



# 2025 Salary and Compensation Guidelines for the Saint Paul Area Synod

In my work as a bishop, I continue to be impressed with the creative steps being taken across this synod to sustain congregational ministry and mission in these days of marked change in our culture and stresses in the economy. Many congregations report that worship attendance and giving have stabilized over the past year, even with necessary shifts in programs and reminders that we are in a *new day*. Thank you for making faithful stewardship, thoughtful planning and hope-filled actions the hallmarks of your leadership.

The national indexes we consult to help frame a recommended cost of living increase from one year to the next vary for the coming year, as they have in past years. We recognize that economic realities for congregations continue to vary by context with sustained giving in many places and tighter budgets in others. Acknowledging that, we are recommending a **2.0%** cost of living increase in these compensation guidelines for 2025. You will find that percentage increase reflected in these guidelines for pastors, deacons, lay program and lay support staff. We also recommend, where local circumstances allow, that merit increases be given to those who have taken on new or expanded responsibilities or where the staffing model has changed.

At the congregational level, you know how many things are changing in the way we “do church” today. This is a particularly good time to review both job descriptions and compensation levels for rostered ministers and other paid staff. One other change for 2025 is the new required Paid Medical and Family Leave contributions for all employees in the state of Minnesota. You’ll find details on page 2.

As in previous years, each congregation will need to work out what makes sense in the local context with careful listening and flexibility. Thank you for giving your attention to these matters.

Bishop Patricia Lull

## **Portico Benefit Services**

We are all aware of the rising cost of providing health benefits for employees and their families. Estimates of the average 2025 rate changes for Minnesota employers range from 9% to 15%, while the weighted average proposed rate increase on the Minnesota Health Insurance Exchange is 8.8%. The synod recommends that congregations provide health benefits for all rostered leaders and other staff through Portico. The rate increase for Portico health coverage is 4% for 2025 over all four options, Platinum+, Gold+, Silver+ and Bronze+, with disability rates dropping from .6% to .3% and survivor rates dropping from .4% to .2%. A new Value Co-Pay option is available to members in 2025 and a new addition is also the ability for a Roth IRA investment. Information was in enrollment packets for 2025 or can be found on the Portico website.

When deciding what level of coverage is appropriate for your congregation, keep in mind that each level has different plan options which affect deductible amounts, out-of-pocket limits and co-pays. Consideration should also be given to the tax-advantaged accounts that are available with each level. Flexible spending accounts are available to employers enrolled in the Platinum+ and Gold+ plans while health savings accounts are available to employers enrolled in the Silver+ and Bronze+ plans. Each congregation needs to determine what combination of coverage and plan options best meets the needs of their clergy and staff while not exceeding the financial resources available.

Rostered leaders and staff in ELCA congregations are encouraged to see these health care investments as part of the overall compensation offered by a congregation.

Check the Portico Benefit Services website at [www.porticobenefits.org](http://www.porticobenefits.org) for more information.

## **Family and Medical Leave Policy**

Several years ago, a task force, appointed by the Synod Council, recommended that the Saint Paul Area Synod be a leader in supporting all who serve our congregations and mission starts when becoming a parent and when called upon to care for a family member. To do this, the task force recommendation was that the synod's Salary & Compensation Guidelines be amended to include a call to congregations and mission starts to increase parental and family leave from "up to six weeks" to "up to 12 weeks."

## **Paid Medical and Family Leave State of Minnesota – NEW!**

This new initiative begins paying benefits in January of 2026. The first premiums are due in April of 2026. All employees in Minnesota – including church staff and clergy – are participants in this new program under Minnesota law. More information will be available before the end of 2024. The first task for congregations is to set up a paid medical and family leave account through Minnesota Unemployment. Most, if not all, congregations do not participate in unemployment benefits as exempt organizations and therefore do not yet have an account. This account will be used to submit wage information with the first report due at the end of October 2024. (This will include third quarter wages.) No premiums or payments are due right now, but the quarterly report is needed to finish the full development of this program.

***If you have questions about how to use these guidelines, contact David Roinas, financial administrator for the Saint Paul Area Synod, at 651-224-4313 or [david.roinas@spas-elca.org](mailto:david.roinas@spas-elca.org).***

## Salary and Compensation Guidelines

# For Ministers of Word and Sacrament (Pastors)

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## Compensation

### Salary and Housing

A pastor's salary is based on several considerations: the number of years of experience, housing costs, additional factors related to the context of the ministry, cost of living and job responsibilities. Pastors serving in part-time positions should receive pro-rated salary and benefits. The information that follows will assist you in determining a starting point for salary. You will note that there is a range for each five years of service in the church. Care needs to be exercised as a pastor moves from one level of experience to the next to not lower the overall compensation unless that is negotiated in the context of a new call. These figures are guidelines and are not intended to restrict a congregation in fairly compensating a pastor.

