

Congregational Guidelines for the Care of Professional Church Workers

Pacific Southwest District
The Lutheran Church—Missouri Synod

2008

As the Pacific Southwest District,

our mission is to effectively resource congregations and schools to fulfill the Great Commission.

Dear Brothers& Sisters in Christ:

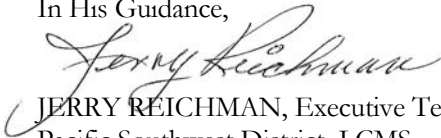
For the 2008 *Congregational Guidelines for the Care of Professional Church Workers* (aka Salary Guidelines), the base salary adjustment was based on the government's Cost Of Living Adjustment released in October 2007. The COLA released then recommended a 2.3% increase over 2006 as a national average.

The Pacific Southwest District is recommending a 2.5% increase, but remember these are recommendations based on a national average. Your church board should also take into consideration the local community COLA, which most often can be obtained on the web site for your city. Also, the individual's performance review and their contribution to the mission of the church should be a consideration and factor (either positive or negative) into the base salary numbers in this guideline.

The following charts (outlining base salaries) have been adjusted to include the 2.5% recommended by the District. It was reported in 2006 that the matrix would be reviewed and job classifications added. I regret I did not get that done last year, but that will be a major goal to have the new guideline format completed by October 2008 upon the release of the yearly government COLA.

We will need input from your church in the form of a salary poll to get a good range of compensation across the District. Please cooperate when you receive our survey later this year. If you have any questions or need additional information, please don't hesitate to contact me.

In His Guidance,



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THE CONGREGATION CARE COMMITTEE

When workers accept a call or appointment to service, they make a commitment to faithful and full service to the best of their ability, with the help of God. Congregations, too, must commit themselves to provide for the workers' needs. One way to assure that these needs are being met is to establish a Congregation Care Committee.

The care committee should be concerned with the workers' needs beyond basic compensation considerations. The care committee may want to work with the compensation or personnel committee to be certain the total compensation package considers fringe benefits which would enhance the workers' feeling of security and belonging.

In general, the care committee will plan for the overall well-being of each staff member. Listed below are some examples the committee should to consider:

- Provide help with moving expenses.
- Provide assistance in finding suitable housing.
- Provide appropriate work space and furniture.
- Provide materials and equipment needed for productive service.
- Provide opportunities for a new worker to meet members, i.e. coffee, open house, dinner, etc.
- Plan periodic recognition for service or achievement.
- Express appreciation with gifts, mementos, tickets, etc.
- Recognize special occasions, i.e. birthdays, anniversaries, graduations, etc.

COMPENSATION AND BENEFITS

Establishing the Salary Base

A ten-month salary base was established for the states of California, Arizona, and Nevada by the Pacific Southwest District and by computing an average salary from the most recent year information available. In order to convert ten-month salary to hourly wage divide by 1,733 (the number of hours an employee works within a ten-month period).

For all pastors, intentional interim pastors, principals, and DCEs, this base can be applied to the experience and education table on Page 4 to compute the salary guideline. The base salaries are for zero years of experience and no multiples for size of congregation or school. The congregation size and the school size would have to be factored in for the principal, pastor, etc. as shown on Page 3. For school personnel, it may be necessary to adjust the suggested base upward to reflect your local school district salary base and local cost of living index. Due to the tremendous population growth in the areas of Southern Nevada (Las Vegas) and the large cities in Arizona (Phoenix, Tucson, Yuma), the average public school salary in those counties also rose, thereby creating the need for the district to more accurately reflect this change in Arizona and Nevada. **Please refer to your *Treasurer's Manual* for housing allowance guidelines.**

REGION			
	California	Arizona	Nevada
10 Month Director, Teacher, etc.	\$38,304	\$33,269	\$34,201
12 Month Pastor, Principal, DCE, Director, etc	\$45,965	\$39,924	\$39,688

ADMINISTRATIVE MULTIPLIERS

To use the administrative multipliers, add the appropriate multiplier(s) to the multiplier in the experience and education table on Page 4 then multiply the applicable base salary by the result. For example:

Given a Senior Pastor in Arizona with a PhD and 10 years professional experience who is serving a congregation with average worship attendance of 225, add .15 from the Pastor Table to 1.600 from the Experience and Education Table and multiply the 12 Month base salary of \$39,924 by 1.750 (sum of multipliers) for a salary of \$69,867.

$$[Sum\ of\ Multipliers] * [Base\ Salary] = [Recommended\ Salary]$$

SOLE PASTOR, SENIOR PASTOR TABLE	
Worship Attendance	Multiplier
200–500	.15
500 +	.30

DCE TABLE	
Worship Attendance	Multiplier
200–500	.15
500 +	.30

PRINCIPAL TABLE	
Student Enrollment	Multiplier
0–125	.15
125–200	.25
200–275	.35
275–350	.45
350–425	.55
425+	.65

