

2027 Compensation and Benefits Manual

A Tool for Ministry Budgeting in the Allegheny Synod, ELCA

This manual is intended as a tool for ministry sites and their ministers of Word and Sacrament or ministers of Word and Service to mutually plan and budget for the minister's compensation and benefits.

Predominantly we think of ministry in terms of a minister's efforts for members of the ministry on behalf of Jesus Christ. In the same way, the ministry of the laity includes care of the minister and the minister's family on behalf of Jesus Christ.

In many ministry settings, a specific team is tasked with primary concern for care of the minister and their family. One of the key tasks of such a team is to discuss annually with the minister a fair and equitable compensation package. Since the minister depends on the ministry employer to make ample provision for their financial needs, the minister should have the opportunity to discuss those needs in an open and supportive forum. This team is in a position to provide such a forum. The team can gather data from the minister about their financial needs and subsequently make recommendations to the Finance Committee, Council or Board, and/or Congregation for fair and equitable compensation.

There are reasons for the varieties of financial compensation packages within this Synod and the ELCA. Some ministries have full-time ministers while others have less than full-time ministerial service. Some have multiple ministers on staff. Some cooperatives have one minister serving multiple locations. Some ministers have additional education, training, or work experience prior to entering the ministry that benefits their ministry. It is the intention of the Synod to affirm the reality of different ministry arrangements while at the same time ensuring adequate and fair compensation.

This document attempts to provide flexibility in determining base salary by only specifying *minimum* amounts, in negotiating housing arrangements, and in providing components for some other benefits. Primary in all that is recommended here is the need for the minister and team members to discuss openly and honestly the subject of money and the minister's responsibilities and needs.

This document is not intended to serve as financial or tax advice. Ministry employers are responsible for following legal employment practices regarding compensation and taxation. Ministers are strongly encouraged to employ a qualified tax accountant and/or financial advisor to review their compensation and ensure compliance with tax codes.

Worksheet for Budgeting Minister's Compensation

Each amount is calculated individually on the indicated pages.

** Some items depend on type of housing compensation and/or medical plan.*

Salary & Housing

A. Annual Base Salary (p 3)

B. Furnishing Allowance (p 4)*

C. Social Security Allowance (p 4-5) \$ _____

Benefits

D. Portico Pension Contribution (p 5)

E. Other Portico Benefits (p 6-7)

F. Housing Equity Allowance (p 7)* + \$ _____

Professional Expenses

G. Synod Assembly & Conference Expenses (p 8)

H. Automobile Expense (p 8-9)

I. Continuing Education (Etc.) Expenses (p 9)

J. Business & Attire Expense (p 9)

K. Leadership Development Expense (p 10)

L. Medical Expense Reimbursement (p 10)* + \$ _____

Total paid to/for Minister by Employer = \$ _____

To Facilitate Minister's Required Vacation Compensation
(Budgeted by the Ministry, Not Paid to the Minister)

Estimated Supply Expense (p 11) + \$ _____

Total Budgeted Expense for Rostered Ministry = \$ _____

A. Annual Base Salary Compensation

Listed below are recommended *minimum* guidelines for use in developing the compensation package for Ministers of Word and Sacrament and Ministers of Word and Service. Each ministry setting requires unique responsibilities; adequate compensation is related but not limited to the expectations of the minister and the ministry they are serving. Ministry employers may choose to compensate ministers beyond the minimum guidelines for additional degrees, certifications, years of other relevant professional experience, or where the cost of living is higher than average for the Synod.

- 1) Each year the Synod Finance Committee reviews current economic indicators to determine an appropriate starting salary. Starting salary for ministers ordained in 2027 increased 3% from 2026.
- 2) Salary is increased for each year of experience by \$500.

To Calculate years of experience, subtract the minister's year of ordination from 2027.

2027- _____ (Year of Ordination) = _____ Years of Experience

Base Salary with a Parsonage \$44,983

Add Years of Experience x \$500 + _____

Minimum Salary with a Parsonage = _____

OR

Base Salary without a Parsonage \$63,078

Add Years of Experience x \$500 + _____

Minimum Salary without a Parsonage = _____

AND

Compensation for additional degrees,
certifications, years of other relevant
professional experience + _____

Base Salary A. \$ _____

B. Housing & Furnishing Allowance

A minister whose compensation does not include a parsonage may designate as housing allowance an amount of compensation which is excluded from their Federal taxable income up to the fair rental value of a furnished home plus utilities to the extent that the allowance is actually expended for housing. Qualifying Housing Allowance expenses include rent payments, principal and interest payments on mortgages, taxes, utilities, maintenance, insurance, furnishing, and landscaping. The IRS provides information on housing allowance:

<https://www.irs.gov/faqs/interest-dividends-other-types-of-income/ministers-compensation-housing-allowance/ministers-compensation-housing-allowance>

For the purpose of including a housing allowance in calculating the Total Defined Compensation, Portico will add 30% to Base Salary for a minister whose compensation includes a parsonage.