Years of Experience	
Graduate	<b>\$ 68,799</b>
1-5 Years	70,336 – 79,046
6-10 Years	75,736 – 84,366
11-15 Years	81,103 – 89,793
16-20 Years	86,427 – 95,147
21-25 Years	91,692 – 100,942
26-30 Years	97,183 – 106,303
31-35 Years	102,561 – 111,711 +

### Housing Costs

The above guideline figures include an amount to be designated as housing allowance. In determining your pastor's salary and housing package, the cost of housing in your area should be considered. If a parsonage is provided, the fair rental value should be deducted from the figures in the above grid. See Housing on page 4 for more detailed information concerning the IRS housing allowance for clergy.

### Additional Factors

Salary often is driven by other factors in addition to years of experience. While these are more difficult to objectively quantify, they should enter into the conversation about salary level. Some of these factors include:

#### **Ratio of Staff to Size of Congregation (based on worship attendance)**

The size of the congregation and the ratio of staff to worship attendance should be considered. For example, a solo pastor with no pastoral staff serving a congregation with average worship attendance of 250 or more should receive an additional \$1,000 compensation to reflect the added demands placed upon him/her.

### **Supervisory Responsibilities for Program Staff**

- \$1,500 for supervision of two or three program staff
- \$2,500 for supervision of four or more program staff

### **Additional Education**

- Add \$500 to \$1,500 for additional earned degrees beyond the Master of Divinity.
- Previous work experience prior to ordination. Experience may also include non-ordained ministry in the church and/or secular work which enhances a person's skills for ministry. Experience prior to ordination is calculated at the rate of one-half year for each year up to 10 years of prior experience (five years credit).

### **Ongoing Considerations**

- Cost of living is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost of living adjustments year after year ignores the accumulating experience level and results in the pastor gradually slipping below guidelines. Many congregations fell behind actual cost-of-living adjustments in recent years. For 2025, there is a cost-of-living adjustment in these guidelines of 2.0%. Congregations that have not provided increases on a regular basis should seek to catch up to guidelines as soon as possible.
- Review of job performance and changes in levels of responsibility should also be considered annually and may warrant additional salary consideration.

## **Housing**

A unique feature of a pastor's compensation is the distinctive tax law regarding housing allowance for ordained pastors. This originated for pastors (and the military) because it was at one-time standard for housing to be the "parsonage." In the Saint Paul Area Synod, fewer than 10% of congregations provide parsonages, so the guidelines now reflect the more standard practice of designating a portion of the pastor's salary as housing allowance.

### **Housing Allowance**

When there is a housing allowance, the pastor determines the amount of compensation to be set aside for housing allowance (based on IRS guidelines, publication 1828, available at [www.irs.gov](http://www.irs.gov)) and submits it to the church council. The church council must annually include the amount to be designated for housing in the council minutes prior to the beginning of the new tax year. The pastor assumes full responsibility for complying with IRS definitions of "cost to provide a house."

### **Parsonage**

When a parsonage is provided for the pastor, all utility costs and repairs are paid by the congregation. It is recommended that congregations with a parsonage also provide for a housing equity account. The purpose of this account is to provide financial resources for a pastor to purchase housing upon retirement or when a new call requires purchase of a home. Each year a minimum of \$150 a month or 5% of defined compensation, whichever is greater, should be placed into a housing equity account that

accumulates interest in the pastor's name. The establishment of this account should be negotiated by the church council and pastor. Consultation with the pastor and perhaps Portico Benefit Services and a financial consultant can be helpful in determining the most beneficial housing equity allowance model.

When there is a parsonage, it is recommended that a furnishings allowance be provided. This is nontaxable income which must be used for household expenses. The church council must designate the furnishings allowance annually.

## **Social Security and Medicare**

All pastors are considered self-employed for Social Security purposes and therefore pay a self-employment tax of 15.3% of their income in 2024. It is recommended that the church or calling body give a Social Security allowance, even though it is taxable, to their pastor(s) to pay at least half (7.65%) of his/her self-employment tax as they do for the other employees of the church when they pay the employer's share of the FICA tax. To determine half of the tax, multiply the pastor's salary (including housing allowance or the fair rental value of the parsonage) by .0765. This allowance is included on the pastor's W-2 as taxable income.

## **Federal Tax Forms for Clergy**

Congregations should file federal tax W-2 forms for their pastor(s), not the 1099 form.

## **Benefits**

### **Retirement and Major Medical and Dental Benefits**

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for pastors and lay employees. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits. Members of the plan may decline health coverage if they can demonstrate coverage under another employer-provided group plan (through a spouse) and still participate in the ELCA disability, survivor, and retirement plans. The premiums for medical/dental coverage continue to be fully employer-paid; it should be noted that recent years have seen significant increases in copays and deductibles, resulting in substantially higher employee cost.

