how you are organized).

A congregational best practice is that support for your pastor be intentional and connected to your congregation's mission.

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*A helpful resource for organizing a Mutual Ministry Committee is the book, Pastor and People: Making Mutual Ministry Work. The book is available for purchase from Augsburg Fortress Publishing House: [www.AugsburgFortress.org/store](http://www.AugsburgFortress.org/store).*

## OUR COVENANT OF CARE: Maintaining Vitality, Vigor, and Vision for Ministry

All leaders flourish in nutrient-rich environments of genuine care, mutual support, and Christian encouragement. Their sense of health, worth, and service are invigorated by positive and focused attention to their personal, professional, and spiritual lives. "Burn-out" is too often a product of sagging vision, persistent negativity, and spiritual isolation. The antidote is found in those things that stir the imagination and creativity, that offer thanks and appreciation for work earnestly done, and that create collegiality and partnership.

The *Covenant of Care* is one way to encourage mutuality in ministry. It suggests concrete ways to support your pastor or deacon in their work, especially in the areas of:

- Spiritual reflection and renewal
- Continuing education and professional development
- Mutual conversation, encouragement, review and goal setting

The congregation is urged to enter some form of a Covenant with their pastor and deacon, *not as a matter of luxury but as a matter of urgency*. Much hinges on the work we do to maintain the vitality, vigor, and vision that our leaders have for their ministry.

The ELCA urges all rostered leaders covered by Portico Health to be attentive to the well-being of their whole selves by:

- Taking the *Health Assessment* survey annually
- Using the resources of *Care Coordinators* that Portico Health provides
- Developing their Personal Wellness Account and



## Flexible Spending Account

The diagram here illustrates the way well-being is a matter of attention to the several key areas of human experience. All of these grow out of our central experience of being a baptized child of God, and all of these are nurtured by our over-arching experience of spiritual wellness.

We encourage conversation around this “Wholeness Wheel” with not only pastors, but with all congregational staff and volunteers.

## COMPENSATION FOR CLERGY

### DEFINED COMPENSATION

Pastors are individuals rostered by the ELCA as leaders with faith, skills, and specific training. They have both a four-year college degree and a four-year seminary education.

### CLERGY SALARY

Determining a fair base salary begins with a calculation of the *minimum* recommended salary, then is adjusted to account for:

*Level of responsibility*  
*Education and Expertise*  
*Initiative and Merit*

### COMPENSATION ELEMENTS:

#### Defined Compensation

- Clergy Salary
- Social Security Allowance
- Housing Allowance

#### Benefits

- Pension & Medical Program
- Vacation & Days Off
- Other

#### Professional Expenses

- Mileage Reimbursement
- Continuing Education
- Books, Fees & Other Expenses

*Local Cost of Living*  
*Fairness and Equity*  
*Growth and Leadership*

Oregon Synod compensation guidelines for 2024 are the same as those for 2023 with a simple cost of living increase (3.7%). The formula for calculating compensation has not been changed.

The Oregon Synod encourages full use of this “Care and Compensation” covenant. We believe compensation considerations alone are now sufficient for healthy leader/congregation relations.

**“Defined Compensation”** includes Clergy Salary; a Social Security Allowance; and a Housing Allowance. It is figured as follows:

*(The IRS prefers that clergy income be reported on a W2 rather than a 1099 form. Housing Allowance is not reported in Box 1, but in Box 14 (“Other”) of the W2 form.)*

<b>2024 Recommended Rostered Clergy Salary</b>		
Years of Experience	Minimum	Maximum
0	\$55,044.68	\$57,927
1	\$56,637.39	\$59,566
2	\$58,230.10	\$61,204
3	\$59,822.80	\$62,841
4	\$61,416.68	\$64,480
5	\$63,009.39	\$66,117
6	\$64,602.10	\$67,756
7	\$66,194.80	\$69,393
8	\$67,787.51	\$71,032
9	\$69,380.21	\$72,669
10	\$70,974.10	\$74,308
11	\$72,566.80	\$75,946
12	\$74,159.51	\$77,583
13	\$75,752.21	\$79,222
14	\$77,344.92	\$80,859
15	\$78,938.80	\$82,498
16	\$80,531.51	\$84,135
17	\$82,124.21	\$85,774
18	\$83,716.92	\$87,411
19	\$85,309.63	\$89,049
20	\$86,902.33	\$90,688
21	\$88,496.21	\$92,325
22	\$90,088.92	\$93,964
23	\$91,681.63	\$95,601
24	\$93,274.33	\$97,240
25	\$94,867.04	And...

## HOUSING ALLOWANCE

The IRS allows for clergy to be provided a parsonage (with all bills paid, including utilities, repairs, improvements, insurance) or to have a Housing Allowance designated as part of a pastor’s salary.