A minister may receive a Furnishing Allowance. The Furnishing Allowance is excluded from Federal Income Tax to the extent that the allowance is actually expended for furnishing; however, the amount used is subject to Social Security Tax. The Furnishing Allowance is paid directly to the minister and is in addition to any maintenance and repair costs paid directly or reimbursed by the ministry employer.

Congregations that provide a parsonage for the called rostered minister pay the parsonage's utilities in full each month. Utilities include electric, gas, oil, water, sewer, trash, internet, telephone (if a landline exists). If the rostered minister uses their personal cell phone for church business, a negotiated amount of reimbursement should be paid in addition to the parsonage utility costs. Billing for utilities for the parsonage are registered in the name of the congregation and directed to the congregation's treasurer.

Furnishing Allowance B. \$ _____

C. Social Security Allowance

For Social Security purposes, ministers are taxed as if they are self-employed. The current combined Social Security and Medicare tax is 15.3%. The Synod policy requires the ministry site to assume at least 50% of the combined Social Security and Medicare tax that the minister is required to pay or an equivalent amount if the minister had previously opted out of Social Security.

To calculate the compensation subject to Social Security Tax, add the Base Salary (A), 30% of Base Salary *for ministers with a parsonage only*, Furnishing Allowance (B), and any other allowances paid directly to the minister, excluding reimbursed expenses.

A. Base Salary _____

30% of A. + _____ *(for ministers with a parsonage only)*

B. Furnishing Allowance + _____ *(if utilized)*

Other Allowances + _____

= _____ (C1) Compensation Subject to SS Tax

To calculate the Social Security Tax, multiply the minister's compensation (C1) x 15.3%.

C1 _____ x .153 = _____ (C2) Social Security Tax

To calculate the Social Security Allowance paid by the ministry employer, multiply the minister's Social Security Tax (C2) x at least 50% (more if the ministry employer chooses).

C2 _____ x .5 (or more) = _____ (C) Social Security Allowance

Social Security Allowance C. \$ _____

D. Portico Pension Contribution

Portico Benefits Services administers pension benefits for the ELCA. The Synod policy encourages the ministry employer to contribute to the minister's pension fund at a rate of 12% of the Defined Compensation.

To calculate the Portico Defined Compensation, add the Base Salary (A), 30% of the Base Salary *for ministers with a parsonage only*, the Furnishing Allowance (B), and the Social Security Allowance (C).

A. Base Salary _____

30% of A + _____ (*for ministers with a parsonage only*)

B. Furnishing Allowance + _____

C. Social Security Allowance + _____

= _____ (D1) Portico Defined Compensation

To calculate the Pension Contribution paid by the ministry employer, multiply the minister's Portico Defined Compensation (D1) x 12%.

D1. _____ x .12 = _____ (D) Pension Contribution

Pension Contribution D. \$ _____

E. Other Portico-ELCA Benefits Contribution

Portico Benefit Services, the nonprofit benefit ministry of the ELCA, provides the benefit program for rostered ministers, lay employees, and their families. Portico provides health, dental, prescription drug, retirement, disability, and group life insurance benefits in one bundled program.* This program is designed to address the needs of rostered ministers and provide seamless benefits during change of call, leave from call, and other events unique to ministry. A bundled approach helps ensure rostered ministers and lay employees are protected against significant financial loss from a variety of risks. Through Portico, ministries in this synod and across the country pool their collective purchasing power to provide benefits in a cost-effective manner. For more information, see the ELCA Philosophy of Benefits at PorticoBenefits.org/philosophy.

Congregations and plan members share the cost of benefits. Congregations are expected to support the well-being of their covered plan members by paying 100% of the cost of non-elective benefits. Plan members are expected to participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays).

*A plan member may waive health coverage if they have access to valid medical insurance coverage through their spouse or another employer.

Current contribution rates for benefits are available at EmployerLink.PorticoBenefits.org or from calling Portico at 800.352.2876.

