

# 2020 Compensation and Benefits Manual

with guidelines approved by the June 2019 Allegheny Synod Assembly

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**Allegheny Synod  
Evangelical Lutheran Church in America**

God's work. Our hands.

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This manual is intended as a tool for congregations and the Ministers (*including Ministers of Word and Sacrament and Ministers of Word and Service*) to mutually plan and budget the Minister's compensation and benefits.

Predominately we think of ministry in terms of a Minister's efforts for members of the congregation on behalf of Jesus Christ. In the same way, the ministry of the laity includes the care of the Minister and of the Minister's family on behalf of Jesus Christ. This concern for one another in the congregation is the basis of what we believe and practice in the life of the church.

In many congregations a specific group, typically a *Church Administration Team*, is asked to have primary concern for this ministry to the Minister and for the Minister's family. One of the key tasks of such a Team is to annually discuss with the Minister a fair and equitable compensation package. Since the Minister depends on the congregation to make ample provision for his or her financial needs, the Minister should have an 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 his or her financial needs and subsequently make recommendations to the Finance Committee, Church Council, and/or Congregation for fair and equitable compensation.

There are reasons for the varieties of financial compensation packages within this synod and the Evangelical Lutheran Church in America. Some congregations have full-time pastors while others have less than full-time pastoral service. Some congregations have several pastors and deacons on the staff. Parishes or cooperatives may have one pastor serving two or more congregations. It is the intention of the Allegheny Synod to affirm the reality of many congregational styles in terms of Minister-congregation relationships while at the same time ensuring adequate and fair compensation.

This document attempts to provide more flexibility in determining base salary by only specifying MINIMUM amounts, in negotiating housing arrangements, and in providing more components for some of the benefits. Primary in all that is suggested here is the need for the Minister and the Team members to discuss openly and honestly the subject of money and the Minister's needs.

**PLEASE NOTE:** At its September 21, 2013 meeting, the Allegheny Synod Council voted to offer Synod Staff Portico's Gold+ Benefits and recommends synod congregations also offer their Ministers Portico Gold+ Benefits.

Additional resources for congregational compensation planning can be found at [porticobenefits.org](http://porticobenefits.org) or by contacting the Synod Office at 814-942-1042 or [alleghenysynod.org](http://alleghenysynod.org), as well as the book *Pastor and People: Making Church Administration Work* (available through Augsburg Fortress).

## A. ANNUAL BASE SALARY COMPENSATION

The beginning point of any compensation package is the base salary figure. Listed below are recommended MINIMUM guidelines for use in developing the compensation package for the Minister of Word and Sacrament or Minister of Word and Service. It is hoped that this will allow for consideration of the unique aspects in each congregation and will also encourage greater discussion between Ministers and lay persons in terms of goals, duties, and responsibilities. Adequate compensation is related but not limited to the expectations the congregation has of the Minister.

Year Ordained	Minimum Salary with parsonage	Minimum salary no parsonage		Year Ordained	Minimum Salary with parsonage	Minimum Salary no parsonage
2020	\$36,302	\$51,083		1996	\$47,674	\$62,454
2019	\$36,776	\$51,557		1995	\$48,147	\$62,928
2018	\$37,250	\$52,030		1994	\$48,621	\$63,402
2017	\$37,724	\$52,504		1993	\$49,095	\$63,875
2016	\$38,198	\$52,978		1992	\$49,569	\$64,349
2015	\$38,671	\$53,452		1991	\$50,043	\$64,823
2014	\$39,145	\$53,926		1990	\$50,516	\$65,297
2013	\$39,619	\$54,399		1989	\$50,990	\$65,771
2012	\$40,093	\$54,873		1988	\$51,464	\$66,244
2011	\$40,567	\$55,347		1987	\$51,938	\$66,718
2010	\$41,040	\$55,821		1986	\$52,412	\$67,192
2009	\$41,514	\$56,295		1985	\$52,885	\$67,666
2008	\$41,988	\$56,768		1984	\$53,359	\$68,140
2007	\$42,462	\$57,242		1983	\$53,833	\$68,613
2006	\$42,936	\$57,716		1982	\$54,307	\$69,087
2005	\$43,409	\$58,189		1981	\$54,781	\$69,561
2004	\$43,883	\$58,664		1980	\$55,254	\$70,035
2003	\$44,357	\$59,137		1979	\$55,728	\$70,509
2002	\$44,831	\$59,611		1978	\$56,202	\$70,982
2001	\$45,305	\$60,106		1977	\$56,676	\$71,456
2000	\$45,778	\$60,559		1976	\$57,150	\$71,930
1999	\$46,252	\$61,033		1975	\$57,623	\$72,404
1998	\$46,726	\$61,506		1974	\$58,097	\$72,878
1997	\$47,200	\$61,980		1973	59,840	75,064