### **Additional Retirement Contributions**

One way to save for future retirement is to make salary reduction contributions to the ELCA Retirement Plan. To contribute to this plan, the member determines the amount and signs in to their myPortico account online at [www.porticobenefits.org](http://www.porticobenefits.org) to record their election. Portico then notifies their employer to begin withholding that amount from the member's salary. This is contributed as pre-tax money, so no federal income tax (10%-plus) or state income tax (6%-plus) is paid on the amount. When the pastor retires, this amount will be eligible for the housing allowance exclusion (meaning the pastor will pay no tax on it to the extent that it is used for housing).

## **Tax-Advantaged Accounts**

The Portico Benefit Services health plan includes an optional flexible spending account (pre-tax dollars) for employers enrolled in the Platinum+ and Gold+ health plans and an optional health savings account (pre-tax dollars) for employers enrolled in the Silver+ and Bronze+ health plans. For more information, visit Portico Benefit Services website at [www.porticobenefits.org](http://www.porticobenefits.org).

## **Paid Leaves**

### **Maternity/Paternity**

Paid maternity/paternity leave of up to 12 weeks is recommended when a child is born or adopted. Knowing that the early weeks are intense and stressful for parents, consideration should be given to granting additional leave if the congregation has the ability to do so.

### **Family Medical Leave**

Paid family leave of up to 12 weeks is recommended when a pastor needs to care for an immediate family member during a health crisis. This might include a spouse, child, parent or sibling. It is important for congregations to discuss with their pastor who is included in this provision for paid family leave.

### **Sick**

Paid sick leave of up to six weeks and provision for partial disability thereafter as coordinated with Portico Benefit Services is recommended.

### **Disability**

In case of disability due to an accident, illness or surgery, the ELCA disability benefits begin after two months. A member must apply for disability benefits within six months of becoming disabled. Any period of disability—beginning date and length of disability—is based on an attending doctor's recommendation and by decision of Portico Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability benefit coverage. Unused vacation time and accumulated sick leave can be used in these months.

## **Reimbursed Professional Expenses**

### **Automobile Allowance**

The automobile allowance is considered as reimbursement for ministry-related expenses and is not part of a pastor's salary, if substantiated. An allowance per the IRS (67 cents per mile as of Jan. 1, 2024) is recommended based on actual miles driven and reported by the pastor. Check the IRS website each December for the following year's adjustment. In lieu of such an allowance, the congregation may lease a vehicle for the pastor's use in ministry activity.

## **Sabbaticals**

The Saint Paul Area Synod recognizes the benefits that come from a sabbatical for new learning and rest. Different than annual vacation time, a sabbatical offers a unique season for renewal for a rostered minister. Depending on the personnel policy of the congregation, after every six years of service in a current call the Saint Paul Area Synod recommends that a pastor be given a sabbatical from six weeks to three months with full pay, in lieu of two weeks continuing education time. The pastor would be expected to return to the present call for at least one year following the sabbatical.

## **Continuing Education**

Congregations should insist that their pastor(s) take time to intentionally update and acquire new skills, which is essential for effective, ongoing ministry. Recognizing this, the ELCA expects a minimum of 50 contact hours annually in continuing education (or 150 hours for each three-year period). A contact hour is defined as a typical 50-minute classroom instructional session or the equivalent. Therefore, it is recommended that each year a minimum of two weeks and \$800 be made available to a pastor for continuing education, cumulative up to six weeks over a three-year period. This is not vacation time, so if it is not used for the purpose of ministry in the present setting, the person loses the time and funds at the end of employment.

## **Professional Ministry Expenses**

A minimum suggested guideline of \$500 for professional ministry-related expenses should be in the budget. These expenses may be for books, robes, periodicals, professional dues, entertaining, and hospitality costs incurred in performance of the duties of the pastoral office. Qualifying expenses must be substantiated by the pastor or the money received becomes taxable as regular income. Professional expenses are designated as such by the congregation and acknowledged by the IRS.

## **Non-Financial Compensation**

### **Vacation Time**

A minimum of four weeks, including Sundays, should be provided. Congregations unable to meet minimum salary guidelines may want to give additional vacation time. **Note regarding part-time ministry:** The same number of weeks apply. For example, a full-time pastor would work 48 full-time weeks and have four full-time weeks of vacation; a half-time pastor would work 48 half-weeks and receive four half-weeks of vacation, including four Sundays.

### **Continuing Education**

A minimum of two weeks should be provided. See the "Letter of Call and Definition of Compensation, Benefits, and Responsibilities of the Pastor" form prepared for your pastor on accepting the call and the information above that defines the expectations for continuing education.

## **Pulpit Supply**

The cost of pulpit supply in the pastor's absence is borne by the congregation. In addition to mileage reimbursement (see above), the following fees are recommended per Sunday for pastors from outside the membership of the congregation:

- One service \$200
- Two services \$250
- Additional services \$50 each





# Compensation Worksheet For Pastors Who Own a Home

## Building the Compensation Package

This worksheet is designed to help congregations build a compensation package using the synod's salary and compensation guidelines for pastors.

