

2021 Compensation Guidelines for the Texas-Louisiana Gulf Coast Synod



1. Foreword

“Within the Evangelical Lutheran Church in America rostered ministers may serve as pastors or deacons. The process of calling rostered ministers within the life of the church is therefore primarily about discerning God’s will for and God’s call upon the congregation or ministry in which they will serve. *Prayerfully, the church calls forth those they believe God can best use to help them carry out their mission together.*

Rostered leadership is not a self-called vocation but a unique calling from God through the church to serve and equip the whole people of God. This is so that the church can live together faithfully as the body of Christ, equip the baptized for their work, and fulfill its purpose to proclaim and embody the redemptive intentions of God in the world.”

“A Theology of Call” - ELCA Website

A “calling” implies a *mutuality* between those rostered people being called and the agency or congregation issuing the call. This mutuality means that congregations and other ministry sites are to live for the well-being of the rostered ministers that they call, and rostered ministers are to live for the well-being of the communities into which they are called, so that together – with the whole church – they might live in Christ for the life of the world. ***“We do not live to ourselves...” (Romans 14:7)***

The Texas-Louisiana Gulf Coast Synod embraces Biblical values with regard to the relationship between rostered ministry and congregational life and mission:

- The church is the body of Christ; called to live out the implications of the gospel for the sake of the world. As members of the body of Christ, all members of a congregation provide ministry in the name of Christ. ***Rostered ministers that equip the church for the work of mutual ministry are valued. (Ephesians 4:11)***
- In the Lutheran tradition, in order that the church may be equipped for ministry, high worth is placed on equipping rostered ministry. ***The personal, ethical, and educational standards required of leaders are valued. (1 Timothy 3:1ff)***
- Congregations are to be centers of "word and sacrament" as well as caring compassionate communities that are evangelical in seeking and welcoming the "homeless" and the "stranger." ***Rostered ministers that equip the church to be so Christ-centered that it is outwardly focused are valued. (Matthew 25:31ff)***
- Congregations are to continually seek out Christ’s calling to mutual ministry in their context. ***Rostered ministers that inspire an ongoing mutual discernment for ministry are valued. (Romans 12:1-3)***

Compensation for Rostered Ministers should involve...

Years of Rostered Experience

There are acquired skills, wisdom, and experiences that can only come from actual rostered service.

Years of Non-Rostered Experience

Second career people bring to rostered service life experiences and skills from other fields that are helpful to mutual ministry.

Worship Attendance

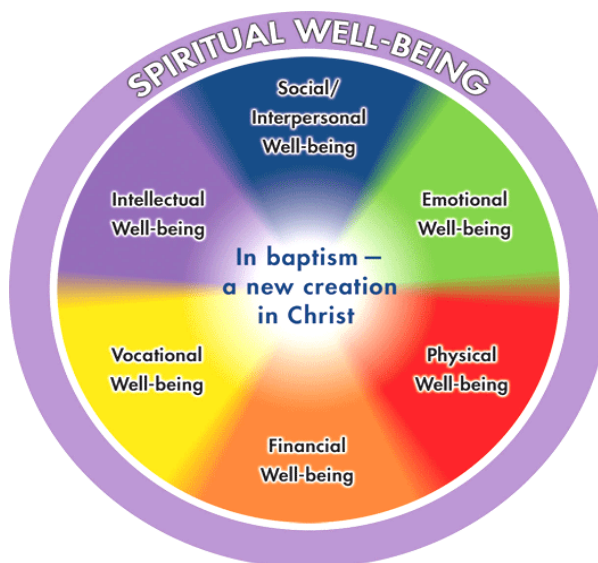
The larger the weekly worshipping community, the more complex the system rostered ministers must administer.

Advanced Training and Education

Leaders that actively equip themselves for ministry are better able and more likely to create a spirit of life-long learning in a congregation.

Local Salaries and Cost of Living

Fair compensation should reflect the realities of the congregation and community to which a leader is called.