- 1) The minimum entry guideline for a pastor ordained in 2020 increases by 3%.
- 2) The rate for Sunday Supply remains \$125 for one service PLUS \$50 for each additional service on the same day PLUS mileage reimbursement per item 4.
- 3) Mileage Reimbursement is currently at 58 cents per mile in accordance with IRS limits. The IRS may change this amount yet this year or in 2020. Congregations are encouraged to adjust reimbursements throughout the year accordingly.
- 4) Social Security offset remains at 7.65%

Determine a fair rate of compensation based on the unique demands of the congregation along with the proficiency of the Minister. Several suggestions in this regard are listed below.

- a. In the fall of 2019, the Minister and the Congregation Council/Church Administration Team should set mutually agreed upon goals and aims for the congregation's ministry for the coming year.
- b. The greater responsibility factor includes, but is not limited to:
  - i. the nature of the Minister's task
  - ii. the size of the congregation; and,
  - iii. staff or team ministry.
- c. The recognized ministry gifts of the Minister in relationship to mutual goals, including, but not limited to:
  - i. Performance of the Minister as preacher, pastor-leader, shepherd, teacher, counselor, administrator, and the like;
  - ii. Experience as an ordained pastor, associate in ministry, diaconal minister;
  - iii. Length of service with this congregation; and
  - iv. Continuing Education.

**Base Compensation for 2020**

**A. \$ \_\_\_\_\_**

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## **B. HOUSING ALLOWANCE**

When a pastor (& family) owns a home or arranges for the rental of a home, use section **B(1)**.  
If the parish provides the pastor (& family) with a parsonage (owned or rented), use section **B(2)**.

### **B(1). Housing Allowance**

The Housing Allowance amount should be sufficient to provide adequate housing as well as care for the related expenses of utilities and upkeep. The pastor may exclude the Housing Allowance from his/her 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. Expenses that qualify to be used for a Housing Allowance include payments on rent, principal and interest payments on mortgages, taxes, utilities, maintenance, insurance, furnishings, landscaping, and the like.

1. A MINIMUM housing allowance of \$14,750 or an amount which more accurately reflects personal needs as well as local economic housing standard, should be established by the pastor, the Congregational Council; or,
2. A cost of living variance for your area or parish location: or,
3. A rental allowance should be determined by the pastor, the Congregation Church Administration Team, and the Council according to the fair rental value of a furnished dwelling including the cost of utilities.

Note: In 2020 the housing allowance was not set as a specific number. The number reflected in (1) is an estimate. Salary without parsonage figures for 2019 were raised 3%

For more specific help in determining the Housing Allowance expenses, see *Form #1 on page 14 of this manual*. A worksheet is also available from the Portico Benefit Services at [porticobenefits.org](http://porticobenefits.org). (*Forms #2 and #3 on pages 15 and 16 of this manual can also assist the congregation and pastor in this process.*)

**Cash Housing Allowance for 2020**

**B1. \$ \_\_\_\_\_**

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**B(2). Furnishing Allowance (with Parsonage)**

Pastors who live in a church owned or rented parsonage may receive a furnishing allowance for un-reimbursed personal expenses associated with the pastor’s furnishing of the parsonage. This amount is paid over and above the “use” of the parsonage as well as the maintenance and repair costs, which are paid for directly by the parish.

