



Virginia Synod, Evangelical Lutheran Church in America

2019

LEADERSHIP SUPPORT GUIDELINES

For
Rostered Ministers of Word and Service

(Guidelines for Rostered Ministers of Word and Sacrament
are provided separately)

The Virginia Synod
P.O. Box 70
Salem, Virginia 24153-0070
Phone (540) 389-1000
Fax (540) 389-5962



IN PARTNERSHIP WITH THE NEW GUINEA ISLANDS DISTRICT, ELC-PNG

TO: Council Presidents/Vice Presidents of Congregations and Rostered Ministers
FROM: Synod Council, Virginia Synod
DATE: August 2018

SUBJECT: 2019 Recommended Minimum Compensation and Reimbursement Guidelines

We are pleased to share with you the 2019 recommended minimum compensation guidelines for Virginia Synod Rostered Ministers of Word and Service. Separate guidelines are available for Rostered Ministers of Word and Sacrament. These figures have been approved by both the Synod Council and the 2018 Synod Assembly. The complete Leadership Support Guidelines for Rostered Ministers are available on line at www.vasynod.org/resources/compensation-guidelines/.

The 2019 beginning salary recommendation has been increased by 1% over the 2018 level. Step increases in the cash compensation tables (base salary, housing, and Self-Employment Tax compensation), based on years of experience for rostered ministers, continue to be set at **1.75%** per year. All figures include the full Self-Employment Tax amount of 15.3%.

The Expense Worksheet combines last year's allowances for Continuing Education, attendance at the Gathering of the Ministerium, and Books & Periodicals in Item J. under Professional Expenses at a total of \$1,000.

In addition to the information that we have provided, you will need information from Portico Benefits regarding pension, health, and disability contributions for the coming year. That information, along with guidelines for pension contributions, will be sent directly to each parish. The Portico website is www.porticobenefits.org.

We encourage the formation of a Mutual Ministry Committee in every congregation. We also recommend *Pastor and People—Making Mutual Ministry Work*, in the Congregational Leader Series from Augsburg Fortress www.augsburgfortress.org.

If you need any assistance from our Synod Council, please contact the Virginia Synod office at 540-389-1000.

May God continue to bless your ministry and may you be able to see God's hand moving and guiding you in this process of compensation so that the partnership in your parish helps usher in the kingdom and brings glory to God.

Peace,

The Synod Council

2019 LEADERSHIP SUPPORT GUIDELINES

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COMPENSATION PLANNING

It is a special opportunity and responsibility of the Christian community for members of the congregation to work together prayerfully with their rostered ministers to provide a fair compensation. Both congregations and Rostered Ministers of Word and Service benefit when this process is characterized by openness, honesty and mutual care. The guidelines that follow are presented as an aid to your conversation.

The Guidelines reflect the reality of the distinct demands and stresses that impact those who work full-time in the church. Our rostered ministers are “on call” so that there are frequent interruptions to family life. Most of our rostered ministers have received graduate education. In addition similar preparation in any other profession would be remunerated with a considerably higher standard of living. Our rostered ministers are highly motivated by a strong calling to serve the Gospel of Jesus Christ and the needs of people with love and faithfulness. In order to fulfill their calling, it is essential that they receive sufficient financial resources to care for themselves and their families.

The modern context for ministry presents the church with a variety of challenges and opportunities that require creative and informed responses if congregations are going to serve and grow effectively. With this in mind, the Guidelines stress the importance of continuing education for rostered ministers. Furthermore, the demands upon a rostered minister’s time and energy require that they receive the compensations of adequate vacation time, sick leave, parental leave, family leave, and sabbaticals.

FREQUENTLY ASKED QUESTIONS

Q. Why do you use the term “rostered minister”?

A. This is a comprehensive term to include ordained ministers and commissioned/consecrated lay leaders who are listed on the official rosters of the Evangelical Lutheran Church in America. Rostered Ministers of Word and Service now include what used to be referenced as associates in ministry, deaconesses, and diaconal ministers.