NAME			
	Current Year	Guidelines	Proposed
<b>SALARY AND HOUSING</b>			
Base Salary (including housing allowance)	\$	\$	\$
Social Security Reimbursement (7.65%)	\$	\$	\$
<b>TOTAL SALARY AND HOUSING</b>	\$	\$	\$
<b>BENEFITS</b>			
ELCA Pension and Medical/Dental Plan <sup>1</sup>	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution, etc.)	\$	\$	\$
<b>TOTAL BENEFITS</b>	\$	\$	\$
<b>REIMBURSED PROFESSIONAL EXPENSES</b>			
Automobile	\$	\$	\$
Sabbatical	\$	\$	\$
Continuing Education	\$	\$	\$
Professional Ministry Expenses	\$	\$	\$
Other	\$	\$	\$
<b>TOTAL REIMBURSED PROFESSIONAL EXPENSES</b>	\$	\$	\$
<b>NON-FINANCIAL COMPENSATION</b>			
Vacation (Number of Weeks)			
Continuing Education (Number of Weeks)			
Other			

<sup>1</sup>PORTICO Benefit Services: 800-352-2876 or [www.porticobenefits.org](http://www.porticobenefits.org)



# Compensation Worksheet For Pastors Who Live in a Parsonage

## Building the Compensation Package

This worksheet is designed to help congregations build a compensation package using the synod's salary and compensation guidelines for pastors.

NAME			
	Current Year	Guidelines	Proposed
<b>SALARY</b>			
Base Salary (and Furnishings Allowance)	\$	\$	\$
Social Security Reimbursement (7.65%)	\$	\$	\$
<b>TOTAL SALARY</b>	\$	\$	\$
<b>HOUSING EQUITY ACCOUNT</b>			
Housing Equity Account	\$	\$	\$
<b>TOTAL</b>	\$	\$	\$
<b>BENEFITS</b>			
ELCA Pension and Medical/Dental Plan <sup>1</sup>	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution, etc.)	\$	\$	\$
<b>TOTAL BENEFITS</b>	\$	\$	\$
<b>REIMBURSED PROFESSIONAL EXPENSES</b>			
Automobile	\$	\$	\$
Sabbatical	\$	\$	\$
Continuing Education	\$	\$	\$
Professional Ministry Expenses	\$	\$	\$
Other	\$	\$	\$
<b>TOTAL REIMBURSED PROFESSIONAL EXPENSES</b>	\$	\$	\$
<b>NON-FINANCIAL COMPENSATION</b>			
Vacation (Number of Weeks)			
Continuing Education (Number of Weeks)			
Other			

<sup>1</sup>PORTICO Benefit Services: 800-352-2876 or [www.porticobenefits.org](http://www.porticobenefits.org)

# Salary and Compensation Guidelines For Ministers of Word and Service (Deacons)

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## Compensation

### Salary

Deacons play an increasingly active role in the life of congregations, church institutions and community agencies. The following guidelines are based on the assumption that a deacon has earned at least one master-level degree at a seminary and completed supervised learning during an internship. As a congregation, you may have called a person to serve as a lay rostered minister on your staff, who has a bachelor's degree, and who is now recognized as a deacon in the ELCA. For deacons without an earned master's degree, you will want to refer to the recommended guidelines for lay program staff that follows this section. However, for deacons with a master's degree, these guidelines are proposed.

### Years of Experience

The figures in the chart below are guidelines and not intended to restrict a congregation in providing fair compensation to a deacon. The figures assume at least one master's degree from a seminary.

Years of Experience	
Graduate	<b>\$ 68,799</b>
1-5 Years	70,336 – 79,046
6-10 Years	75,736 – 84,366
11-15 Years	81,103 – 89,793
16-20 Years	86,427 – 95,147
21-25 Years	91,692 – 100,942
26-30 Years	97,183 – 106,303
31-35 Years	102,561 – 111,711 +

### Additional Education

Add \$200 to \$500 for certification in a specific area.

### Supervisory Responsibilities for Program Staff

- \$500 for supervision of one program staff
- \$1,000 for supervision of two or three program staff
- \$1,500 for supervision of four or more program staff

### Ongoing Considerations

- Cost of living is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost of living adjustments year after year ignores the accumulating experience level and results in an employee gradually slipping below guidelines. Many congregations fell behind actual cost-of-living adjustments in recent years. For 2025, there

is a cost-of-living adjustment in these guidelines of 2.0%. Congregations that have not provided increases on a regular basis should seek to catch up to guidelines as soon as possible.

- Review of performance and changes in levels of responsibility should also be considered annually and may warrant additional salary consideration.