**Furnishing Allowance for 2020**

**B2. \$ \_\_\_\_\_**

**C. SOCIAL SECURITY ALLOWANCE**

For Social Security purposes, pastors are taxed as if they are self-employed. The 2020 percentage is 15.3%. The percentage for 2020 can be obtained from your local Social Security Office or at [socialsecurity.gov](http://socialsecurity.gov)

The Synod policy is that the congregation assume at least 50% of the Social Security tax that the pastor is required to pay or an equivalent amount if the pastor had previously opted out of Social Security.

Determine what portion (at least 50%) the congregation will pay the pastor as a Social Security Allowance. **(C1)** \_\_\_\_\_ %

Calculate the compensation on which Social Security will be paid next year by adding the amounts of Annual Base Salary, Housing Allowance (or Fair Rental Value of the Parsonage including utilities paid by the Congregation), Furnishings Allowance, and any other allowances paid directly to the pastor (not including reimbursements for expenses).

a. Annual Base Salary	(from A)	\$ _____
b. Rental Value of Parsonage and Utilities		\$ _____
c. Housing Allowance	(from B1)	\$ _____
d. Furnishing Allowance	(from B2)	\$ _____
e. Other Allowances		\$ _____

**Compensation subject to Social Security Tax**

(add lines a-e)

**(C2) \$ \_\_\_\_\_**

Calculate the Pastor's Social Security Tax

SE Allowance = (Compensation x IRS Tax Rate) x Congregation’s Percentage

*The known numbers can be plugged in to determine the following:*

$$\text{SE Allowance} = \$ \underline{\text{C2}} \times 15.3 \% \times \underline{\text{C1}} \% \text{ tax}$$


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**Social Security Allowance for 2020**

**C. \$ \_\_\_\_\_**

## D. PENSION CONTRIBUTION

The following section is based on figures set by Portico Benefit Services, the administrator of ELCA benefits. While every attempt has been made to assure accuracy herein, Portico may change some figures after this document has been prepared. Ministers and/or congregations may wish to contact Portico directly to confirm these figures. (1-800-352-2876 or [porticobenefits.org](http://porticobenefits.org))

In most cases a leader must be enrolled in the *other* Benefits Plans to be enrolled in the Regular Pension Plan. These *other* benefits include Medical and Dental, Survivor, Disability, and Retiree support. For exceptions, please contact Portico Benefit Services at 1-800-352-2876.

**The policy of the Allegheny Synod has been to encourage parishes to contribute to the Minister's pension fund at a rate of 12%.** Under the ELCA Regular Pension Plan, the parish is required to pay the minimum pension contribution on the basis of the Minister's year of birth:

Year of Birth	Synod Recommendation	ELCA Minimum Required Rate
Before 1933	12%	12%
1933-1942	12%	11%
1943-present	12%	10%

Determine what percentage the parish will pay.

D1. \_\_\_\_\_%

Compute the Defined Compensation. (Used by Portico Benefit Services for all benefit contributions - *To calculate on-line, see [proticobenefits.org](http://proticobenefits.org)*) If you provide a parsonage, compute the pension contribution salary by increasing the base salary + Social Security Allowance by 30%, the value that Portico gives to a parsonage for computing the pension contribution.

<b>1. Cash Salary</b>		
a. Annual Base Salary	from A p.2	\$_____ (1a)
b. Social Security Allowance	from C p.5	\$_____ (1b)
<b>2. Total of (1a) + (1b)</b>		\$_____ (2)
<b>3. Housing Allowance</b>		
<input type="checkbox"/> Cash Housing Allowance (from B1 p. 4) or <input type="checkbox"/> 30% of Line 2, if parsonage or other housing provided	from B1 p.4 or calculate	\$_____ (3)
<b>4. Household Furnishings and Utilities Allowance</b>	from B2 p.4	\$_____ (4)

Defined Compensation:

total of (2) + (3) + (4)

D2. \$\_\_\_\_\_

Multiply the amount on Line D2 by the percentage from line D1 to determine the pension contribution.