Q. Who determines compensation?

A. The responsibility for determining compensation rests with the Congregation Council. Yet it is difficult for the entire Congregational Council to undertake such a task. The annual appointment of a temporary **Compensation Committee** is recommended, with membership to include:

1. the Council President or Vice-President,
2. two members of the congregation agreed upon by BOTH the rostered minister and the Council,
3. the Chairperson of the Mutual Ministry Committee, and
4. the rostered minister.

Q. Should the rostered minister be on the Compensation Committee?

- A. Making your rostered minister part of the group that deals with compensation will provide for a more satisfactory outcome. While there may be a portion of the discussion in which it may not be appropriate for rostered ministers to be present, there are also matters for which their help will be needed.

Q. Where does evaluation enter into our deliberations?

- A. In formulating a recommendation to the Congregation Council, the **Compensation Committee** should use any past evaluation reports made to the Congregation Council. Regular evaluation of the relationship of the rostered minister with the parish helps to maintain a supportive, vital, growing partnership for both parties. This kind of mutually supportive relationship between the congregation and the rostered minister will directly affect the quality of the ministry in your parish in a positive way.

Q. What about the recommended Minimum Cash Compensation Levels for Rostered Ministers?

- A. The Compensation Guidelines recommend a minimum cash compensation instead of a minimum “Salary” for rostered ministers in an effort to overcome the wide disparities in the synod in total compensation.

In order to be more equitable in the Virginia Synod, the Synod Council advocates the current synod guidelines as *minimum* cash compensation. We are aware that these recommendations may seem beyond the means of some of our parishes. It is particularly in these locations that we strongly encourage movement toward these levels of compensation. In addition to fair compensation for your current rostered leader, following the recommended guidelines will expand the pool of available candidates in a future call process. pastor, we want your parish the next time it calls a pastor to be able to call the person you need and not to be guided simply by the monetary bottom line.

Q. What Salary Adjustment Factors need to be considered?

- A. Appropriate adjustment factors include congregational size and complexity (staffing, etc.), the cost of living in the geographical area, previous experience and/or graduate work of the rostered minister, and continuing education. Additionally, previous work experience, and careers in the case of second career rostered minister, should be taken into account when establishing compensation.

Q. Is the lay rostered minister self-employed or an employee of the congregation?

- A. Rostered Ministers of Word and Service are considered employees by the IRS for purposes of Social Security and income taxes and require standard withholdings from their salaries. A standard W-2 is issued. Congregations are encouraged to consider costs of local housing in determining compensation for all staff members. Moreover, housing allowances or parsonages are typically not available for Rostered Ministers of Word and Service, and so the guidelines are based on the need for these people to provide their own housing.

Q. Why should congregations establish “accountable reimbursement plans”?

A. Since the rostered minister is considered an employee for income tax purposes, any “allowances” are considered as income and will be subject to income tax. His or her business expenses, mileage, books are considered business expenses and deductible as miscellaneous itemized deductions, deductible only to the extent that they exceed 2% of adjusted gross income. An **accountable reimbursement plan** as described on the Expense Worksheet and in Appendices D & E provides the rostered leader with 100% reimbursement for professional expenses such as business expenses, mileage and books.

Q. What about Maternity/Parenting Leave?

A. A specific **Parental Leave Plan** should be carefully drawn up in open consultation with your pastor/deacon. Parental leave is directed towards the birth or adoption of a child.

1. Parental Leave: eight (8) weeks full salary, housing, benefits for both Childbearing and Adoption Parental Leave, including eight (8) Sundays for both primary and secondary caregivers.

Factors for consideration:

- a) Eight (8) weeks is needed for physical healing, bonding time, working out feeding schedule, and recognition that day care centers do not accept newborns.
 - b) Primary and Secondary Caregivers Language – If a distinction is going to be made for different parents, please use these terms. The language is preferable to mother/father or maternity/paternity because primary and secondary do not reflect sex or gender.
2. Childcare Leave: A specific childcare leave should also be carefully drawn up in open consultation with the Synod, your pastor/deacon. Childcare Leave is to be used within the first year of a child’s birth. Childcare Leave can be used to ease a parent back into full time hours.