All people - rostered ministers included - are complex creatures. We are all, in the words of the psalmist, “fearfully and wonderfully made.” Our well-being and our being made well include:

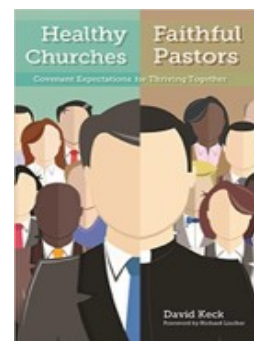
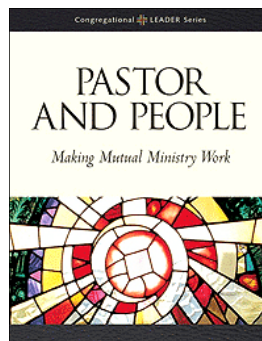
- ✓ Intellectual Well-being
- ✓ Social/Interpersonal Well-being
- ✓ Emotional Well-being
- ✓ Physical Well-being
- ✓ Financial Well-being
- ✓ Vocational Well-being

All of these are tied to our spiritual well-being. None of them can be separated out from the others. Compensation, goals, evaluations, work climate, continuing education, rest, and the like are vital to the well-being of leaders. For better or worse, the well-being of our leaders has a direct impact on the ministry sites they serve.

Mutual Ministry

The mutual ministry inherent in a call requires both *mutual* responsibility and accountability. People often call synod offices and ask, “Do you have anything we can use to evaluate our pastor?” There are usually some questions in response to this query: “Have you set any mutually defined goals or objectives?” “Are you evaluating the ministry, or just the minister?”

Two resources are suggested for congregational councils. The book, [Pastor and People](#), provides tools for beginning a mutual ministry committee and a personnel committee. Additionally, it includes planning and evaluation procedures for making mutual ministry work. The book, [Healthy Churches, Faithful Pastors](#), gives the perspective of what it is like to be a pastor and compares it to expectations congregations may have for their pastor. Discussion guides and questions are provided for leaders to study these perspectives with their pastor. This resource is especially recommended at the time when a congregation is in transition or when a rostered minister is new to a call.



2. Pastors

The compensation recommendations attempt to address three primary concerns:

1. To clarify language used about pastoral salaries.
2. To use school district compensation models as the best reflector of community values.
3. To reflect the difference in the cost of living between rural/small town and urban/suburban areas.



Urban/Suburban Salary Grid

Years Exper.	Base Salary & Housing	Social Security Offset	Defined Compensation		Base Salary Parsonage	Parsonage SS Offset*
0	67,988	5,632	73,620		51,534	57,166
1	68,438	5,669	74,107		51,875	57,545
2	68,888	5,707	74,595		52,216	57,923
3	69,338	5,744	75,082		52,557	58,301
4	69,788	5,781	75,569		52,898	58,680
5	70,238	5,819	76,057		53,240	59,058
6	70,688	5,856	76,544		53,581	59,436
7	71,138	5,893	77,031		53,922	59,815
8	71,588	5,930	77,518		54,263	60,193
9	72,038	5,968	78,006		54,604	60,572
10	72,488	6,005	78,493		54,945	60,950
11	72,938	6,042	78,980		55,286	61,328
12	73,388	6,079	79,467		55,627	61,707
13	73,838	6,117	79,955		55,968	62,085
14	74,288	6,154	80,442		56,309	62,463
15	74,738	6,191	80,929		56,651	62,842
16	75,188	6,229	81,417		56,992	63,220
17	75,638	6,266	81,904		57,333	63,599
18	76,088	6,303	82,391		57,674	63,977
19	76,538	6,340	82,878		58,015	64,355
20	76,988	6,378	83,366		58,356	64,734
21	77,438	6,415	83,853		58,697	65,112
22	77,888	6,452	84,340		59,038	65,490
23	78,338	6,490	84,828		59,379	65,869
24	78,788	6,527	85,315		59,720	66,247
25	79,238	6,564	85,802		60,061	66,626
26	79,688	6,601	86,289		60,403	67,004
27	80,138	6,639	86,777		60,744	67,382
28	80,588	6,676	87,264		61,085	67,761
29	81,038	6,713	87,751		61,426	68,139
30	81,488	6,750	88,238		61,767	68,517

*Rostered Ministers with more than 30-years experience should be compensated at a rate of \$450 for each additional year of experience.