**Pension Contribution for 2020**

**D. \$** \_\_\_\_\_

**E. PORTICO-ELCA BENEFITS CONTRIBUTION**

**PLEASE NOTE:** At its September 21, 2013 meeting, the Allegheny Synod Council voted to offer Synod Staff Portico’s Gold(+) Benefits and voted to recommend synod congregations also offer their Ministers Portico’s Gold(+) Benefits.

For 2020, Portico Benefit Services will continue to offer a choice of four different-priced options, and congregations (sponsoring employers) will pay different health contribution rates based on the age of their members.

Sponsoring employers can explore the options, compare costs and project their 2020 contribution amounts online by visiting [EmployerLink.PorticoBenefits.org](http://EmployerLink.PorticoBenefits.org) and generating their *Custom Health Benefit Comparison Report*.

Coverage continuation members (Ministers) can explore the options, compare costs and estimate their 2020 benefit costs online by visiting [myPortico.PorticoBenefits.org/2020rates](http://myPortico.PorticoBenefits.org/2020rates).

For questions about 2020 rates and services contact Portico at **800.352.2876**. *Congregations and leaders should also commit completing the Portico-Mayo Clinic Health Assessment to obtain a discount in the health care premium. This Health Care discount may change from year to year.*

1. Plan Choice	_____ (+)
2. Cost of plan	_____

**Portico Benefits for 2020**

**E. \$** \_\_\_\_\_

**F. HOUSING EQUITY ALLOWANCE** (*Parsonage Only*).

When a parsonage is furnished rent-free as a part of the pastor's compensation, it should be remembered that the pastor does not have the opportunity to build equity as do homeowners. Some parishes choose to compensate for such lack of equity with a Housing Equity Allowance.

The following contractual provisions are recommended in support of a Housing Equity Allowance for pastors residing in a parsonage provided by the congregation.

1. The Housing Equity Allowance is an amount equal to 3% of the defined compensation for the pastor.
2. The congregation pays this amount in monthly installments to a depository agreed to by the congregation and the pastor.
3. Use of the funds be 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. Provision be made for changes of depository when required by relocation of the pastor provided that the original contractual limitations for the use of the funds be maintained

a. Defined Compensation	<b>from D2</b>	\$ _____
b. Housing Equity Rate	<b>%</b>	x 3%
c. Housing Equity Allowance	<b>(a x b)</b>	\$ _____

**Housing Equity Allowance for 2020**

**F. \$ \_\_\_\_\_**

### **Professional Expenses**

The Internal Revenue Service has made it difficult to itemize and deduct professional expenses (books, other published resources, business entertainment expenses, professional organization dues, vestments, etc.). Therefore, it is recommended that, the congregation adopt the principle that professional expenses incurred by leaders be reimbursed in full. Adequate allowances, in addition to salaries, should be provided in the church budget to cover anticipated costs. Finally, the Congregation Council should frequently review the allowances and their use to be certain that the leaders are submitting reimbursement requests on a timely basis and are being fully reimbursed.

Four of the most frequent professional expenses are:

- G. Assembly and Conference Expenses
- H. Automobile Expenses
- I. Continuing Education, Book, Periodical and Digital Resource Expenses
- J. Appropriate Church Related Business and Attire Expenses

There may be additional Professional Expenses in your unique parish situation. This matter should be discussed with your leader.

### **G. ASSEMBLY AND CONFERENCE EXPENSES**

Because all Ministers are expected to attend the official Synod Assembly and Bishop's Convocation, the congregation or agency is expected to pay registration, lodging, and meals for the Minister while attending these events. Further, attendance at other local conferences is also expected and these too should be supported by the congregation or agency with regard to payment of registration fees and other expenses as necessary. Discussion with the Minister is necessary to determine the anticipated expenses in connection with Synod Assembly, Bishop's Convocation, and conferences in the coming year.

Typical expenses for Synod Assembly are approximately \$300.00 and Bishop's Convocation is approximately \$300.00.

For Ministers in their first call after graduation from Seminary, an additional \$200/year for 3 years needs to be budgeted for First Call Theological Education (FCTE).