Example:

Pastor A is in a fulltime call and is returning from parental leave. She has 4 weeks of childcare leave. For the first two weeks of work, she works quarter time, using 1.5 weeks of her childcare leave. For her second two weeks of work, she works half time, using another week of her childcare leave. She then returns full time. She has 1.5 weeks of childcare leave left to use up until her child’s first birthday.

Pastor B's child is 6 months old. He has two weeks of child care leave, which he uses to take one extra day off each week for 10 weeks.

Factors for consideration:

- a. Sundays may or may not be included.
- b. Age of adopted child and/or needs of a child may affect length of time (more or less) offered.
- c. Depending on geographic location, paid childcare may not be available until babies are 12 weeks old.
- d. Discussion of bringing baby to work for set number of hours during the week or increased hours of working from home.

3. If both parents are rostered ministers, (either in the same congregation/agency/Synod or separate ones), both should be given the recommended leave.

Q. What about Family Leave?

- A. A specific **Family Leave Plan** should also be carefully drawn up in open consultation with your pastor/deacon. **Family Leave** is directed towards illness or other special needs for family members, not limited to children. Such leave should include up to two (2) weeks full salary and benefits. Any other specific conditions should be clearly defined in writing.

Q. Who do we contact if we need further information?

- A. Pensions Information at Portico Web Site: www.porticobenefits.org (Site includes a Pension Calculation program, updated annually). Portico's telephone is: 800.352.2876.
- B. Cost of living variances for your county are available at the Bureau of Labor Statistics website: www.bls.gov.

COMPENSATION WORKSHEET

CASH COMPENSATION

A. MINIMUM CASH COMPENSATION	\$
B. COMPENSATION ADJUSTMENTS:	
Merit Increase	\$
Skills Increase	\$
Other Adjustments	\$
Total Adjustments	\$
C. TOTAL CASH COMPENSATION (A + B)	\$

BENEFITS

D. PENSION (see www.porticobenefits.org for details)	\$
E. HEALTH CARE (see www.porticobenefits.org)	\$
F. VACATION _____ Days/Weeks	
G. SICK LEAVE _____ Days/Weeks	
H. CONTINUING EDUCATION _____ Days/Weeks	

An example is found in Appendix D

EXPENSES

\$

See Expense Worksheet on page 7

INSTRUCTIONS

Line A – See Appendix A for Chart of Minimum Cash Compensation based on years of service and degree/equivalent experience.

Line B – Adjustments to Compensation. Appropriate adjustment factors include congregational size and complexity, the cost of living in the area, and continuing education.

Line D – Pensions. Regarding pensions, we strongly recommend 12% of “Defined Compensation.” (The required rate for pension is determined by the ELCA.) **Please see the materials from Portico [Board of Pensions] to determine how to calculate the benefits amount.** Their website at www.porticobenefits.org contains a 2019 Pension calculator for your use. See Appendix F in this workbook for additional information.

Line E – Health Care. For health care, the percentage will vary according to needed coverage. The actual figures for 2019 will arrive from Portico in August. Be aware that the Portico calculates the base on which health and pension benefits are based on their own definition of “Defined Compensation.” **Please carefully read the Portico materials to determine the correct figure to use.** Also visit their website at www.porticobenefits.org for their 2019 Health Care Costs Calculator.

Line F – Vacation. We recommend four weeks of vacation which includes four Sundays to ensure that the rostered minister has ample time away to maintain personal and family health.

Line G – Sick Leave. Sick leave of up to two months with full salary, housing, and benefits should be provided for the rostered person. The Portico Disability Plan provides for 2/3 of defined compensation to be paid beginning in the third month. Each application for disability must be approved by Portico and should be made prior to the end of employment.

Line H – Continuing Education. ELCA guidelines suggest two weeks (including two Sundays) of continuing education for those in full-time calls.

