

MONTANA SYNOD-ELCA

SALARY GUIDELINES and RECOMMENDATIONS

FOR THE YEAR 2010

INTRODUCTION

The following guidelines were developed by the Administration Committee of the Montana Synod Council and adopted unanimously by the Council at its September, 2009 meeting.

The Administration Committee is composed of lay and clergy members of the Synod Council. These leaders encourage all congregations within the synod to prayerfully consider the support they provide their clergy, Diaconal Ministers and AIMs and to use the guidelines as minimum standards of support.

BASE SALARY

The following figures represent the recommended base salary and do not include housing, pension, medical, social security consideration or other ministry expenses:

ROSTERED CLERGY

YEAR OF ORDINATION	YEARS FROM ORDINATION To1/1/10	BASE SALARY	YEAR OF ORDINATION	YEARS FROM ORDINATION To1/1/10	BASE SALARY
2010	0	29883	2000	10	34646
2009	1	30331	1999	11	35131
2008	2	30786	1998	12	35623
2007	3	31248	1997	13	36122
2006	4	31717	1996	14	36628
2005	5	32192	1995	15	37140
2004	6	32675	1994	16	37660
2003	7	33165	1993	17	38188
2002	8	33663	1992	18	38722
2001	9	34168	1991	19	39264
1990	20	39735	1980	30	44637
1989	21	40212	1979	31	45039
1988	22	40695	1978	32	45444
1987	23	41183	1977	33	45853
1986	24	41677	1976	34	46266
1985	25	42178	1975	35	46682
1984	26	42684	1974	36	47102
1983	27	43196	1973	37	47526
1982	28	43714	1972	38	47954
1981	29	44239	1971	39	48385

factors 0-9 =1.015
 10-19=1.014
 20-29=1.012
 30-39=1.009

As minimum guidelines, congregations are advised that the base salary figures shown above do not include any consideration of (a) factors determining merit increase, (b) the economy of the congregation, (c) unusual cost of living expenses, (d) area or size of congregation and (e) other special circumstances or

conditions which are considered in establishing a base salary.

SOCIAL SECURITY

Secular employers pay half of the Social Security taxes imposed upon an employee’s earnings. Because pastors are treated as self-employed (not as employees) for Social Security purposes, their Social Security tax is 15.3%. In order to offset this added tax burden required of pastors, the Montana Synod strongly recommends and encourages all congregations to pay one half of the Social Security tax just as other employers do.

This tax is levied on the Social Security tax base which includes the following:

- Cash salary**
- Housing allowance or actual expense**
- Furnishings allowance**
- Utilities allowance (paid to or on behalf of the pastor)**
- *Social Security Offset**
- Other taxable income**

***FORMULA FOR CALCULATING SOCIAL SECURITY OFFSET**

- | | | |
|-----------|--|-------|
| 1. | Cash Salary | _____ |
| 2. | Housing Allowance, or if parsonage,
30% of Cash Salary or fair market | _____ |
| 3. | Other Cash Compensation
(utilities allowance, furnishings
allowances, book allowance, etc.) | _____ |
| | Sub Total | _____ |

Sub total _____ **x .0765 x .9235** =** _____
(Social Security Offset)

**The Social Security allowance is includable as income for Social Security purposes but the SECA tax is calculated on only 92.35 percent of includable compensation.

OTHER PROVISIONS

HOUSING

It is requested that pastors be provided with an adequate parsonage or housing allowance. The housing allowance should defray a significant portion, if not all, of the costs of purchasing and maintaining an adequate three bedroom home.

UTILITIES

If a parsonage is provided, congregations provide for the payment of utilities either through direct payment or adequate allowance.

VACATIONS

The parish will provide a total of four weeks of annual paid vacation which will include four Sundays. This leave is non-cumulative.

PENSION/MEDICAL

The congregation enrolls the pastor in the ELCA Pension Plan, including provisions for major medical and dental coverage with family coverage as needed.

HOUSING EQUITY

If a parsonage is provided, it is recommended that the congregation contribute an amount equal to **\$1,657** per year to a housing equity account maintained in the name of the pastor and invested either in the ELCA Retirement Plan or other appropriate investment which will be available for the use of the pastor when purchase of a home becomes necessary. This benefit assists pastors in gaining equity for future housing needs. Without this benefit, pastors who live in a parsonage may be unable to accumulate equity in a home and at retirement would have limited funds to provide for their housing needs. (The housing equity figure is 3% of the June, 2009 average ELCA clergy salary upon which regular pension contributions are calculated.)

MINISTRY EXPENSES

The following items do not constitute compensation and should be listed as ministry expenses in the congregation's budget.