ELCA Survivor Benefit

Basic group life insurance is offered through Securian and is paid for by the congregation. Rostered ministers may pay for additional coverage through Securian or other supplemental insurance.

ELCA Disability Benefits

When approved, the ELCA disability trust provides monthly income, retirement plan contribution, and health coverage. There are two types of disability benefits: short term and long term. Short term (60 days) compensation and benefits are paid by the congregation. Long term (over 60 days) disability benefits are paid by the ELCA's disability trust.

ELCA Retirement

The ELCA maintains a defined contribution retirement plan for rostered ministers. The Allegheny Synod encourages congregations to contribute a minimum of 12% of the rostered minister's defined compensation to the retirement plan. Members in the plan can also contribute pre-tax contributions through payroll deduction.

ELCA Health Benefit

The ELCA's health benefit plans cover the following areas: medical, dental, prescription coverage, tax advantage accounts (Flexible Spending and Health Savings Accounts) and wellness support. The ELCA Church Council has approved a balance of cost-sharing between congregations and plan members. Portico offers a choice of ELCA-Primary health benefit options that fit this approved balance: ~~Gold+, and Silver+ with either Level A or B employer HSA contribution.~~ Each fall, congregations should engage in conversation with their sponsored plan members to determine the option that best fits their needs, and then make their selection during annual enrollment. In 2026 the Allegheny synod council voted to recommend the Select HDHP 2000 or Select Copay 2000 plans.

Plan Choice _____

Cost of Plan _____

Portico Benefits E. \$ _____

F. Housing Equity Allowance *(For Ministers with a Parsonage Only)*

When a parsonage is furnished as part of the minister's compensation, the minister does not have the opportunity to build equity as a homeowner. The ministry employer may compensate for this lack of equity with a Housing Equity Allowance. Recommended Housing Equity Allowance Provisions:

1. The Housing Equity Allowance equals 3% of the minister's Defined Compensation.
2. The ministry employer pays this amount in monthly installments to a depository agreed to by the ministry employer and the minister.
3. Use of the funds is limited to the provision of housing whenever it is needed, specifically at the time of retirement, disability, or death, or when a congregation disposes of its parsonage.
4. Provisions are to be made for changing the depository when required by relocation of the minister, provided that the original contractual limitations for the use of the funds are maintained.

To calculate the Housing Equity Allowance paid by the ministry employer, multiply the Defined Compensation (D1) x 3%.

D1. _____ x .03 = _____ (F) Housing Equity Allowance

Housing Equity Allowance F. \$ _____

Professional Expenses

The IRS has made it difficult to itemize and deduct professional expenses. Therefore, it is recommended that the ministry employer reimburse professional expenses in full and budget accordingly for these anticipated costs, reviewing these allowances frequently. Professional expenses include:

G. Synod Assembly and Conference Expenses

H. Automobile Expenses

I. Continuing Education, Book, Periodical, and Digital Resource Expenses

J. Ministry-Related Business and Attire Expenses

K. Leadership Development

Additional Professional Expenses unique to a ministry may be incurred and compensated.

G. Synod Assembly and Conference Expenses

All ministers are required to attend the annual Synod Assembly and Bishop's Convocation, for which the ministry employer is required to pay registration, lodging, and meals for the minister while attending these events. Further, ministers may be expected to attend other Synod conferences or trainings, and the ministry employer is expected to pay those registration fees and expenses as well. Expenses for Synod Assembly, Convocation, and other Synod conferences or trainings are to be covered in addition to Continuing Education expenses.

Typical expenses for Synod Assembly and Bishop's Convocation are \$300 each (\$600 total).

Ministers in the first three years of their first call after graduation/ordination are required to attend First Call Theological Education (FCTE). FCTE incurs a fee of \$200/year for three years.

Synod Assembly & Conference Expenses G. \$ _____

H. Automobile Expenses

In most ministry settings, the minister will incur transportation costs that include fuel, repairs, insurance, tolls, etc. The IRS allows reimbursement of a specific amount per mile when a car is used for business purposes. American Automobile Association (AAA) and Department of Transportation studies indicate that the cost of operating automobiles is greater than the mileage reimbursement allowed by the IRS. The ministry employer should provide to the minister a travel allowance adequate to cover all costs. The Synod recommends three possible arrangements (in order of preference):

1. An employer-owned or leased car. The ministry employer owns or leases a car for the minister to use in the course of their duties; the employer pays the cost of fuel, maintenance, and repairs.
2. Reimbursement to the minister for actual miles driven. The employer pays the leader for the use of their car based on an agreed upon amount per mile and in accordance with IRS regulations. The IRS rate for 2026 is 72.5 cents per mile; this may change in 2027. Amounts up to the IRS rate are not taxable; any amount paid in excess of the IRS rate is taxable compensation.
3. Pay the leader a flat rate for transportation. Having budgeted an amount for travel, the ministry employer pays the minister a regular amount, regardless of the miles driven by the leader. A flat rate travel compensation is considered taxable income, so an additional 15%-20% should be added to the allowance to account for the additional tax obligation of the minister.