EXPENSE WORKSHEET

Professional expenses can be reimbursed in a number of ways. The most desirable is a fully **accountable reimbursement plan** under which the rostered minister submits expenses to the treasurer and is reimbursed. Under this arrangement the rostered minister does not include the reimbursement as income nor does he or she have to be concerned that the expenses might not be deductible. See Appendix D and Appendix E for details and examples.

A. AUTOMOBILE	\$
B. CONTINUING EDUCATION	\$
C. BOOKS & PERIODICALS	\$
D. OTHER PROFESSIONAL EXPENSES	\$
E. SYNOD EVENTS	\$

- A. Automobile Expenses.** If an automobile is not purchased or leased by the church for the use of the rostered minister, reimbursement should be made at the prevailing IRS allowable rate.
- B. Continuing Education.** To facilitate the updating of skills, and thereby the strengthening of ministry, the congregation should provide at least two weeks each year, including two Sundays, (in addition to vacation time) **and** \$700 annually, both of which may accrue up to three years.
- C. Books & Periodicals.** We encourage at least \$300 annually to keep abreast of developments in the many facets of parish ministry.
- D. Other Professional Expenses.** See Appendix D & E for examples.
- E. Synod Events.**
 - 1. Attendance at the **SYOND ASSEMBLY** is required. Therefore, all expenses (travel, lodging, and registration) should be paid. We also encourage the congregation to pay the expenses of the spouse if he/she desires to attend.
 - 2. **FIRST CALL THEOLOGICAL EDUCATION** is required. Documents outlining this program are available through the Synod Office.
 - 3. We strongly encourage attendance at the **GATHERING OF THE MINISTERIUM**. This gathering is a time away with the bishop and other rostered ministers for worship, spiritual sharing, conversation, and to learn from gifted presenters.
 - 4. For rostered ministers age 45-50, we also recommend participation in the **PRE-RETIREMENT SEMINAR**, held in this synod or a neighboring synod in cooperation with the Board of Pensions. See the Portico website for dates and locations [www.porticobenefits.org].

Appendix A

Deacon Minimum Salary Guidelines for 2019

Years of Experience	2018 Salary with Bachelor's Degree or similar work experience	2019 Salary with Bachelor's Degree or similar work experience	Years of Experience	2018 Salary with Master's Degree or similar work experience	2019 Salary with Master's Degree or similar work experience
Year 1	40,151	40,553	Year 1	42,906	43,335
Year 2	40,854	41,262	Year 2	43,657	44,093
Year 3	41,569	41,984	Year 3	44,421	44,865
Year 4	42,296	42,719	Year 4	45,198	45,650
Year 5	43,036	43,467	Year 5	45,989	46,449
Year 6	43,789	44,227	Year 6	46,794	47,262
Year 7	44,556	45,001	Year 7	47,613	48,089
Year 8	45,335	45,789	Year 8	48,446	48,931
Year 9	46,129	46,590	Year 9	49,294	49,787
Year 10	46,936	47,405	Year 10	50,157	50,658
Year 11	47,757	48,235	Year 11	51,034	51,545
Year 12	48,593	49,079	Year 12	51,927	52,447
Year 13	49,444	49,938	Year 13	52,836	53,364
Year 14	50,309	50,812	Year 14	53,761	54,298
Year 15	51,189	51,701	Year 15	54,702	55,249
Year 16	52,085	52,606	Year 16	55,659	56,215
Year 17	52,996	53,526	Year 17	56,633	57,199
Year 18	53,924	54,463	Year 18	57,624	58,200
Year 19	54,868	55,416	Year 19	58,632	59,219
Year 20	55,828	56,386	Year 20	59,658	60,255
Year 21	56,805	57,373	Year 21	60,702	61,309
Year 22	57,799	58,377	Year 22	61,765	62,382
Year 23	58,810	59,398	Year 23	62,846	63,474
Year 24	59,840	60,438	Year 24	63,945	64,585
Year 25	60,887	61,496	Year 25	65,064	65,715
Year 26	61,952	62,572	Year 26	66,203	66,865
Year 27	63,036	63,667	Year 27	67,362	68,035
Year 28	64,140	64,781	Year 28	68,541	69,226
Year 29	65,262	65,915	Year 29	69,740	70,437
Year 30	66,404	67,068	Year 30	70,960	71,670
Year 31	67,566	68,242	Year 31	72,202	72,924
Year 32	68,749	69,436	Year 32	73,466	74,200
Year 33	69,952	70,651	Year 33	74,751	75,499
Year 34	71,176	71,888	Year 34	76,060	76,820
Year 35	72,421	73,146	Year 35	77,391	78,165
Year 36	73,689	74,426	Year 36	78,745	79,532