## Benefits

### Social Security and Workers' Compensation

All congregations should provide Workers' Compensation coverage, since definite liability accrues to the congregation in case of accidental death or disability in conjunction with one's employment.

Congregations are required to pay half of the Social Security taxes (7.65% of taxable income) and to file federal tax W-2 forms for deacons. Although deacons are now ordained at the beginning of their ministry, the ELCA has not designated them as able to provide the same religious functions as do pastors. Technically, such a distinction may be addressed through a judicial process. The IRS Publication 517 states:

***Ministers defined.** Ministers are individuals who are duly ordained, commissioned, or licensed by a religious body constituting a church or church denomination. Ministers have the authority to conduct religious worship, perform sacerdotal functions, and administer ordinances or sacraments according to the prescribed tenets and practices of that church or denomination. If a church or denomination ordains some ministers and licenses or commissions others, anyone licensed or commissioned must be able to perform substantially all the religious functions of an ordained minister to be treated as a minister for social security purposes.*

For this reason, we recommend congregations pay the employer's share of Social Security contributions.

### Retirement and Major Medical and Dental Benefits

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for clergy and lay employees. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits.

Deacons who work 20.0 hours or more per week should receive benefits commensurate with other staff. Congregations are encouraged to add an additional \$100 a month in compensation to persons working less than 20.0 hours.

### Additional Retirement Contributions

One way to save for future retirement is to make salary reduction contributions to the ELCA Retirement Plan. To contribute to this plan, the member determines the amount and signs in to their myPortico account online at [www.porticobenefits.org](http://www.porticobenefits.org) to record their election. Portico then notifies their employer to begin withholding that amount from the member's salary. This is contributed as pre-tax money, so no federal income tax (10%-plus) or state income tax (6%-plus) is paid on the amount.

## **Tax-Advantaged Accounts**

The Portico Benefit Services health plan includes an optional flexible spending account (pre-tax dollars) for employers enrolled in the Platinum+ and Gold+ health plans and an optional health savings account (pre-tax dollars) for employers enrolled in the Silver+ and Bronze+ health plans. For more information, visit the Portico Benefit Services website at [www.porticobenefits.org](http://www.porticobenefits.org).

## **Paid Leaves**

### **Maternity/Paternity**

Paid maternity/paternity leave of up to 12 weeks is recommended when a child is born or adopted. Knowing that the early weeks are intense and stressful for parents, consideration should be given to granting additional leave if the congregation has the ability to do so.

### **Family Medical Leave**

Paid family leave of up to 12 weeks is recommended when a deacon needs to care for an immediate family member during a health crisis. This might include a spouse, child, parent or sibling. It is important for congregations to discuss with their deacon who is included in this provision for paid family leave.

### **Sick**

Paid sick leave of up to six weeks and provision for partial disability thereafter as coordinated with Portico Benefit Services is recommended.

### **Disability**

In case of disability due to an accident, illness or surgery, the ELCA disability benefits begin after two months. Any period of disability — beginning date and length of disability — is based on a medical doctor's recommendation and by decision of Portico Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability benefit coverage. Unused vacation time and accumulated sick leave can be used in these two months.

## **Reimbursable Expenses**

### **Automobile Allowance**

The automobile allowance is considered as reimbursement for ministry-related expenses and is not part of a deacon's salary, if substantiated. An allowance per the IRS (67 cents per mile as of Jan. 1, 2024) is recommended based on actual miles driven and reported by the deacon. Check the IRS website each December for the following year's adjustment.

## Sabbaticals

The Saint Paul Area Synod recognizes the benefits that come from a sabbatical for new learning and rest. Different than annual vacation time, a sabbatical offers a unique season for renewal for a rostered minister. Depending on the personnel policy of the congregation, after every six years of service in a current call the Saint Paul Area Synod recommends that a deacon be given a sabbatical from six weeks to three months with full pay, in lieu of two weeks continuing education time. The deacon would be expected to return to the present call for at least one year following the sabbatical.

## Continuing Education

Congregations should insist that their deacon(s) take time to intentionally update and acquire new skills, which is essential for effective, ongoing ministry. Recognizing this, the ELCA expects a minimum of 50 contact hours annually in continuing education (or 150 hours for each three-year period). A contact hour is defined as a typical 50-minute classroom instructional session or the equivalent. Therefore, it is recommended that each year a minimum of two weeks and \$800 be made available to a deacon for continuing education, cumulative up to six weeks over a three-year period. This is not vacation time, so if it is not used for the purpose of ministry in the present setting, the person loses the time and funds at the end of employment.

## Professional Ministry Expenses

Professional expenses designated as such by the congregation and acknowledged by the IRS, such as books, periodicals, professional dues, entertaining, and hospitality costs incurred in performance of the duties of the deacon should be reimbursed by the congregation. It is the responsibility of the staff person to substantiate such expenses or reimbursement becomes taxable income.