The IRS clarifies allowable mileage reimbursement guidelines: <https://www.irs.gov/publications/p463>
Some rostered ministers may work from home; it is the responsibility of the congregation's council to clearly state from where mileage is calculated for reimbursement. When an agreement is reached, it should be included on the Definitions for Compensation worksheet, Section C.

Automobile Expense H. \$ _____

I. Continuing Education, Book, Periodical, and Digital Resource Expenses

In order to update their skills and strengthen their ministry, the ELCA expects ministers to participate in at least 50 contact hours of Continuing Education (Life-Long Learning/Professional Development) annually. Such activities are not vacations, and ministry employers shall provide both time and money to facilitate these learning opportunities. For the minister to keep abreast of developments in theology and ministry, expenses for books, periodicals, and digital resources are included with Continuing Education.

Like the Housing Equity Allowance, an account with a depository agreed to by the minister and the ministry employer should be established for Continuing Education. The Synod recommends the employer contribute at least \$800 and the minister at least \$300 annually. Two weeks study leave, or its equivalent, is to be provided over and above vacation.

Continuing Education, Book, Periodical, Digital Resource Expenses I. \$ _____

J. Ministry Related Business and Attire Expenses

The IRS has made it difficult to itemize and deduct professional expenses. Therefore the Synod recommends the ministry employer reimburse in full professional expenses including, but not limited to, professional attire such as vestments and clerics, ministry use of personal technical resources (i.e. cell phone, computer), professional organization dues, and business entertainment.

Ministry Related Business and Attire Expense J. \$ _____

K. Leadership Development

Leadership Development is different than Continuing Education or vacation, which benefit the ministry but are for the minister's personal development, rest, and renewal. Leadership development benefits the ministry's well-being and growth. The Synod recommends that the ministry employer offer at least \$500 for Leadership Development which may include retreats, resources, coaching, or other education for the minister's development and growth.

Leadership Development Expense K. \$ _____

L. Flexible Spending Accounts/Medical Expense Reimbursement

(Premiums for Medical and Dental Benefits are not to be included here. See p. 5-6)

Health Flexible Spending Account (FSA)

A minister with Copay plans may set aside an amount, pretax, to pay for eligible out of pocket health care expenses. The minister has access to the full amount of the FSA election starting January 1, even though contributions will be withheld from each paycheck throughout the plan year.

Health Savings Account (HSA)

A minister with High Deductible plans may set aside pretax money to pay for eligible out of pocket health care expenses. The minister and employer can contribute and any earned wellness dollars are deposited here. (Check allowed amounts for 2027 when available.)

Dependent (Day) Care Flexible Spending Account

A minister may set aside an amount, pretax, to pay for day care expenses incurred for the care of the minister's child(ren) or other eligible dependent to enable the minister to work.

Flexible Spending Accounts can be established through Portico Benefit Services.

Flexible Spending Designation \$ _____ (made by the minister; not an additional budgeted item)

FSA, HSA, and Depend Care Account contributions are capped; check current allowed amounts.

Medical Expense Reimbursement

The leader may be reimbursed for copays or medical expenses not otherwise covered by insurance.

Medical Expense Reimbursement L. \$ _____

Pre-Tax Contribution

Contributions up to the amount permissible by the IRS are made to Portico Benefit Services and/or other approved depositories. The minister should contact Portico for details on the IRS annual limits for retirement plan contributions.

Pre-Tax Contribution \$ _____ (made by the minister; not an additional budgeted item)

Related Items

Vacation

Sabbath is a commandment of God; therefore weekly time off and annual vacation are necessary for the minister's personal physical, mental, and spiritual health as well as for their leadership by example. The Synod requires a minimum of four weeks annual vacation, which includes four Sundays, and a minimum of one day off each week. Coverage should be arranged so that the minister is not "on call" during scheduled vacation time. The ministry employer may grant additional vacation time based on the length of service in the ministry.