Year 37	74,978	75,728	Year 37	80,123	80,924
Year 38	76,290	77,053	Year 38	81,525	82,340
Year 39	77,625	78,402	Year 39	82,952	83,781
Year 40	78,984	79,774	Year 40	84,403	85,248

Appendix B

Sabbatical/Extended Study Leave

It is important for rostered ministers as well as congregations and agencies to realize the value of continuing education through workshops, seminary courses, and personal study. ELCA congregations have long been encouraged to provide time and financial assistance to enable rostered ministers to maintain and improve their skills. From time to time, however, these professionals may desire an extended period of time for study, personal growth, and reflection without the responsibilities of regular service — thus a sabbatical leave. These guidelines are provided to assist rostered ministers and congregations, synods, and agencies in the contemplation and negotiation of such sabbatical leaves.

1. Sabbatical leaves are intended for in-depth study of one or two topics directly related to the call of the rostered minister and should include time for personal and familial reflection.
2. The initial development will utilize the annual continuing education covenant between rostered ministers and congregation, synod or agency.
3. The bishop will need to be consulted early in the process to ensure adequate interim ministry during the sabbatical leave.
4. Sabbatical leaves are normally for a period of three to six months.
5. Those who may present proposals are rostered ministers who have a minimum of seven years in the ministry and who have served in their current call for five or more years. A proposal shall include:
 - a. A rationale for the sabbatical, including personal goals, and potential value for the church, congregation or agency.
 - b. A detailed outline of the intended course of study and use of time.
 - c. An outline of financial implications for the sabbatical, including pastoral coverage in their absence.
6. Proposals for sabbatical leaves shall be presented to the governing body of the congregation or agency not less than six months prior to the beginning of the leave.
7. Careful consideration shall be given to all aspects of the proposal and implications for the congregation or agency and the rostered minister.
8. Congregations or agencies may give sabbatical leaves as merit benefits.

9. Normally the financial considerations for the sabbatical shall be negotiated by the rostered minister and the congregation/agency. It is suggested, however, that the base salary, pension/health, and vacation be maintained at the current level, with the rostered minister assuming responsibility for all other personal and family expenses.
10. Sabbatical grants are available from the Lilly Endowment. You may access this information at www.lillyendowment.org/religion.
11. When a sabbatical leave is granted, a rostered minister shall normally agree to serve that congregation or agency for a minimum of one year following the completion of the leave.
12. Within six weeks of the completion of the sabbatical leave, the rostered minister shall present to the congregation/agency and the bishop a detailed reflection on the experiences of their leave.
13. Congregations and/or rostered ministers who want assistance in developing sabbatical plans should contact the synod staff.

Appendix C

Counseling for Rostered Ministers and Their Families

The Virginia Synod contracts with VIP Care to provide a limited amount of counseling for rostered ministers and their families. Those interested in using this service are invited to contact VIP Care directly at 1.804.282.8332. VIP Care direct bills the Virginia Synod while maintaining the client's anonymity.

Video Conferencing Counseling is now available through Employee Assistance Program (EAP). Beacon Health, our EAP provider, is now offering EAP video counseling to all our ELCA Primary health plan members. These licensed counselors are specially trained in offering video counseling. Remember, you and covered family members may qualify for up to six in-person EAP counseling sessions per issue per year, at no cost for you.