## Non-Financial Compensation

### Vacation Time

A minimum of four weeks, including Sundays, should be provided. Congregations unable to meet minimum salary guidelines may want to give additional vacation time. **Note regarding part-time ministry:** The same number of weeks apply. For example, a full-time deacon would work 48 full-time weeks and have four full-time weeks of vacation; a half-time deacon would work 48 half-weeks and receive four half-weeks of vacation, including four Sundays.

### Continuing Education

A minimum of two weeks should be provided. See the "Letter of Call and Definition of Compensation, Benefits, and Responsibilities of the Deacon" form prepared for your deacon on accepting the call and the information above that defines the expectations for continuing education.



## Compensation Worksheet

# For Ministers of Word and Service (Deacons)

### Building the Compensation Package

This worksheet is designed to help congregations build a compensation package using the synod's salary and compensation guidelines for rostered Ministers of Word and Service.

<b>NAME</b>			
	<b>Current Year</b>	<b>Guidelines</b>	<b>Proposed</b>
<b>SALARY</b>			
Salary	\$	\$	\$
<b>TOTAL SALARY</b>	\$	\$	\$
<b>BENEFITS</b>			
ELCA Pension and Medical/Dental Plan <sup>1</sup>	\$	\$	\$
Social Security	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution, etc.)	\$	\$	\$
<b>TOTAL BENEFITS</b>	\$	\$	\$
<b>REIMBURSED PROFESSIONAL EXPENSES</b>			
Automobile	\$	\$	\$
Sabbatical	\$	\$	\$
Continuing Education	\$	\$	\$
Professional Ministry Expenses	\$	\$	\$
<b>TOTAL REIMBURSED PROFESSIONAL EXPENSES</b>	\$	\$	\$
<b>NON-FINANCIAL COMPENSATION</b>			
Vacation (Number of Weeks)			
Continuing Education (Number of Weeks)			
Other			

<sup>1</sup>PORTICO Benefit Services: 800-352-2876 or [www.porticobenefits.org](http://www.porticobenefits.org)

# Salary and Compensation Guidelines For Lay Program Staff

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## Compensation

### Salary

Salary for lay program staff is based on several considerations, including the number of years of experience, education, additional functions related to the context of the ministry, cost of living and job experience. Those serving in part-time programmatic positions should receive pro-rated salary and benefits. The information that follows will assist you in determining a starting point for salary.

### Years of Experience

The figures in the chart below are guidelines and not intended to restrict a congregation in providing fair compensation. The figures assume a bachelor's degree. For lay program staff without a bachelor's degree or with a master's degree, adjust the figures accordingly.

Years of Experience (With Bachelor's Degree)	
0-5 Years	45,448 – 50,858
6-10 Years	52,558 – 56,898
11-15 Years	58,509 – 62,839
16-20 Years	64,471 – 68,791
21-25 Years	70,455 – 74,775
26-30 Years	76,396 – 80,716
31-35 Years	79,728 – 86,398

### Additional Education

Add \$1,500 to \$3,000 for additional earned degrees beyond a bachelor's degree. Add \$200 to \$500 for certification in a specific area.

### Supervisory Responsibilities for Program Staff

- \$500 for supervision of one program staff
- \$1,000 for supervision of two or three program staff
- \$1,500 for supervision of four or more program staff

### Ongoing Considerations

- Cost of living is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost of living adjustments year after year ignores the accumulating experience level and results in an employee gradually slipping below guidelines. Many congregations fell behind actual cost-of-living adjustments in recent years. For 2025, there is a cost-of-living adjustment in these guidelines of 2.0%. Congregations that have not provided increases on a regular basis should seek to catch up to guidelines as soon as possible.



- Review of performance and changes in levels of responsibility should also be considered annually and may warrant additional salary consideration.

## Benefits

### **Social Security and Workers' Compensation**

All congregations should provide Workers' Compensation coverage, since definite liability accrues to the congregation in case of accidental death or disability in conjunction with one's employment. Congregations are required to pay half of the Social Security taxes (7.65% of taxable income) for all lay employees and to file federal tax W-2 forms for lay employees.

### **Retirement and Major Medical and Dental Benefits**

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for lay employees. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits.

Lay employees who work 20.0 hours or more per week should receive benefits commensurate with other staff. Congregations are encouraged to add an additional \$100 a month in compensation to persons working less than 20.0 hours.

### **Additional Retirement Contributions**

One way to save for future retirement is to make salary reduction contributions to the ELCA Retirement Plan. To contribute to this plan, the member determines the amount and signs in to their myPortico account online at [www.porticobenefits.org](http://www.porticobenefits.org) to record their election. Portico then notifies their employer to begin withholding that amount from the member's salary. This is contributed as pre-tax money, so no federal income tax (10%-plus) or state income tax (6%-plus) is paid on the amount.