**Assembly and Conference Expenses for 2020**

**G. \$ \_\_\_\_\_**



## **H. AUTOMOBILE EXPENSES**

The largest single church-related expense for the Minister is the cost of transportation, which includes fuel, repairs, insurance, tolls, etc. The Internal Revenue Service (IRS) allows deductions of a specific amount per mile when a car is used for business purposes. (Leaders or parishes may want to contact the local IRS office or an accountant to verify this figure.)

The American Automobile Association (AAA), Hertz Rental Cars, and the Department of Transportation have studies, which indicate that the cost of operating automobiles is greater than the mileage amount the IRS allows. Check with the local office of AAA for current costs in your area. The travel allowance should be adequate to cover all transportation costs to the leader including automobile expenses. The following is the recommendation of the Allegheny Synod of the Evangelical Lutheran Church in America:

Congregations should pay the full cost of car expenses incurred in the fulfillment of leader duties. To that end, there are three possible arrangements in order of preference:

- a. A congregation owned or leased car. This option involves the congregation buying or leasing a car for the leader to use in the course of their duties. The congregation pays costs for fuel and repairs.
- b. Reimbursement to the leader for actual miles driven. Here the congregation simply pays the leader for the use of their car based on an agreed amount per mile. The rate for 2019 is 58 cents per mile. This may change in 2020.
- c. Pay the leader a flat rate for transportation. Having budgeted an amount for leader travel, the congregation pays the leader a regular amount, regardless of the miles driven by the leader. This option means the leader must consider the amount paid for travel as income and therefore pay taxes on the amount received. An additional 15%-20% should be added to the allowance to account for the additional tax obligation of the leader.

**Automobile Expenses for 2020**

**H. \$\_\_\_\_\_**

## **I. CONTINUING EDUCATION, BOOK, PERIODICAL AND DIGITAL RESOURCE EXPENSES**

In order to update the skills and thereby strengthen the leader's ministry, it is a synod expectation that the leaders participate in Continuing Education (Life-Long Learning/Professional Development). Such activities improve the overall ministry of the leader and the congregation and are not to be viewed as vacations. Further, the ELCA expects leaders to participate in at least 50 contact hours annually. To encourage the leader's continuing growth, the congregation should provide time and money, which make these learning opportunities possible.

Along with continuing educational experiences, it is important that leaders keep abreast of developments in the areas of church, theology, ministry, and the like. Hence book, periodical and digital resources as well as subscription expense should be understood in the context of Continuing Education.

Like the Housing Equity Allowance, an account with a depository agreed to by the leader and the congregation should be established. It is recommended that regular contributions be made to that account with the congregation contributing at least **\$700** and the leader

contributing at least **\$300** each year. Use of these funds ought to be supervised by the Congregation Council. Two weeks study leave, or its equivalent, is also to be provided over and above vacation. A guide for extended study is also provided by the ELCA. For more information, please contact the Synod Office or go to the website at [alleghenysynod.org](http://alleghenysynod.org)

**Continuing Education, Book, Periodical and Digital Resource Expenses for 2020**      I. \$ \_\_\_\_\_

**J. APPROPRIATE CHURCH RELATED BUSINESS AND ATTIRE EXPENSES**

The Internal Revenue Service tax code has made it difficult to itemize and deduct professional expenses. Therefore the Allegheny Synod recommends that the congregation adopt the principle that incurred professional expenses be reimbursed in full. Professional expenses for leaders should be considered to include, but are not limited to, professional attire such as vestments and clerics, reimbursement for the church use of the leaders personal technical resources (i.e. cell phone, computer), professional organization dues, and business entertainment expenses.

**Appropriate Church Related Business and Attire Expenses for 2020**      J. \$ \_\_\_\_\_

**RELATED ITEMS**

**VACATION**

The synod recommends a minimum of *one month or four weeks* vacation annually including *four Sundays*. The need for an annual vacation is self-evident. Leaders are frequently under much stress in fulfilling their duties and need time away. The congregation can consider granting additional vacation time based on the length of service in the ministry. The length of vacation time, the number of Sundays, and when vacation time is to be taken are all matters that need to be discussed openly with the leader and should be considered important aspects of compensation. Further, a MINIMUM of one day off each week is a necessity. After discussion of vacation time with the leader, note the agreement in the space below.