CAR ALLOWANCE

The congregation is expected to provide the pastor with reimbursement for automobile expenses for carrying out the pastor's ministry. See following important note:

Professional expenses incurred, including automobile expenses, are reported on income tax returns in a different fashion. Those expenses can be deducted only by those who itemize their deductions and are subject to a 2% floor on miscellaneous deductions unless the congregation reimburses the pastor under an **ACCOUNTABLE PLAN (AP)** With an AP, the congregation requires a pastor to keep written record of mileage expenses and requires the return of any unspent or unsubstantiated allowance. The pastor may receive up to **55** cents per mile from the congregation (or current IRS rates). Amounts paid to the pastor under an AP are totally excludable from the pastor's income. They are not to appear on the Form W-2 as compensation. Consequently, the pastor pays no tax on them and does not deduct them on the tax return.

If the pastor doesn't have an AP with the congregation, all employee business expenses whether reimbursed or not are reported on Form 2106. These expenses are miscellaneous itemized deductions and are deductible to the extent they exceed 2% of adjusted gross income. Consultation with an accountant or tax preparer is recommended for a more complete explanation.

CONTINUING EDUCATION

The congregation provides funds in the amount of \$700, and two weeks each year, for continuing education. Each pastor is encouraged to contribute \$300 in addition to the \$700 provided by the congregation.

PAYMENT TO SUPPLY PASTORS

The congregation should establish reasonable reimbursement rates for the conducting of worship services and travel when the pastor is unavailable due to vacation, illness, attendance at a church event, military duty, sabbatical, or the like. The recommended rate for one worship service is \$100 and \$50 for each additional service on the same day and at the same location. Travel should be reimbursed at \$.55 per mile (or the current IRS rate).

MONTANA SYNOD – ELCA
2010 SALARY GUIDELINES FOR ASSOCIATES IN MINISTRY

As approved by the Synod Council, September, 2009

The following figures, while keyed to the 2010 guidelines for ordained pastors, take into consideration the relative difference in training and preparations for ministries between Associates in Ministry and ordained clergy. Unlike the guidelines for pastors, where a base salary figure is proposed and either the free use of a parsonage or a non-taxable cash housing allowance is to be added, the suggested cash salary for Associates in Ministry is inclusive of housing. In cases where a congregation does provide housing, the cash salary can be divided by 1.3 to give an equivalent base salary exclusive of housing. AIMS, however, are responsible for income tax on the combined base and housing figures.

In addition to base salary, it is assumed that congregations will provide for participation by the Associate in Ministry in the ELCA Pension, Medical and Other Benefits program, and for car allowance, and continuing education benefits as per the guidelines for ordained pastors. For details on car allowance and on other benefits please consult the 2010 Montana Synod Salary Guidelines for pastors. Social Security and Workers' Compensation for AIMS, however, are to be handled as they would be for other lay employees of the congregation.

ASSOCIATES IN MINISTRY

Commissioned In Year	Years From Commissioning <u>To1/1/10</u>	Salary
2010	0	27199
2009	1	27869
2008	2	28337
2007	3	28924
2006	4	29520
2005	5	30124
2004	6	30757
2003	7	31394
2002	8	32046
2001	9	32706
2000	10	33384
1999	11	34074

MONTANA SYNOD – ELCA
2010 SALARY GUIDELINES FOR DIACONAL MINISTERS

As approved by the Synod Council, September, 2009

The following figures, while keyed to the 2010 guidelines for ordained pastors and associates in ministry, take into consideration the relative difference in training and preparations for ministries between Associates in Ministry and ordained clergy. Unlike the guidelines for pastors, where a base salary figure is proposed and either the free use of a parsonage or a non-taxable cash housing allowance is to be added, the suggested cash salary for Diaconal Ministers is inclusive of housing. In cases where a congregation does provide housing, the cash salary can be divided by 1.3 to give an equivalent base salary exclusive of housing. Diaconal Ministers, however, are responsible for income tax on the combined base and housing figures.

In addition to base salary, it is assumed that congregations will provide for participation by the Diaconal Minister in the ELCA Pension, Medical and Other Benefits program, and for car allowance, and continuing education benefits as per the guidelines for ordained pastors. For details on car allowance and on other benefits please consult the 2010 Montana Synod Salary Guidelines for pastors. Social Security and Workers' Compensation for Diaconal Ministers, however, are to be handled as they would be for other lay employees of the congregation.

DIACONAL MINISTERS

Commissioned In Year	Commissioning To1/1/10	Salary
2010	0	28541
2009	1	29100
2008	2	29562
2007	3	30086
2006	4	30618
2005	5	31158
2004	6	31716
2003	7	32280
2002	8	32854
2001	9	33437
2000	10	34015
1999	11	34603