### **Tax-Advantaged Accounts**

The Portico Benefit Services health plan includes an optional flexible spending account (pre-tax dollars) for employers enrolled in the Platinum+ and Gold+ health plans and an optional health savings account (pre-tax dollars) for employers enrolled in the Silver+ and Bronze+ health plans. For more information, visit Portico Benefit Services website at [www.porticobenefits.org](http://www.porticobenefits.org).

## Paid Leaves

### **Maternity/Paternity**

Paid maternity/paternity leave of up to 12 weeks is recommended when a child is born or adopted. Knowing that the early weeks are intense and stressful for parents, consideration should be given to granting additional leave if the congregation has the ability to do so.

## **Family Medical Leave**

Paid family leave of up to 12 weeks is recommended when a lay employee needs to care for an immediate family member during a health crisis. This might include a spouse, child, parent or sibling. It is important for congregations to discuss with their lay employee who is included in this provision for paid family leave.

## **Sick**

Paid sick leave of up to six weeks and provision for partial disability thereafter as coordinated with Portico Benefit Services is recommended.

## **Disability**

In case of disability due to an accident, illness or surgery, the ELCA disability benefits begin after two months. Any period of disability—beginning date and length of disability—is based on a medical doctor's recommendation and by decision of Portico Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability benefit coverage. Unused vacation time and accumulated sick leave can be used in these two months.

## **Reimbursable Expenses**

### **Automobile Allowance**

The automobile allowance is considered as reimbursement for job-related expenses and is not part of a staff member's salary, if substantiated. An allowance per the IRS (67 cents per mile as of Jan. 1, 2024) is recommended based on actual miles driven and reported by the staff member. Check the IRS website each December for the following year's adjustment.

### **Sabbaticals**

The Saint Paul Area Synod recognizes the benefits that come from a sabbatical for new learning and rest. Different than annual vacation time, a sabbatical offers a unique season for renewal for a full-time church professional. Depending on the personnel policy of the congregation, after every six years of service in a current position the Saint Paul Area Synod recommends that a church professional or lay program staff be given a sabbatical from six weeks to three months with full pay, in lieu of two weeks continuing education time. The employee would be expected to return to the present call for at least one year following the sabbatical.

## **Professional Ministry Expenses**

Professional expenses designated as such by the congregation and acknowledged by the IRS, such as books, periodicals, professional dues, entertaining, and hospitality costs incurred in performance of the duties of the support staff should be reimbursed by the congregation. It is the responsibility of the staff person to substantiate such expenses or reimbursement becomes taxable income.

## **Non-Financial Compensation**

### **Vacation Time**

A minimum of two weeks' vacation time after one year; three weeks after five years, and four weeks after 10 years of service should be provided.

### **Continuing Education**

A minimum of one week of continuing education should be provided.



# Compensation Worksheet For Lay Program Staff

## Building the Compensation Package

This worksheet is designed to help congregations build a compensation package using the synod's salary and compensation guidelines for lay program staff.

<b>NAME</b>			
	<b>Current Year</b>	<b>Guidelines</b>	<b>Proposed</b>
<b>SALARY</b>			
Salary	\$	\$	\$
<b>TOTAL SALARY</b>	\$	\$	\$
<b>BENEFITS</b>			
ELCA Pension and Medical/Dental Plan <sup>1</sup>	\$	\$	\$
Social Security	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution, etc.)	\$	\$	\$
<b>TOTAL BENEFITS</b>	\$	\$	\$
<b>REIMBURSED PROFESSIONAL EXPENSES</b>			
Automobile	\$	\$	\$
Sabbatical	\$	\$	\$
Continuing Education	\$	\$	\$
Professional Ministry Expenses	\$	\$	\$
<b>TOTAL REIMBURSED PROFESSIONAL EXPENSES</b>	\$	\$	\$
<b>NON-FINANCIAL COMPENSATION</b>			
Vacation (Number of Weeks)			
Continuing Education (Number of Weeks)			
Other			

<sup>1</sup>PORTICO Benefit Services: 800-352-2876 or [www.porticobenefits.org](http://www.porticobenefits.org)

# Salary and Compensation Guidelines For Support Staff

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## Compensation

### Salary

Of all church staff positions, this category of employees is the most varied in education, experience, skills and responsibilities. Executive level and specialized support positions may be compared to similar positions in other non-profit organizations. Persons serving in part-time positions should receive pro-rated salary and benefits.

### Years of Experience

The figures below are guidelines and are not intended to restrict a congregation in fairly compensating support staff.