The Vacation Agreement with our leader is as follows:

Vacation of \_\_\_\_\_ weeks per year      (*4 weeks are recommended*)  
Including \_\_\_\_\_ Sundays      (*4 Sundays are recommended*)

**LEAVES OF ABSENCE** – *The 2018 Synod Assembly adopted the following guidelines for a variety of leaves of absence. Congregations may use this guideline as they develop policies for leave.*

Congregations of the Allegheny Synod may grant leaves of absence for their rostered minister and employees. Below is a guideline for a leave of absence that should be negotiated between the rostered minister or employee with the congregation council at least 14 days prior to the leave request. If an emergency leave of absence is required in which the 14 day notice is not able to be executed, the Executive Committee of the Congregation may grant the leave without full congregation council approval.

### **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. Disability claims are handled through Portico Benefit Services. See the Portico website for requirements for disability qualification. If a rostered minister qualifies for disability with the Portico guidelines, the congregation will pay the rostered minister's full benefits during the disability period and compensation at a rate of fifty percent (50%). 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**

Guidelines for Sabbaticals in the Allegheny Synod, ELCA. Approved by the Allegheny Synod Council: January 17, 2004

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 – associates in ministry, diaconal ministers, and pastors, 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 pastors, associates in ministry, and diaconal 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—associates in ministry, diaconal ministers, and pastors, 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. For 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 congregation

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 church 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 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-associates in ministry, diaconal ministers, deaconesses, and pastors, 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](http://www.alleghenysynod.org) or by contacting [office@alleghenysynod.com](mailto:office@alleghenysynod.com) or 814-942-1042\*\*

## **DISABILITY**

Coverage for a disability is provided by Portico Benefit Services beginning with the third month the leader is disabled, contingent upon a determination by Portico. During the first two months of a disability, the congregation or employer is expected to pay all monthly contributions to the Portico-ELCA Medical and Dental Benefits Plan and the Survivor Benefits Plan. Portico also expects that the congregation would continue to pay the leader's full salary and other benefits during that two-month period. The congregation or employer may choose to purchase additional disability coverage for their leader.

In the event of a long-term disability (*beyond the two-month waiting period*), the congregation and leader need to consider the other details of the Portico-ELCA Disability Benefits Plan as well as Social Security Benefits.

In most cases, a pregnancy ought not to be considered a disability except in extenuating circumstance.

## PRE-TAX CONTRIBUTION

Contributions up to the amount permissible by the Internal Revenue Service may be made to Portico-Benefit Services and/or other approved depositories. The leader should contact to Portico at 800 Marquette Ave, Suite 1050 Minneapolis, MN 55402-2892 (1-800-352-2876 or [porticobenefits.org](http://porticobenefits.org)) for details on the IRS annual limits for retirement plan contributions.

K. \$\_\_\_\_\_

## INDIVIDUAL RETIREMENT ACCOUNT *(IRA's, Roth IRA's and other variations)*

Depending on one's financial situation contributions may be exempt from Federal Income Tax and may be made in addition to pension contributions. These contributions are restricted depending on the adjusted gross income of leader and spouse. Consultation with a knowledgeable tax advisor is helpful when setting up these accounts.

L. \$\_\_\_\_\_

## FLEXIBLE SPENDING ACCOUNT/MEDICAL EXPENSE REIMBURSEMENT

*(The premiums for Medical and Dental Benefits are not to be included here. See p.7)*

**Health flexible spending account (FSA)** — If you have Platinum+ or Gold+ a leader can set aside up to \$2500 pretax to pay for eligible out-of-pocket health care expenses. The leader has access to the full amount of the health care FSA election starting Jan. 1, even though contributions will be withheld from each paycheck throughout the plan year.

**Health savings account (HAS)** – If you have Silver+ or Bronze+ a leader can set aside pretax money to pay for eligible out-of-pocket expenses. You and your employer can contribute and any wellness dollars you earn are deposited here. An HAS accepts up to \$3000 per member or \$6550 per family in 2018, plus an additional \$1000 if you're age 55 or older.