Rural/Small Town Salary Grid

Years of Exper.	Base Salary & Housing	Social Security Offset	Defined Compensation		Base Salary w/ Parsonage	Parsonage Base & SS Offset*
0	61,399	5,086	66,485		46,540	51,626
1	61,849	5,124	66,973		46,881	52,004
2	62,299	5,161	67,460		47,222	52,383
3	62,749	5,198	67,947		47,563	52,761
4	63,199	5,235	68,434		47,904	53,139
5	63,649	5,273	68,922		48,245	53,518
6	64,099	5,310	69,409		48,586	53,896
7	64,549	5,347	69,896		48,927	54,275
8	64,999	5,385	70,384		49,268	54,653
9	65,449	5,422	70,871		49,610	55,031
10	65,899	5,459	71,358		49,951	55,410
11	66,349	5,496	71,845		50,292	55,788
12	66,799	5,534	72,333		50,633	56,166
13	67,249	5,571	72,820		50,974	56,545
14	67,699	5,608	73,307		51,315	56,923
15	68,149	5,645	73,794		51,656	57,302
16	68,599	5,683	74,282		51,997	57,680
17	69,049	5,720	74,769		52,338	58,058
18	69,499	5,757	75,256		52,679	58,437
19	69,949	5,795	75,744		53,021	58,815
20	70,399	5,832	76,231		53,362	59,193
21	70,849	5,869	76,718		53,703	59,572
22	71,299	5,906	77,205		54,044	59,950
23	71,749	5,944	77,693		54,385	60,329
24	72,199	5,981	78,180		54,726	60,707
25	72,649	6,018	78,667		55,067	61,085
26	73,099	6,056	79,155		55,408	61,464
27	73,549	6,093	79,642		55,749	61,842
28	73,999	6,130	80,129		56,090	62,220
29	74,449	6,167	80,616		56,431	62,599
30	74,899	6,205	81,104		56,773	62,977

**Rostered Ministers with more than 30-years experience should be compensated at a rate of \$450 for each additional year of experience.*

Language

For the sake of clarity, “salary” refers to the sum of “base salary,” housing allowance, and social security offset. The total of these three are what Portico Benefit Services terms “defined compensation” on which the congregation pays retirement/health benefits and the rostered person pays taxes. The “salary” does not include retirement/health benefits, continuing education, or travel/auto reimbursement, all of which are organizational administrative costs.

Compensation Guidelines Using School District Compensation Models

1. Cost of living and compensation standards vary widely across the Gulf Coast Synod. In an effort to contextualize compensation recommendations, the local school teacher's salary schedule is used as a benchmark that reflects compensation in a particular community.
2. The educational requirement for a teacher is a bachelor's degree, while for a pastor it is a bachelor's degree and a four-year master's. Of the school districts researched, a teacher with a master's degree earned an additional \$1,000 - \$2,000; therefore, \$2,000 has been added to the base teacher's salary.
3. Because nearly all school districts offer contracts based on a 187-day school year, we have annualized the recommended base salary for clergy.
4. Compensation for school teachers was researched for school districts in both Texas and Louisiana, representative of the synod. Salary schedules were averaged in two categories: rural/small town and urban/suburban. The compensation grids represent an average of ten (10) rural/small town school districts and fifteen (15) urban/suburban communities.
5. For Social Security purposes the Internal Revenue Service always considers a pastor "*self-employed*." That means the congregation typically does not **pay FICA** [7.65%]. It also means that the pastor **must pay self-employment SECA** [15.3%]. It is recommended that the congregation provide the pastor with an 8.284% allowance in lieu of paying Social Security. 8.284% is used rather than 7.65% because the allowance is considered *taxable* income. The minister uses this money to pay a portion of the 15.3% self-employment tax. Salary, housing (allowance *or* parsonage value) and this Social Security offset are used in determining SECA tax.
6. A note regarding clergy living in a parsonage (or church-provided housing): In the case of a parsonage, the fair housing value of the parsonage is part of the salary. For its purposes, Portico establishes it as 30% of the cash salary. Thus, when a parsonage is provided, the cash compensation paid to the pastor is reduced by 30% of the total (See far right sections of grids).
7. The average experience adjustment for school teachers is \$450 per year, which has been factored into the compensation grid. Thus, a pastor with 10 years' experience should be compensated an additional \$4,500 annually. School districts vary in the number of steps awarded to experienced teachers. Some top out at 20 years; others allow as much as 35. For a second-career pastor, consideration should be given to prior work experience that will enhance a pastor's ministry.
8. The salaries in the compensation grids are generally considered to include housing allowance. However, since it is important for a pastor to live in the community that a congregation serves, for congregations in areas of high housing costs, the "housing allowance" portion of the salary may be adjusted upward accordingly.