Years of Experience	
0-5 Years	32,322 – 37,402
6-10 Years	38,793- 43,853
11-15 Years	45,253 – 50,293
16-20 Years	51,778 – 56,828
21-25 Years	58,205 – 63,195
26-30 Years	64,753 – 69,733
31-35 Years	71,234 – 75,754

### Ongoing Considerations

- Cost of living is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost of living adjustments year after year ignores the accumulating experience level and results in an employee gradually slipping below guidelines. Many congregations fell behind actual cost-of-living adjustments in recent years. For 2025, there is a cost-of-living adjustment in these guidelines of 2.0%. Congregations that have not provided increases on a regular basis should seek to catch up to guidelines as soon as possible.
- Review of performance and changes in levels of responsibility should also be considered annually and may warrant additional salary consideration.

## Benefits

### **Social Security and Workers' Compensation**

All congregations should provide Workers' Compensation coverage, since definite liability accrues to the congregation in case of accidental death or disability in conjunction with one's employment. Congregations are required to pay half of the Social Security taxes (7.65% of taxable income) for all support staff and to file federal tax W2 forms for support staff.

### **Retirement and Major Medical and Dental Benefits**

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for support staff. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits.

Support staff who work 20.0 hours or more per week should receive benefits commensurate with other staff. Congregations are encouraged to add an additional \$100 a month in compensation to persons working less than 20.0 hours.

### **Additional Retirement Contributions**

One way to save for future retirement is to make salary reduction contributions to the ELCA Retirement Plan. To contribute to this plan, the member determines the amount and signs in to their myPortico account online at [www.porticobenefits.org](http://www.porticobenefits.org) to record their election. Portico then notifies their employer to begin withholding that amount from the member's salary. This is contributed as pre-tax money, so no federal income tax (10%-plus) or state income tax (6%-plus) is paid on the amount.

### **Tax-Advantaged Accounts**

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### **Family Medical Leave**

Paid family leave of up to 12 weeks is recommended when a support employee needs to care for an immediate family member during a health crisis. This might include a spouse, child, parent or sibling. It is important for congregations to discuss with their support employee who is included in this provision for paid family leave.

**Sick**

Paid sick leave of up to six weeks and provision for partial disability thereafter as coordinated with the Portico Benefit Services is recommended.

**Disability**

In case of disability due to an accident, illness, or surgery the ELCA disability benefits begin after two months. Any period of disability—beginning date and length of disability—is based on a medical doctor’s recommendation and by decision of Portico Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability benefit coverage. Unused vacation time and accumulated sick leave can be used in these two months.

## Reimbursable Expenses

**Automobile Allowance**

The automobile allowance is considered as reimbursement for job-related expenses and is not part of a staff member’s salary, if substantiated. An allowance per the IRS (67 cents per mile as of Jan. 1, 2024) is recommended based on actual miles driven and reported by the staff member. Check the IRS website each December for the following year’s adjustment.

**Continuing Education**

Congregations should encourage support staff to intentionally update and acquire new skills for the position. This is essential for effective, ongoing ministry of the church. Therefore, it is recommended that a congregation provide a minimum of one week per year and \$400 annually for continuing education cumulative to a maximum of three weeks and \$1,200.

## Non-Financial Compensation

**Vacation Time**

A minimum of two weeks’ vacation time after one year; three weeks after five years, and four weeks after 10 years of service should be provided.

**Continuing Education**

A minimum of one week of continuing education should be provided.



# Compensation Worksheet For Support Staff

## Building the Compensation Package

This worksheet is designed to help congregations build a compensation package using the synod's salary and compensation guidelines for support staff.

<b>NAME</b>			
	<b>Current Year</b>	<b>Guidelines</b>	<b>Proposed</b>
<b>SALARY</b>			
Salary	\$	\$	\$
<b>TOTAL SALARY</b>	\$	\$	\$
<b>BENEFITS</b>			
ELCA Pension and Medical/Dental Plan <sup>1</sup>	\$	\$	\$
Social Security	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution, etc.)	\$	\$	\$
<b>TOTAL BENEFITS</b>	\$	\$	\$
<b>REIMBURSED PROFESSIONAL EXPENSES</b>			
Automobile	\$	\$	\$
Continuing Education	\$	\$	\$
<b>TOTAL REIMBURSED PROFESSIONAL EXPENSES</b>	\$	\$	\$
<b>NON-FINANCIAL COMPENSATION</b>			
Vacation (Number of Weeks)			
Continuing Education (Number of Weeks)			
Other			

<sup>1</sup>PORTICO Benefit Services: 800-352-2876 or [www.porticobenefits.org](http://www.porticobenefits.org)



# Other Resources

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## **Portico Benefit Services**

7700 France Ave. S., Suite 350  
Minneapolis, MN 55435-2802  
800-352-2876

[www.porticobenefits.org](http://www.porticobenefits.org)

Regional Representative: The Rev. Tim Schroeder - [tschroeder@porticobenefits.org](mailto:tschroeder@porticobenefits.org)

## **2024 Church & Clergy Tax Guide** (published annually)

Richard R. Hammar

[www.store.churchlawandtax.com](http://www.store.churchlawandtax.com)

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