**Dependent (day) care flexible spending account** — allows the leader to set aside up to \$5000 per household, pretax, to pay for day care expenses incurred for the care of the leader's child or other eligible dependent to enable the leader to work.

A Flexible Spending Account can be set up thorough Portico Benefit Services ([porticobenefits.org](http://porticobenefits.org)).

**Medical Expense Reimbursement** — allows the leader to be reimbursed for copays or medical expenses not otherwise covered by insurance.

M. \$\_\_\_\_\_



## SAMPLE FORMS

Of the following forms, the first three may be utilized in developing a Housing Allowance Program for the Minister. The final one can be used to summarize Minister Compensation.

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Form #1	(p.18)	<i>Form for presentation of estimated expenses qualifying under the Housing Allowance.</i>
Form #2	(p.19)	<i>Language for action on a Housing Allowance by the Congregation Council.</i>
Form #3	(p.20)	<i>Notice to the pastor by the Congregation of approved Housing Allowance.</i>
Form #4	(p.21)	<i>Worksheet for 2020 Congregation Budget for Minister ministry.</i>

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**PASTOR'S ESTIMATE OF HOUSEHOLD EXPENSES**

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**TO:** *Name of the Congregation*

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**FROM:** *Name of the Pastor*

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**DATE:**

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**SUBJECT:** Housing Allowance for year extending from \_\_\_\_\_, 20\_\_ to \_\_\_\_\_, 20\_\_

The amounts set forth below are the amounts I expect to spend during the period (as above) to rent or otherwise provide a home for my family and me.

- A. Rent or leased property or payments on purchases of a home (including down payment acquisition costs, mortgage payments of principal) \$ \_\_\_\_\_
- B. Garage rental (if not included above) \$ \_\_\_\_\_
- C. Utilities (gas, electricity, water, sewer, oil, telephone, refuse removal, firewood, TV cable, internet) \$ \_\_\_\_\_
- 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 pastor is living in a parsonage and there is no landline, the congregation may consider offering a monthly stipend to help cover the cost of the pastor's cell phone usage related to church.

As well, if the pastor is living in a parsonage, the congregation may provide internet at the parsonage. \$ \_\_\_\_\_

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

\_\_\_\_\_  
*Pastor's Signature*

**LANGUAGE FOR CONGREGATION COUNCIL ACTION  
ON HOUSING ALLOWANCE**

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 pastor owns a home, this amount of the Allowance will be an amount equal to the fair rental value of the home, including furnishings and appliances such as a garage, plus cost of utilities.

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

Resolved that the Rev. \_\_\_\_\_ receive a Salary of \$\_\_\_\_\_ for the year \_\_\_\_\_ and a Housing Allowance of \$\_\_\_\_\_ for the year \_\_\_\_\_, the Housing Allowance to be so designated in the official records.

Respectfully submitted,

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*Secretary's Signature*

Form #3

**NOTIFICATION OF HOUSING ALLOWANCE BY CONGREGATION**

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

This is to advise you that at a meeting of the Congregation Council held on \_\_\_\_\_, your housing allowance for the year \_\_\_\_\_ was officially designated and fixed in the amount: of \$\_\_\_\_\_. Accordingly, \$\_\_\_\_\_ of the total compensation payable to you during the year will constitute housing allowance and the balance will constitute "salary" (as interpreted by the Income Tax Law).