[Please see pages 3 and 4 for salary grids.]

Housing Allowance*

The housing component of compensation is a complicated matter because of variations in the cost of housing, IRS rules, and the reality that some congregations own a parsonage while most do not. For a pastor, the cost of housing is compensation exempt of income tax according to IRS rules. Deacons do not qualify for this tax benefit; neither do lay employees

For the minister *in a parsonage*, utilities, repairs, insurance, lawn care, maintenance, and remodeling are paid by the congregation, done in a timely manner, and, of course, not taxed. The congregation can designate an additional “furnishings allowance” for non-taxable income to be used for housing expenses by the minister. Some congregations with a parsonage also give an “equity allowance” so the pastor can build a modest housing equity for a future down payment on a house for retirement. Five percent (5%) of cash salary per year is suggested.

For the pastor who *owns or rents a home*, the limit of tax exemption is based on actual *housing expenses* recorded for the year by the minister – up to a maximum of the amount that was designated as “housing allowance” by the congregation council. The minister tracks and claims all justifiable expenses and then pays tax on the remaining “allowance” that is not actually used for housing.

Every December, the pastor should notify the congregation council that a specific amount of their compensation for the coming year be designated as housing allowance. The council acknowledges this request by a motion and vote that is entered into the meeting minutes. It needs to be understood that dividing housing allowance and salary is for income tax purposes, and the division can appear unusual. The council may choose to use this format within the minutes of its meeting:

A motion was duly made, seconded, and approved that the ministry compensation paid to Rev. _____ during the year 20____ include a designated housing allowance in the amount of \$_____. This amount shall remain in effect annually until amended or rescinded. (Source: Clergy Financial Services, Inc.)

3. Deacons

The nature of a deacon’s call varies widely. Deacons serve in calls such as Director of Music, Youth Minister, Hospital Chaplain, Director of a Food Pantry or Homeless Shelter, or a Parish Administrator. For this reason, there is not a single salary grid provided for deacons. Instead, salary guidelines for deacons are based on local and/or national salaries for similar leadership positions. Context and cost of living should be taken into consideration (as they are in the grids for pastors). Contact the synod office for help in developing a compensation package for a deacon.



4. Health & Retirement Benefits for Rostered Ministers

Retirement and Medical Program

Full participation in the ELCA retirement and health benefit plans is expected for pastors and deacons and their families. The retirement contribution is a minimum of 10% of Defined Compensation. The premium for the medical plan (medical and dental insurance, disability insurance, and death benefits) varies according to a schedule. Use the [Portico rate calculator](#) online.

In 2014, Portico entirely overhauled their health care plan to meet the changing shape of health care coverage in the United States. There are four (4) levels of coverage (i.e. Platinum+, Gold+, Silver+, and Bronze+) that correspond to the levels of health care available in the Affordable Health Care Plan. We recommend all rostered ministers be covered at the Gold+ level. After research and comparison of open market options, it has been determined that Portico's coverage is competitive and often less expensive than other providers. You can determine the cost of health care coverage as well as the cost of retirement contributions on the [Portico Website](#).

Sick Leave

The congregation should have a sick leave policy for all its rostered ministers and other personnel. The policy should include:

- The number of paid sick leave days available each year.
- Policies laying out procedures if more sick days are needed by an individual.

(Note: Sick leave days are important for modeling physical stewardship. For the sake of individuals and the community, people should be able to take the necessary time to heal. Conversely, "sick days" are for illness, healing, and recuperation. They are not "personal leave days;" neither should they be accrued. Congregations and personnel should model gracious and compassionate mutual trust and respect in creating, implementing, and using such policies.)

Disability Leave

Disability leave provisions are coordinated with Portico Benefit Services and with Social Security.

- Congregations are to provide up to two months of continued salary, housing, and contributions to the pension program in a 12-month period. (ELCA disability benefits begin with the third month of disability.)
- Provision may be made for further unpaid time for disability recovery as agreed by the congregation, but with the stipulation that unused accumulated sick leave will not be compensated at the end of the call.