Vacation of _____ weeks per year (including Sundays)

The 2027 rate for Sunday supply worship leadership will be \$145 for one service, PLUS \$60 for each additional service on the same day, PLUS mileage reimbursement at the 2027 IRS rate.

To budget for supply coverage of the minister's vacation, multiply the number of Sundays offered in vacation (minimum 4) x \$145 (+\$60 per additional service) + estimate of mileage reimbursement.

Estimated Supply Expense \$ _____ (to be paid to supply leaders)

Leave of Absence

A leave of absence should be negotiated between the minister and ministry employer (council or board) at least 14 days prior to the leave request. If emergency leave is required in which the 14 day notice is not possible, the Executive Committee may grant the leave with the approval of the full council or board.

Sick Leave

Rostered ministers and congregation employees shall receive ten (10) days of paid sick leave per year. Illness of longer than two (2) months should be referred to Portico Benefits. Sick leave may accrue up to

a maximum of thirty (30) working days. The decision to grant additional paid sick leave is at the discretion of the congregation council.

Family Leave

In the event of an illness in the immediate family (spouse, children, parents, brother, sister, grandparent, grandchildren, mother-in-law, father-in-law, or legal guardian) that requires the rostered minister or employee's presence, accrued sick leave may be utilized for this purpose.

Maternity/Paternity/Adoptive Leave

Leaves under this section are for the purpose of issues related to parenting, and may only be taken after six (6) months of full-time employment. Rostered ministers and employees who will be absent due to maternity/ paternity/adoptive leave are requested to provide as much advance notice as possible. Eight (8) weeks of paid maternity/paternity/adoptive leave are available to a rostered minister or an employee following the birth of a child or an adoption of a child less than one year old. Such leave must be taken within fifteen (15) weeks of the birth or adoption. If medically necessary, additional time may be requested. Rostered ministers and employees desiring additional leave, either prior to or following the birth of their child or adoption of their child less than one year old, may use accrued vacation or sick time to supplement time off with the approval of the congregation council. The rostered minister or employee agrees to return to work for a minimum of six (6) months after taking leave.

Vacation

Rostered ministers are granted four (4) weeks of paid vacation time including four (4) Sundays each year as a minimum guideline. Rostered ministers should notify the congregation council at least thirty (30) days in advance of vacation and make arrangements for the proper pastoral coverage while out of town. Additional vacation time may be granted to rostered ministers by the congregation council. Unused vacation time will be paid to the rostered minister upon resignation of call or separation from call. Full benefits will be paid through the end of unused vacation time at time of resignation or separation. Congregational employees are granted paid vacation time according to congregational guidelines.

Compassionate and Emergency Leave

In the event of a death in a rostered minister or employee's immediate family (spouse, children, parents, brother, sister, grandparent, grandchildren, mother-in-law, father-in-law, or legal guardian) five (5) days paid leave will be granted to attend the funeral and to deal with family affairs. Additional time may be granted by the congregation council.

Jury Duty

This synod recognizes an employee's legal and civic duty to serve if called to jury duty or subpoenaed as a witness. A rostered minister or employee who is required to serve as such will be entitled to full pay and benefits during the period of such service. Rostered ministers and employees are required to report to work when not required to be present in court, and to call in daily to report their status on returning to work.

Leave Without Pay

Leave without pay may be granted to a rostered minister or employee, for personal reasons, after due consideration has been given to the work requirements of the congregation. Leave without pay may be granted for a period of up to two (2) months. Such leaves of absence are granted by the congregation council only in consultation with the bishop and the Synod Council. The congregation will hold a rostered minister or employee's position open for the leave period, while on an approved leave without pay. If the rostered minister or employee is unable to return to work at the conclusion of the leave period, their position may or may not continue to be held open. This decision will be made, on a case-by-case basis, by the bishop in consultation with the congregation council. If the individual has been on a leave without pay for medical reasons, a medical release from their physician to return to work must be submitted.

Disability Leave

This synod and its congregations are committed to accommodate qualified rostered ministers and employees with disabilities, to the extent it can do so without undue burden. If, for example, a qualified employee is temporarily disabled and provides the congregation a medical certification recommending leave, the congregation will provide unpaid leave as an accommodation to that employee if it can do so without undue burden. Requests for accommodation should be made in writing, and the rostered minister or employee will need to work with the bishop or his/her delegate to determine the appropriate accommodation and documentation needed. Longterm Disability claims are handled through Portico Benefit Services. See the Portico website for requirements for guidelines to apply. The ministry employer will pay full compensation for the eight week period until Portico Disability Benefits begin. Ministry employers may explore cost benefit of purchasing short-term disability insurance to cover that eight week period. The Office of the Bishop will work with the congregation council to secure pastoral coverage during the period of disability.