Please note that the cost of housing is included in the Salary Guidelines of the previous page. A Housing Allowance is not money “over and above” salary, but a designation of how salary is divided. It is to a pastor’s benefit to designate a portion of their salary as Housing since they are taxed differently on this amount. The Housing

Allowance may be the total of mortgage payments plus insurance and utilities, or it may be rental costs, etc. The pastor must justify the amount of their Housing Allowance to the IRS. So, it is the pastor’s responsibility to let the congregation know what portion of their salary should be housing and what portion is salary.

While the pastor will help determine the amount of their Housing Allowance, the congregation is responsible for recording this amount in their financial records.

We recommend you refer to IRS Topic 417, Earnings for Clergy and IRS Publication 517, Social Security and Other Information for Members of Clergy and Religious Workers.



## SOCIAL SECURITY ALLOWANCE

A congregation pays their pastor as an “employee” in **IRS** terms. However, with respect to **Social Security** a pastor is considered “self-employed.” This means the congregation does not and **cannot pay FICA** [7.65%].

It also means that the minister **must pay self-employment SECA** [15.3%] out of their own pocket. It is recommended that the congregation help with a Social Security Allowance for their pastor.

***(The Social Security Allowance should be made over and above the base salary. For example, 7.65% of \$65,000 would be \$4,973. The pastor’s total Defined Compensation then would be \$65,000 plus \$4,973 or \$69,973 - no matter how the Base Salary and Housing Allowance are divided up. The Social Security offset allowance is not reflected in the preceding Clergy Salary chart.)***

## BENEFITS

### PENSION AND MEDICAL PROGRAM

Full participation in the ELCA pension and benefit plans is expected for the rostered leader and family. The cost is determined as a percentage of “Defined Compensation” (base salary, plus housing or furnishings allowance, plus Social Security allowance). **The pension contribution should be 12% of Defined Compensation.**

The premium for the medical plan (medical and dental insurance, disability insurance, and death benefits) varies according to a schedule. Portico Benefit Services (the ELCA’s pension and medical program provider) offers a rate calculator at <https://employerlink.porticobenefits.org/Home/Resources/Calculators.aspx>.

With the advent of the *Affordable Healthcare Act*, Portico now offers four levels of medical coverage from which a congregation may select. The second level (“Gold+”) is roughly equivalent to the coverage that rostered leaders have historically received. The ELCA and Portico now recommend either Gold+ or Silver+ A or Silver+ B plans.

Sick leave is assumed, with the congregation paying pulpit supply as necessary. The Oregon Synod Personnel Policy states “Unpaid Family Leave will be provided to employees of this synod in accordance with the provisions of the Oregon Family Leave Act, as it may be amended from time to time, without regard for the number of

Synod employees required by ORS 659A.153.” Reasonable leave is usually granted by the Congregation Council to take care of family emergencies. In the case of disability, the minister continues to receive up to two months of salary with full benefits from the congregation before disability insurance begins.

[Paid Leave Oregon](#) is an insurance program offered through the state. It’s funded through payroll deductions, which started in January 2023, and eligible employees (e.g., almost every employee who made at least \$1,000 the year before applying for benefits) can apply for leave as of September 3, 202 for up to 12 weeks.

## VACATION AND DAYS OFF

Because of the intense and emotional nature of the work done by a minister, it is important and recommended that the leader be granted four full weeks of vacation time per year to tend to family responsibilities and emotional and spiritual refreshment. Vacation is not a reward, but recognition that a person needs time for renewal to be most effective in ministry. It is not necessary that vacation time be taken all at one time. The congregation needs to understand that the equivalent of two days off each week for family time and renewal is also important. Of necessity, it is recognized that the minister is still “on call” during these days. Pastors appreciate members not encroaching on their days off except in emergencies.

## OTHER

Congregations often adopt policies or procedures that are intended to benefit the rostered leader as they grow and “stay fresh” amid their duties and tasks. Such items might include:

- A policy governing compensation during times of illness and hospitalization.
- A policy about unused vacation time.
- A parental-leave policy to allow time away upon the birth or adoption of a child.
- A sabbatical-leave policy for a period of extended study.
- A policy to reimburse certain dues and memberships deemed essential to that ministry context.
- A membership in a health or fitness club.
- Participation in the ELCA’s Flexible Spending Account
- Life insurance coverage.
- Supplemental pension or tax-sheltered annuity contributions.

## PROFSSIONAL EXPENSES

Clergy receive reimbursement for professional expenses (including automobile use) but this is a matter of reimbursement, not compensation. Professional expenses therefore belong under “administrative” or “operating” expenses in the budget and not under “staff salaries.”

The IRS recommends that ministers be placed on an Expense Reimbursement plan in which business-related expenses are paid to the minister upon submission of an invoice or signed and itemized business expense form. This is in contrast to a system in which the minister is given a flat monthly allowance for expenses (which is reported as income) and then deducts business related expenses.

## MILEAGE REIMBURSEMENT

Use of the minister’s automobile for business activity is a congregational expense and should properly be listed under congregational administrative expenses in the budget rather than under compensation. Reimbursement to the minister on a per-mile basis using an Expense Reimbursement plan is recommended. **Please check the IRS website for the 2024 rate when it is available.** Reimbursement is for business mileage only (visitation, meetings, hospital calls, etc.) Commuting to work is not reimbursable.