Appendix D

Reimbursement Policy Example

REIMBURSEMENT
POLICY

In accordance with Treasury Regulations 1.162-17 and 1.274-5(e), _____ (name) _____ Lutheran Church hereby establishes reimbursement accounts and a reimbursement policy for the rostered minister(s) and staff members with the following terms and conditions:

1. A reimbursement account will be established with each rostered minister and staff member consisting of an amount designated by the congregation for the reimbursement of ministry expenses and any additional amount which the rostered minister or staff member wishes to add as a reduction of salary.**
2. The church will reimburse only ministry-related expenses incurred by a rostered minister or staff member. Such expenses will include:
 - § Business use of automobile, up to the current IRS standard mileage rate. It is understood that one daily round trip's commuting miles between the rostered minister's or staff member's home and the church will not be reimbursed.
 - § Business travel away from home; transportation, lodging, and meals.
 - § Convention and conference registration expenses.
 - § Educational expenses, if otherwise qualified as a business expense or itemized deduction.
 - § Books, journals, magazines, tapes, computer software, internet access costs, and daytimer supplies if related to ministry or employment.
 - § Membership in Professional Organizations.
 - § Purchase and maintenance of clerical garments.
 - § Children's sermon resources.
 - § Entertainment/hospitality expenses, if business/ministry connection is met.
3. The rostered minister or staff member will account for each allowable expense in writing monthly. Documentation will include the amount, time and place, business/ministry purpose and relationship of each expense. A receipt will accompany the documentation.
4. The rostered minister or staff member will return advances or reimbursements that exceed actual business/ministry expenses.

5. Under this accountable arrangement, the church will not report amounts reimbursed as taxable income on the rostered minister's or staff member's Form W-2. Neither will the rostered minister nor staff member report reimbursed amounts as income on Form 1040 for personal income tax purposes.
- ** Under a salary reduction plan, if the designated amount by which the salary is reduced is not used, that amount must be forfeited. It is strongly suggested that before adopting any plan your legal/tax advisor be consulted to be certain that your plan complies with the most recent regulations.

Appendix E

Reimbursement Authorization Example

Date _____

No. _____

_____ **LUTHERAN CHURCH**

Payment Authorization Form

Budget Account No. _____

Requested By: _____ Title _____

Approved By: _____ Title _____

ITEMS	COST
Auto - Mileage (_____ miles)	\$
Parking Fees/Tolls	\$
Books/Publications/Software	\$
Continuing Education Costs	\$
Maintenance of Professional Garments	\$
Professional Gifts/Cards/Postage	\$
Meals/Entertainment – Church Business	\$
Meals/Entertainment of Out-of-Town Speakers	\$
Children Sermons	\$
Cell Phone	\$
Library Fees/Copying Fees	\$
Hospitality/Social Ministry/Assistance - Needy	\$
TOTAL	\$

Date Bill Paid _____ Check No. _____ Amount _____

Appendix F

Defined Compensation for the ELCA - Portico Benefit Services

For 2017 Pension calculations and Medical calculations, visit the Portico website at www.porticobenefits.org to access their calculation programs.

Q. What is defined compensation?

A. Whether you are an ELCA rostered minister or lay employee, annual defined compensation includes your base salary, before any pretax benefit contributions are deducted.

Defined compensation exclusions

Annual defined compensation does not include

- § the cost of utilities paid to the utility company by your congregation or organization
- § employer contributions including those made to the ELCA Retirement Plan or another eligible retirement plan
- § non-taxable reimbursements or expense allowances (such as auto and mileage, continuing education, book or professional expenses)

Pretax benefit contributions include member pretax contributions to the ELCA Retirement Plan or another eligible retirement plan. They also include pretax contributions to qualified reimbursement accounts for medical, child care or transportation expenses.

SEE Portico materials for worksheets which are usually received by congregations in August, or visit their website at www.porticobenefits.org for the latest information.