Military Leave

Rostered ministers and regular full-time and regular part-time employees who perform military service will be granted leaves of absence for such service in compliance with state and federal laws. For purposes of this handbook, military service in the performance of duty on a voluntary or involuntary basis in the U.S. Armed forces, the Reserves, or the National Guard under competent authority, and

includes active duty for training, inactive duty training, and full-time National Guard duty. Vacation or accrued sick time is not to be used for this leave. Rostered ministers or employees who are called to military service will be paid during their leave at a rate of 50% of their normal wages and benefits will be paid in full. Rostered ministers are asked to notify the congregation council and bishop and submit copies of military orders as soon as they become aware of the military obligation. Employees are asked to notify the pastor and congregation council as soon as they become aware of the military obligation and submit copies of military orders. An employee's eligibility for reinstatement after completion of military service is determined in accordance with applicable federal and state laws.

Sabbatical Leave

In January 2004, the Synod Council approved the following Sabbatical Guidelines:

Vision: Throughout Holy Scripture, from Genesis' beginnings to Jesus' ministry and the church's witness, accounts of holy activity are clearly set apart by rest, quiet places, and time for restoration. God has given us, God's people, the Sabbath pattern as a time of renewal, a time to be reminded of whose we are and what we are called to do, a time of rest that refreshes us for life.

In the lives of ministers of the Allegheny Synod, time apart from the regular responsibilities of ministry benefit both the ministry setting and the minister. Over an extended period, a Sabbatical, rest separate from the immediate expectations of congregational ministry, can renew a congregation and refresh a leader's sense of call for ministry. As the minister is released from the regular responsibilities of the call, it does not mean that congregational life is suspended. In fact, many congregations report that the Sabbatical was a time for growth and renewal.

Each Sabbatical will be unique. Sabbatical is clearly permission for a minister to be blessed by time away. In the church, as we discuss Sabbaticals for ministers, the challenge is for us to pursue its meaning for each Christian community. These guidelines are intended to help congregations and ministers create a mutual plan of rest and renewal for ministry.

Purpose, Rationale, and Expectations

We are familiar with the Sabbath, the seventh day of creation, when God rested. The word "Sabbatical" is derived from Sabbath, and is defined as a time reserved for rest, research, renewal, enrichment, learning, spiritual growth, travel, and strengthening of ministry gifts. Sabbaticals provide opportunities to see new directions, renew relationships, to begin new pursuits. Nourishing one's soul and changing perspective requires a change in one's space and place. Jesus spent forty days in the wilderness, after which his ministry set off on a new course.

Preparation for a Sabbatical is important, and openness to the movement of God's Spirit in the life of people and minister is vital. A Sabbatical is arranged in consideration of the congregation's ministry. It can be expected that while a minister is on Sabbatical, congregational life –worship, education, outreach, evangelism, etc., will continue. Sabbatical leave is not a vacation, nor is it only continuing education. While life-long learning and continuing education are vital for all, and ministers are expected to participate in regular opportunities to grow and be strengthened, the Sabbatical is an enriching

component of ministry, which may include particular continuing education opportunities, but most likely will encompass more. Necessarily, the plans for a Sabbatical will be mutually detailed well in advance of departure.

Many congregations reflect that while their minister was away they learned new things about themselves and the ministry they share with one another. Thus, renewal of God's people and minister occurs. Sabbaticals provide a means by which the congregation can minister to their leader. The Sabbatical may also bring into being a Sabbatical for the congregation, a time to rethink the "busyness" of congregational life, a time to reevaluate the congregation's relationship with God, a time for the Holy Spirit to lead their ministry in new ways. Most importantly, the congregation gains a minister who returns to God's calling with renewed vigor, insight, appreciation, and vision.

Ministers of the church in the Allegheny Synod need Sabbath time to break away from the stress and strain and the 24/7 nature of ministry. A Sabbatical gives a minister more than a time to study, learn, and rest. To keep the Sabbath is to renew one's trust in God to provide by abstaining from those activities that provide material resources. A Sabbatical provides ministers time to be nurtured by God, reflect on their relationship with God. A Sabbatical gives the minister an opportunity to reflect on God's call and discover the importance of who they are in the light of who God wants them to be.