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*Secretary's Signature*

**CONGREGATION BUDGET FOR PASTORAL MINISTRY**

The Annual Base Salary	A. _____
The Cash Housing Allowance ( <i>no parsonage provided</i> )	B. _____
Social Security Tax Allowance	C. _____
<b>TOTAL COMPENSATION</b>	_____

**BENEFITS**

Pension Contribution	D. _____
Other Portico Benefits <i>(Medical and Dental, Disability, Retiree Support and Survivor Benefits)</i>	E. _____
Housing Equity Allowance	F. _____

**EXPENSES**

Assembly and Convocation	G. _____
Automobile	H. _____
Continuing Education, Book, Periodical and Digital Resource Expenses	I. _____
Appropriate Church Related Business and Attire Expense	J. _____
Pre-tax Contribution	K. _____
IRA	L. _____
Flexible Spending Account/Medical Expense Reimbursement	M. _____
<b>TOTAL</b>	_____

**Total Budget for Rostered Ministry \$ \_\_\_\_\_**

## 2020 COMPENSATION QUICK WORKSHEET

<b>A. Annual Base Salary</b>	<i>from p.4</i>	_____
<b>B. Housing Allowance – from p.4</b>		
(1) Housing allowance	(1) <i>without parsonage</i>	(1) \$14,750 ( <i>minimum</i> )
(2) Furnishing & utilities allowance	(2) <i>with parsonage</i>	(2) \$ _____
<b>C. Social Security Allowance - from p.5</b>		
(1) Congregational allowance	(1) <i>at least, 50%</i>	(1) _____%
a) Annual base salary	a) <i>from p.3</i>	(a) \$ _____
b) If parsonage, fair rental value of parsonage & utilities	b) <i>calculate fair rental</i>	(b) \$ _____
c) Housing or furnishing allowance	c) <i>From B (above). <b>Housing allowance</b></i>	(c) \$ _____
d) Other allowances	d) <i>Other</i>	(d) \$ _____
		<b>Total above:</b> _____
Social Security allowance = ( <b>Total</b> x 15.3%) x 50% =		\$ _____
<i>Calculate Defined Compensation</i>		
	(1) Cash Salary- <i>from p.6</i>	(1)
	a) Annual base salary	a) \$ _____
	b) Social Security Allowance	b) \$ _____
	(2) <i>Total a) + b)</i>	(2) <b>Total:</b> \$ _____
	(3) <i>Housing allowance</i>	(3)
	a) <i>Housing allowance – B. (1)</i>	a) \$ _____
	b) <i>30% of line 2, with parsonage</i>	b) \$ _____
	4) <i>Furnishing &amp; Utilities Allowance</i>	(4) \$ _____
<b>DEFINED COMPENSATION</b>		
To calculate, see <a href="http://porticobenefits.org/calculators">porticobenefits.org/calculators</a>	<i>Total = 2) + 3) + 4)</i>	\$ _____
<b>D. Pension Contribution - Synod recommendation = 12%</b>	<i>Defined Compensation x _____ %)</i>	\$ _____

<b>E. TOTAL Portico - ELCA Benefits Contribution</b>	<i>Plan Choice</i> _____ (+) _____	_____
<b>F. Housing Equity Allowance</b> ( <i>parsonage only</i> )-from p.8 (2) <i>Synod recommendation = 3%</i>	(1) <i>Defined Compensation</i>	_____
	(2) <i>Contribution percentage</i>	_____ %
	<i>Amount of equity allowance (1) X (2) =</i>	_____
<b>G. Assembly and Conference Expenses</b> – from p.9	• <i>approximately \$300 for Assembly, \$300 for Bishop’s Convocation and \$200 for FCTE</i>	\$ _____
<b>H. Automobile Expenses</b> – from p.9	a) <i>Parish owned or leased care</i> b) <i>IRS rate for 2019 = 58 cents/mile</i> c) <i>Flat rate</i>	\$ _____
<b>I. Continuing Education, Book, Periodical and Digital Resources</b>	• <i>from pages 10-11</i>	\$ _____
<b>J. Church Related Business and Attire Expenses</b>	• <i>from p.11</i>	\$ _____
<b>K. Pre-tax Contribution</b>	• <i>from p.12</i>	\$ _____
<b>L. Individual Retirement Account (IRA)</b>	• <i>from p.12</i>	\$ _____
<b>M. Flexible Spending Account/Health Savings Account/Medical Expense Reimbursement</b>	• <i>from p.13</i>	\$ _____
<b>TOTAL BUDGET FOR ROSTERED MINISTRY</b>	<i>Total of A. through M.</i>	\$ _____