Parental Leave

Because the church so values families, whether parental leave is maternal, paternal, or adoptive, the synod recommends at least eight weeks paid leave at full salary, housing, and benefits. Bonding as a new family, supporting one another, creating a balance in schedules, and nurturing physical and mental health are just some of the many benefits of parental leave. Additional time may be negotiated by the rostered minister and the council, whether for special concerns or needs, or with the goal toward meeting Family and Medical Leave Act (1993) standards of twelve weeks parental leave.

For a list of pastors and seminarians available for supply, consult the synod's [Supply List](#), or contact the [Bishop's Associate for Leadership](#).

Vacation and Days Off

Because of the intense, ongoing, and emotional nature of the work done by a minister, it is important and recommended that the leader be granted four full weeks vacation (including Sundays) per year in order to tend to family responsibilities and emotional and spiritual refreshment. Vacation is not a reward but recognition that a person needs time for renewal to be most effective in ministry. It is not necessary that vacation time be taken all at one time.

The congregation should also understand that the equivalent of two days off each week for family time and renewal is important. Of necessity, it is recognized that the minister is still “on call” during these days. The congregation needs to be trained not to encroach on days off except in an emergency.

Continuing Education

Continuing education is essential for rostered ministers and other staff to bring fresh insights and resources to the congregation and for professional growth. Continuing education is a means by which the rostered ministers build upon and extend knowledge, acquire new skills, and grow into more effective ministers. Indeed, failure to maintain a regular discipline of continuing education should be regarded negatively in the annual performance and compensation review.

Congregations are asked to make at least two weeks per year available to their minister(s) for the purpose of continuing education. This allotted time may be used to attend conferences, classes, or workshops and/or to do theological or ministry-based reading. The rostered minister, in consultation with the mutual ministry committee and the congregation council, should determine the scheduling of continuing education. Upon completion of a continuing education course or reading, the minister might offer a report of their learning to the mutual ministry committee and the congregational council. They could then brainstorm together how the continuing education might be integrated with the congregation’s ministry. **The minimum recommended level for continuing education allowance is \$1,000 per year from the congregation and \$400 per year by the rostered minister.**

If there is some special focus in mind, it is suggested rostered ministers may accrue unused continuing education time and monies, but only for a period of three years. This should be done only in consultation with the congregational council.

Other professional expenses such as books, subscriptions to magazines and journals, vestments, and media resources may be handled by establishing a set amount in the budget and paying the expenses as they occur.

All rostered ministers are required, by constitution, to attend the synod assembly and are expected by the bishop to attend leadership convocations. *Neither rostered ministers nor congregations are to consider these times as “continuing education.”*

Pay Raises

On an annual basis, congregation councils should return to the grids on pages 3 and 4 to make adjustments in pay based on years of service. In preparation for the congregation’s annual meeting and budget decisions, an annual review of the rostered minister and the congregation’s ministry should be conducted. The synod offers this [Rostered Minister Review](#) as a starting place for these conversations about mutual ministry.

If, in lean years, the congregation is unable to give pay raises based on the grids, an increase consistent with the cost of living should be considered. Additionally, the council should discuss with the minister what non-monetary compensation might look like. Some examples are: increased vacation time, increased opportunities for guest preachers (and Sundays off), additional budget for continuing education and/or study leave, increased retirement benefits. *Every year a rostered minister goes without an increase in pay, the congregation falls behind in meeting synod guidelines. This can result in “sticker shock” when it comes time to call a new pastor or deacon as the expectation will be that they are paid at guidelines.*

Sabbatical Study Leave

A sabbatical leave is recommended for rostered persons after the first seven years of service in a congregation/agency, and every five years thereafter in conjunction with congregational/agency mission planning. The recommended length of time for sabbatical leave is three months. For further information, contact the synod office for the document [Policy and Guidelines for Sabbatical Leave for Rostered Persons](#), updated 2016.

Professional Expenses

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

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

Automobile Expenses

As already indicated, use of the rostered minister’s automobile for business activity is a congregational expense and should properly be listed under congregational administrative expenses in the budget rather than under compensation. Reimbursement to the rostered minister on a per-mile basis using an expense reimbursement plan is recommended. The IRS rate for business use of an automobile is the standard rate for reimbursement. Alternately, the congregation could consider providing the rostered minister with a church-owned or leased vehicle.

Debt Retirement

Increasingly, rostered ministers are graduating from seminary with significant educational debt. Congregations should seek to help relieve the educational debt of their minister as a part of the compensation package.