Benefits of Sabbaticals

Sabbaticals provide a means for the congregation to gain new insight into mission and ministry and to minister to their called leader. A Sabbatical leave will benefit the congregation, the church leadership, and their shared ministry. A few of these benefits are listed below.

For the Ministry

An opportunity to show support for the minister and their family; a time to develop lay leadership by assuming some of the minister's responsibilities; an opportunity for learning new ideas to enhance their ministry; renewed congregational leadership; opportunities for spiritual growth; leadership stability, while not losing an effective and respected minister to burnout or a new call.

For the Ministry Leadership

A time to renew their energy and rediscover their zeal for ministry; an opportunity for learning new ideas to enhance their ministry; a time for prayer, rest, and renewing their relationship with God; a time to spend with family and friends to renew and strengthen relationships; an extended time for focused study and spiritual growth.

Mutual Benefits

Renewal of the covenant between the leader and the congregation; improved understanding of each other's perspective: the leader will experience more of life in the pew during the Sabbatical, and the lay leadership will come to a greater understating of how the congregation's ministry is renewed, revitalized, and stimulated; an opportunity for learning new ideas to enhance their ministry

Suggested Sabbatical Guidelines

A Sabbatical is encouraged for ministers of the Allegheny Synod after 5-7 years of service in the same setting, beginning after three years of First Call Theological Education.

The length of Sabbatical is encouraged to be a minimum of 3 months, though each Sabbatical may vary in length, depending on the covenant agreed upon by the congregation's council and the minister. It is strongly encouraged that the entire Sabbatical be taken continuously to allow for disengagement from pastoral responsibilities and duties.

Sabbatical time is not considered vacation time or continuing education time for the minister but a separate experience of renewal for continued ministry.

Planning for a Sabbatical can begin anytime. When possible, it is suggested that the discussion begin early in a ministry.

Final preparations are encouraged at least 6 months to a year in advance, including the writing of a covenant, which provides full compensation and benefits for the minister and outlines the vision and practical details of the Sabbatical.

A covenant designed by the congregation's council, or its designated representatives, and the minister is encouraged. The congregation's leadership usually does the final affirmation of the covenant. The time of planning of Sabbatical should focus on the vision and hopes for the Sabbatical time as well as practical arrangements regarding pastoral coverage and financial considerations for the congregation. Conversation with the synod can help facilitate this planning and implementation so that it is intentional and mutually beneficial for both the congregation and the minister.

As Sabbatical coverage for a congregation is discussed, there are resources within the synod to help in planning for pastoral coverage. Possibilities for Sundays include utilizing the gifts of retired pastors, worship led by authorized lay leaders of the synod, youth led worship services, hymn sings, etc. Coverage for pastoral care may be arranged in a variety of ways, including support from area pastors.

It is expected that a minister will return to their call from the congregation after their Sabbatical. It is suggested that in the Sabbatical covenant this expectation is discerned between the congregation council and the minister, with at least one to two years of continued service after the Sabbatical being the norm.

Upon return from Sabbatical, the minister is encouraged to provide a reflection or report to the congregation about the Sabbatical experience. This can be flexible and creative in its form, yet, provide an opportunity for congregation and minister to learn from and explore the benefits of the Sabbatical time.

****A comprehensive list of sabbatical resources, ideas, retreat centers, etc. are available at www.alleghenysynod.org or by contacting office@alleghenysynod.com or 814-942-1042****

Worksheet: Estimate of Household Expenses

To calculate the percentage of salary to be designated as Housing Allowance for tax purposes

Housing Allowance for year extending from _____ 20__ to _____ 20__

Estimated expenses:

- A. Rent for leased property or payments on home purchase
(down payments, acquisition costs, mortgage payments of principal) \$ _____
- B. Garage rental (if not included in A) \$ _____
- C. Utilities (gas, electricity, water, sewer, oil, telephone, trash removal,
cable, internet, firewood or other heating fuel) \$ _____
- D. Insurance (homeowner's, fire, extended coverage, liability, contents, flood)
\$ _____
- E. Repairs and maintenance \$ _____
- F. Furnishings and improvements \$ _____
- G. Interest and taxes (may want to itemize these separately) \$ _____
- H. Other housing expenses (list in detail)

If the minister is living in a parsonage and there is no landline, the congregation may pay a monthly stipend to help cover the cost of cell phone usage related to the church.

