

# **South-Central Synod of Wisconsin**

## **2024 Salary Guidelines**

**For**

**Rostered Leaders**

## **PURPOSE**

The purpose of this document is to provide fair and equitable compensation for rostered ministers serving in our synod.

## **INTRODUCTION**

The 2024 Compensation Guidelines are provided as a starting point for determining compensation for Rostered Ministers of Word and Sacrament and Rostered Ministers of Word and Service in the South-Central Synod of Wisconsin. They are intended to be minimum guidelines. However, these are only guidelines. They cannot possibly speak to all our congregations with their varying financial resources, personnel resources, and expectations. These guidelines emerge from ongoing review of current salaries, salaries paid in other synods, the Portico overall picture of compensation, and the ongoing work with congregations by synod staff.

The following pages provide a worksheet for you to use in determining your roster leader compensation.

# 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.

Please refer to Salary Guidelines on page 11.

\$ \_\_\_\_\_

## Step 2 Merit Adjustment

**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)*<sup>1</sup>**

**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.

See Appendix

\$\_\_\_\_\_ (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.

Paid directly  
**OR** Allowance      \$\_\_\_\_\_ (2c)

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<sup>1</sup> Only Word and Sacrament Ministers are eligible for a housing allowance. Please see Appendix C for Internal Revenue Service housing resolution.

**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)

**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 if enrolled prior to 1988</u>	<u>Minimum Required Contribution Rate</u>
45 through 54	11%

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All other rostered leaders	10%
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Defined Compensation<sup>2</sup> X \_\_\_\_\_ %

#### Retirement Contribution

\$ \_\_\_\_\_

#### ELCA Medical and Dental Benefits

Calculate benefit costs by using Portico calculator found at <https://employerlink.porticobenefits.org/Resources/Calculators/Benefit-Costs-Calculator/>

\$ \_\_\_\_\_

#### Disability and Basic Group Life

Contribution is set by Portico Benefit Services at 1.70% of Defined Compensation in 2021. See link for calculator above.

\$ \_\_\_\_\_

#### 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)

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<sup>2</sup> 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 65.5 cents per mile<sup>3</sup> \$ \_\_\_\_\_
- 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.

A minimum of 50 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. \$ \_\_\_\_\_

### 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. \$ \_\_\_\_\_

### 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.

\$ \_\_\_\_\_

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<sup>3</sup> 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, the revised rate will become the current rate to use for reimbursements. This information is available at [www.irs.gov](http://www.irs.gov), search phrase – *standard mileage rates*.



**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)

<b>Total Salary Package</b>	\$ _____
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## **Part VI     *Other Considerations***

### **Workweek**

Because of the “on-call” nature of ministry, consideration needs to be given to the minister’s self-care. A minimum of one day off per week is a necessity. It is suggested that the minister should have two consecutive days off whenever possible. Separate salary guidelines are available for part-time calls.

### **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 minister 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**

Paid maternity/paternity leave of up to six weeks is recommended when a child is born or adopted.

**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 supply 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 supply 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.

**Other Benefit Programs**

Additional benefits are available through Portico in the form of Flexible Spending Accounts (FSA), Tax Sheltered Annuities (TSA), and Health Savings Accounts (HSA). These are all ways for the rostered leader to save money while gaining tax advantages. Details about these programs can be found at [www.porticobenefits.org](http://www.porticobenefits.org).

**Spiritual Renewal**

It is recommended that all rostered ministers 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 they are able to fully focus on "renewal." Therefore, the pastor should designate a colleague who can cover emergencies during this time away.

**Spiritual Guidance**

It is recommended that all rostered ministers 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 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 relocating a rostered minister to the community. All reasonable expenses should be covered by the congregation and negotiated with the incoming pastor. Moving services need to be performed by 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.

**Pulpit Supply**

The cost of pulpit supply in the rostered minister's absence is borne by the congregation. In addition to mileage reimbursement at the IRS rate (65.5 per mile for 2023), the following fees are recommended per Sunday for rostered ministers from outside the membership of the congregation:

One Service	\$210
Two Services	\$270
Three Services	\$330

If the congregation has worship on different days, an additional \$15 should be added to the total. If the congregation has arranged for pulpit supply, and worship for that Sunday must be cancelled, the congregation should compensate the pastor \$50 in recognition of their sermon preparation during the week.

## Salary Guidelines

Rostered minister salary is based on several considerations – the number of years of experience, housing costs, and additional factors related to the context of the ministry, cost of living, and job responsibility.

The following are guidelines for minimum cash salaries. The information that follows will assist you in determining a cash salary. These figures are guidelines and are not intended to restrict a congregation in fairly compensating a pastor.

<b>Experience</b>	<b>Base Salary</b>	<b>Experience</b>	<b>Base Salary</b>
<b>0</b>	\$ 42,788	<b>18</b>	\$ 57,643
<b>1</b>	\$ 43,613	<b>19</b>	\$ 58,468
<b>2</b>	\$ 44,438	<b>20</b>	\$ 59,294
<b>3</b>	\$ 45,263	<b>21</b>	\$ 60,119
<b>4</b>	\$ 46,089	<b>22</b>	\$ 60,944
<b>5</b>	\$ 46,914	<b>23</b>	\$ 61,769
<b>6</b>	\$ 47,739	<b>24</b>	\$ 62,595
<b>7</b>	\$ 48,565	<b>25</b>	\$ 63,420
<b>8</b>	\$ 49,390	<b>26</b>	\$ 64,245
<b>9</b>	\$ 50,215	<b>27</b>	\$ 65,071

<b>10</b>	\$ 51,041	<b>28</b>	\$ 65,896
<b>11</b>	\$ 51,866	<b>29</b>	\$ 66,721
<b>12</b>	\$ 52,691	<b>30</b>	\$ 67,547
<b>13</b>	\$ 53,516	<b>31</b>	\$ 68,372
<b>14</b>	\$ 54,342	<b>32</b>	\$ 69,197
<b>15</b>	\$ 55,167	<b>33</b>	\$ 70,022
<b>16</b>	\$ 55,992	<b>34</b>	\$ 70,847
<b>17</b>	\$ 56,818	<b>35</b>	\$ 71,673

COLA of 5% for 2024 Salary Guidelines

### 2022 Monthly Housing Statistics

The following chart indicates guidelines for housing allowances by county.

County	3-Year		
	Average	Average Range	
		Low	High
Adams	\$24,200	\$21,800	\$26,600
Columbia	31,200	28,072	34,300
Dane	47,100	42,400	51,800
Dodge	27,500	24,700	30,200
Grant	21,400	19,300	23,600
Green	31,800	28,600	35,000
Iowa	30,700	27,600	33,800

Jefferson	36,400	32,800	40,100
Lafayette	21,300	19,200	23,400
Richland	23,000	20,700	25,280
Rock	27,500	24,800	30,200
Sauk	33,100	29,800	36,400
Walworth	38,600	24,700	42,400

2022 information is most recent available.

### **Social Security**

Use this formula:

Social Security Allowance = (base salary + housing allowance) x .0765 or

if a parsonage is provided:

Salary x .0765 = Social Security Offset (SSO) (Salary + SSO) x .30 = Parsonage Value (PV)

Salary + PV + SSO = Total Defined Compensation

You should also know:

- > The IRS considers Social Security and Medicare allowance as taxable income to the pastor. Any allowance is typically reported as part of the taxable income in box 1 on a w-2; not in boxes 2 or 4.
- > The allowance is included in the pastor's total defined compensation for purposes of determining contribution amounts.