Synod and Churchwide Ministry

Part of a rostered person’s work is beyond the congregation in the synod and churchwide organization. The congregation council and the rostered minister should agree upon the scope of this work.

Other

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

- A policy about unused vacation time
- A policy to reimburse certain dues and memberships deemed essential to that ministry context
- A membership in a health or fitness club
- Participation in Portico’s Flexible Spending Account
- Life insurance coverage
- Supplemental retirement or tax sheltered annuity contributions

5. Non-Rostered Employees

People who are not rostered in the ELCA are often employed by congregations for ministry. The work of non-rostered staff may include youth and family ministry, music, parish education, administration, maintenance, etc. These staff persons are employed either full or part time. The following compensation guidelines may be helpful for congregations to use when determining annual benefits. Please make appropriate and fair adjustments for part-time staff, whether salaried or hourly.

For ALL non-rostered persons, the following guidelines are recommended .

- FICA paid by the congregation
- Vacation
 - 1-4 years of service: 2 weeks
 - 5-10 years of service: 3 weeks
 - More than 15 years: 4 weeks
- Two days off each week
- (Especially for hourly employees) Flexibility in scheduling work hours
- Minimum annual continuing education allowance: \$1,000
- Theological Conference and Synod Assembly paid by the congregation
- Minimum annual professional expenses: \$500
- Workers' Compensation

Other Considerations

- **Cell Phone:** Many church staff persons, such as those in youth and family ministry, find that it is essential to have the use of a cell phone to do their work. Congregations and non-rostered staff should negotiate a monthly stipend for a cell phone for church-related work.
- **Travel reimbursement:** Many church staff persons use their personal vehicle for church-related work. They should be reimbursed according to current IRS standards. An estimation of this annual expense should be in the congregation's annual budget.
- **Benefits:** It is fair and reasonable that congregations provide Portico Pension and Health Benefits for non-rostered staff persons, who work more than 30 hours a week. See the Portico website for special non-rostered rates
- **Work Week:** Schedules and time commitments for persons who work with the church vary from week to week and season to season. Congregations should be sensitive to this rhythm. Congregations should encourage non-clergy persons to work an average of 40 hours a week. If more time is needed, comp time is appropriate when the schedule allows and is consistent with federal, state, and local laws governing overtime and comp time.

6. Severance

There are times when, for a variety of reasons, personnel are released from an organization; unfortunately, the same happens sometimes in congregations and other ministry sites. (An active Mutual Ministry Committee and the procedures outlined in Pastor and People can greatly lessen the chance of such severance coming about as a result of conflict.)

1. Since rostered ministers are under call from the congregation, decisions about termination and severance should be made according to the congregation's constitution and in consultation with the bishop. See C9.05 for termination of the mutual relationship between pastor and congregation or C9.25 for termination of the mutual relationship between deacon and congregation.
2. In the case of non-rostered ministers, the personnel committee and congregational council should exercise due diligence in trying to mediate any conflict, misunderstanding, or unmet expectations. The goal must always be to steward the ministry of the congregation while also being caring and compassionate.

7. Afterword

In either case, if people are released from service to a congregation, there should be as graceful and generous a severance as is possible and warranted; three to six months. Ministry leaders often function in highly specialized ways, and it may take them some time to find another ministry site in which to serve. The Office of the Bishop can be helpful to congregations, rostered ministers, and other employees in these instances.

- A “Mutual Ministry Committee” is encouraged several times in this document; along with many references to “mutuality.” As described in *Pastor and People*, a mutual ministry committee is NOT a support group or sounding board for the pastor. It is NOT a pastoral care committee. It IS a committee that, along with the pastor, continually discerns the ongoing mission of the congregation in its context and imagines how pastor and people might *together* best carry out that mission. Support/care groups for rostered ministers should be found outside of the congregation among colleagues and conferences.
- As indicated by the title of this document “2021 Compensation Guidelines,” these are guidelines, guiding principles. It is the *annual* responsibility of the congregational/ministry site leadership and rostered minister to mutually discuss and discern just and fair compensation in their specific context. The bishop will be reluctant to sign any call under the minimum guidelines. If a congregation/ministry site cannot provide these amounts, they should meet with the bishop to arrive at a plan for reaching these basic compensation benchmarks.