The congregation may provide internet at a parsonage. \$ _____

Total \$ _____

Congregational Council Action on Housing Allowance

To provide a record of Housing Allowance designation for tax and audit purposes

The _____ Committee advised the 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 pastor used to rent or provide a home.” Where the minister owns a home, the amount of the Housing Allowance will be an amount equal to the fair rental value of the home, including furnishings and appliances, plus the 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 of _____ 20 __ to _____ 20 __ and in light of the Federal Income Tax law and of the established salary level, on motion duly made and seconded, adopted the following resolution:

Resolved that the Rev. _____ receive a Salary of \$ _____ and a Housing Allowance of \$ _____ for the period _____ 20 __ to _____ 20 __, to be so designated in the official records.

Respectfully submitted,

Secretary of Council

Notification of Housing Allowance by Congregation

To provide a record for the minister of the Housing Allowance designation for tax and audit purposes

Dear Rev. _____:

This is to advise you that at a meeting of the Congregation Council, held on _____ 20 __, your Housing Allowance for the period _____ 20 __ to _____ 20 __ was officially designated and fixed in the amount of \$ _____.

Secretary of Council

Note: Retain the original of this page in the congregation files, provide a copy to the pastor, and send a copy to the Allegheny Synod Office, 918 Hickory Street, Hollidaysburg, PA 16686.

Definition of Compensation, Benefits and Responsibilities of the Rostered Minister

Prepared by: _____

For: _____

For the period of: _____ to _____

A. COMPENSATION

The congregation will provide the following annual compensation:

1. Base cash salary

Parsonage included \$ _____

Parsonage NOT included \$ _____

2. Social Security Allowance (1/2 of 15.3%) \$ _____

3. If parsonage is included:

Furnishing allowance \$ _____

Housing equity allowance \$ _____

B. PENSION AND OTHER BENEFITS

The congregation will sponsor the pastor in the pension and other benefits program through Portico Benefit Services. *(Sponsorship includes health, pension, disability and life insurance. Health insurance is expected to be provided in full by the congregation for the pastor, spouse and family where applicable. If the health coverage is waived, a certificate of insurance must be provided to the Allegheny Synod Office. Full cost coverage is expected for this option.)*

ELCA Pension at _____ % (12% recommended) \$ _____

ELCA Health, Disability and Life Insurance \$ _____

Other insurance benefits \$ _____

C. EXPENSES

The congregation will provide the following expenses related to this pastor's ministry.

1. Automobile/travel/mileage allowance \$ _____

(IRS guideline for mileage recommended)

2. Other professional expenses \$ _____

(See Compensation and Benefits manual)

3. Official meetings of the Synod \$ _____

(i.e. Bishop's Convocation, Synod Assembly, Synodical Committee meetings, etc.; at least \$600)

4. Leadership Development Expenses *(at least \$500)* \$ _____

5. Continuing Education *(Minimum of \$800 from the congregation)* \$ _____

6. Moving expenses \$ _____

7. Other expenses \$ _____

Please list: _____

D. AGREEMENT

1. Vacation time of _____ weeks per year including _____ Sundays (*at least 4 weeks, 4 Sundays*)
2. Continuing Education time of _____ weeks per year (*Recommended 2 weeks per year*)
3. Sick time of _____ days per year. (*Recommended 10 days per year. Congregation Council may decide whether time can be accumulated*)
4. Participation in the First Call Theological Education event where applicable.
(*Congregations calling a pastor in the first three years of ministry are expected to contribute \$200 per year for 3 years to help offset the cost of this event.*)
5. Ongoing care through a Mutual Ministry Committee
6. Up to two months of continued salary, housing and other contributions to Portico Benefits in a 12-month period in the event the pastor is physically or mentally disabled and,
7. Where applicable, parental leave of at least eight weeks with full salary, housing and benefits.

E. OTHER PROVISIONS

Special emphasis of the pastor and special encouragement and support from the congregation:

1. During this time period, the pastor will give special attention in ministry to the following:
 - a. _____
 - b. _____
 - c. _____
2. The congregation will support the pastor in these emphasis' in the following ways:
 - a. _____
 - b. _____
 - c. _____

F. OTHER MATTERS

(*Accountabilities, service on Synodical committees, work in church camps or other boards*)

We, the undersigned, certify that the necessary approvals of the congregation and congregation council have been granted for the provisions so set forth in this agreement.

Congregation President: _____
Print Sign

Congregation Secretary: _____
Print Sign

Date: _____

I certify and accept the above statement:

Minister _____ Date: _____