## CONTINUING EDUCATION

Continuing education is essential for rostered leaders and other staff to bring fresh insights and resources to the congregation, and for professional growth. Continuing education is a means by which the congregation's leader(s) builds upon and extends knowledge, acquires new skills and grows into more effective ministry. Failure to maintain a regular discipline of continuing education should be regarded negatively in the annual performance and compensation review.

- The congregation and pastor are encouraged to complete an annual learning covenant for the year ahead. The Mutual Ministry Committee is the group that represents the congregation in making this covenant.
- Two weeks are allowed and taken for continuing education each year.
- A minimum of \$700 should be designated in the congregation’s annual budget for continuing education. The rostered leader participates by contributing a minimum of \$300 annually.

The minister reports to the council on the use of money, time and, of course, the learning that has occurred. By mutual agreement, continuing education time can

accumulate up to three years for a major project. Funds contributed by the congregation and the rostered leader each year are held in a separate account and forwarded to the leader's next congregation should he/she receive and accept a new call.

An extended leave (sabbatical) of one to three months every five to seven years in the present call is recommended for a pastor. Planning extended leave needs to begin early, with the Congregation Council approving the idea at least six months in advance.

Extended leave is understood to be a time of release from normal duties in order that a pastor may devote extended time to study and renewal. Ministers and congregations have found without exception that an occasional planned extended leave pays rich dividends in the quality and effectiveness of ministry the minister and the congregation share together. Information about such planning is available from the Synod Office.

## BOOKS, FEES, AND OTHER EXPENSES

Reimbursing the minister for expenses incurred while doing the ministry of the congregation *is not compensation*. But the cost of reimbursement must be planned. The congregation may adopt a policy to reimburse the minister for costs such as:

- Books, periodicals and professional dues directly related to his/her current ministry.
- Program costs, hospitality costs, charity costs and other out-of-pocket expenses.
- Conferences fees (e.g., Assembly and Bishop's Convocation). All pastors and other rostered leaders are required by the Oregon Synod constitution to attend the Synod Assembly and are expected by the bishop to attend the Bishop's Convocation; therefore, these costs should always be part of the annual budget.

Other staff-related expenses should be budgeted, such as pulpit supply during vacation and continuing education, worker's compensation, a discretionary fund, telephone charges, and other registration fees. If your congregation pays into State Unemployment Insurance, the pastor's salary should be included.

PLEASE NOTE: *Congregations with a newly ordained pastor have agreed to a \$500 contribution to be made through the Synod Office for each of their pastor's **first three years of call**. This fee helps support "First Call Theological Education" which the new pastor attends.*

## OUR COVENANT OF CARE for 2024

### Pledge of the Pastor or Deacon

For the sake of my **personal health** and well-being I will: *(This section might include diet, exercise, spiritual direction, etc. commitments. The goal is to share and model good personal practice as part of professional ministry. Commitment to Portico supported health opportunities might be appropriate.)*

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For the sake of my **professional growth** I will: *(This section might include commitments to a continuing education plan, participation in local community of practice, support group or text study, Transformation Leadership training, etc.)*

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For the sake of my **ministry** I will: *(This section might include special foci for the year such as an every member visitation, development of a Listening Season, coordinated effort around stewardship, etc. This area records the pastor/deacon's portion of an agreed upon congregation initiative.)*

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\_\_\_\_\_, Pastor/Deacon

**Pledge of the Congregation or Agency**

For the sake of our **pastor or deacon** we will: *(This section might include commitment to a professional ministry review - (or developing an effective review process) - establishment of a Mutual Ministry Committee, support for a written Continuing Education plan, etc.)*

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For the sake of our **Mission** we will: *(Congregations are encouraged to commit to participation in the Oregon Synod, development of a focused stewardship process or Listening Season, etc. This commitment should be coordinated with your pastor or deacon.)*

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For the sake of the **ELCA** we will: *(This section is an invitation to think again about what it means to be a mission point of the denomination as a whole. Commitments here might include increased Mission Support, becoming an active AAMPARO congregation, congregation engagement with the ELCA's proposed Social Statement on Women and Justice, or a stretch commitment to ELCA World Hunger.)*

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\_\_\_\_\_ Congregation President

## **Pledge of the Synod Bishop and Staff**

- ❖ To be available to congregation and pastor or deacon for counsel and encouragement in the fulfilling of your commitments.
- ❖ To provide confidential intervention and consultation services as needed.
- ❖ To assist with ministry and staff evaluation processes as needed.
- ❖ To hold pastor, deacon and congregation in prayer, collegial regard, and love for your ministry's sake.

In light of personal or congregation commitments made in this Covenant of Care we request the following synod support:

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*Upon receipt of your **Covenant of Care** and **Worksheet for Rostered Leader Support** you will be contacted relative to the above request and sent a signed copy of our Covenant.*

\_\_\_\_\_ Bishop, Oregon Synod, ELCA