PROFESSIONAL EXPERIENCE & EDUCATION TABLE

Years Experience	12 ECE Units	24 ECE or CDA	AA ECE	Bachelors Degree	Bachelors Degree + 15 Hrs	Bachelors Degree + 30 Hrs	Masters Degree	(Pastor) Masters Degree + 15 Hrs	Masters Degree + 30 Hrs	PhD
0	0.490	0.590	0.750	1.000	1.100	1.170	1.200	1.300	1.400	1.500
1	0.505	0.605	0.765	1.015	1.115	1.185	1.215	1.310	1.410	1.510
2	0.520	0.620	0.780	1.030	1.130	1.200	1.230	1.320	1.420	1.520
3	0.535	0.635	0.795	1.045	1.145	1.215	1.245	1.330	1.430	1.530
4	0.550	0.650	0.810	1.060	1.160	1.230	1.260	1.340	1.440	1.540
5	0.565	0.665	0.825	1.075	1.175	1.245	1.275	1.350	1.450	1.550
6		0.680	0.840	1.090	1.190	1.260	1.290	1.360	1.460	1.560
7		0.695	0.855	1.105	1.205	1.275	1.305	1.370	1.470	1.570
8		0.710	0.870	1.120	1.220	1.290	1.320	1.380	1.480	1.580
9		0.725	0.885	1.135	1.235	1.305	1.335	1.390	1.490	1.590
10		0.740	0.900	1.150	1.250	1.320	1.350	1.400	1.500	1.600
11			0.915	1.160	1.260	1.330	1.360	1.410	1.510	1.610
12			0.930	1.170	1.270	1.340	1.370	1.420	1.520	1.620
13			0.945	1.180	1.280	1.350	1.380	1.430	1.530	1.630
14			0.960	1.190	1.290	1.360	1.390	1.440	1.540	1.640
15			0.975	1.200	1.300	1.370	1.400	1.450	1.550	1.650
16			0.990	1.210	1.310	1.380	1.410	1.460	1.560	1.660
17			1.005	1.220	1.320	1.390	1.420	1.470	1.570	1.670
18			1.020	1.230	1.330	1.400	1.430	1.480	1.580	1.680
19			1.035	1.240	1.340	1.410	1.440	1.490	1.590	1.690
20			1.050	1.250	1.350	1.420	1.450	1.500	1.600	1.700
21				1.260	1.360	1.430	1.460	1.510	1.610	1.710
22				1.270	1.370	1.440	1.470	1.520	1.620	1.720
23				1.280	1.380	1.450	1.480	1.530	1.630	1.730
24				1.290	1.390	1.460	1.490	1.540	1.640	1.740
25				1.300	1.400	1.470	1.500	1.550	1.650	1.750
26				1.310	1.410	1.480	1.510	1.560	1.660	1.760
27				1.320	1.420	1.490	1.520	1.570	1.670	1.770
28				1.330	1.430	1.500	1.530	1.580	1.680	1.780
29				1.340	1.440	1.510	1.540	1.590	1.690	1.790
30				1.350	1.450	1.520	1.550	1.600	1.700	1.800
31				1.360	1.460	1.530	1.560	1.610	1.710	1.810
32				1.370	1.470	1.540	1.570	1.620	1.720	1.820
33				1.380	1.480	1.550	1.580	1.630	1.730	1.830
34				1.390	1.490	1.560	1.590	1.640	1.740	1.840
35				1.400	1.500	1.570	1.600	1.650	1.750	1.850

RETIREMENT & HEALTH PLANS

**** The tables do not include the cost of retirement or health plans. ****

Congregations are encouraged to pay 100% of the costs for comprehensive health, retirement, disability, and survivor insurance plans. The policy SHOULD be applied consistently to all workers. *Congregations could jeopardize their legal and tax-exempt status by providing unequal coverage of the benefits to all workers.*

EMPLOYEE/WORKER BENEFIT PLANS

In order to protect tax benefits, according to the Internal Revenue Service, for church workers, each individual working more than twenty (20) hours per week should be covered by comprehensive employee/worker benefit plans. Such coverage should include pension, disability and survivor benefits, and, where desired by the employee, health insurance. In any case there should be no discrimination between different workers and the same coverage and payment for premiums should be provided for all full-time workers. For further details contact the District office (888) 773-5267 or, where synodical coverage is desired, the Concordia Plan Services office in St. Louis (888) 927-7536.

SOCIAL SECURITY

While considered employees (under current IRS guidelines) for income tax purposes all rostered individuals (pastors, commissioned ministers, directors of Christian education, and deaconesses) who are members of the Synod are not employees for Social Security and self-employment tax purposes, but are considered as “self-employed.” Therefore, unlike other congregational “employees,” the congregation does not pay half of the FICA tax. The professional church worker is obligated to pay the entire tax. Because of this difference, many congregations have given their workers the amount the congregation would have had to pay to the U.S. Government in FICA tax if the worker had not been classified as self-employed. This is taxable income for the worker, but it is a way of helping the worker offset the high FICA he/she is required to pay. Whatever the congregation’s policy is regarding FICA off set, it must be applied consistently to all workers.

Caution: Your Congregational Treasurer’s Manual will help in making a decision on this matter. The manuals of the Concordia Plans will also provide helpful information on the question of self-employment tax and the offset program for older workers.

CONTINUING EDUCATION

In order to fully understand the changing needs of the congregation and community, professional church workers should be encouraged to participate in a carefully designed and approved program of continuing education. Since the congregation will be the primary beneficiary of such a program, a set amount should be included in the congregation's budget to support this program.

A spiritually sound, well-trained (teaching) staff supports ministry. Professional growth should be valued as a necessary ministry tool. In order to maintain consistency of Lutheran thought and teaching non-Lutheran or non-synodically trained educators (and caregivers) should be encouraged and financially assisted in enrolling in the Early Childhood Certificate of Christian Teaching or colloquy programs. (both are available at CUI) Certifications and additional coursework in the field of education should be celebrated. A congregation should make funds available for continuing education and completion should be reflected in salaries.

Conventions, retreats, conferences, or workshops directly related to the worker's effectiveness in the ministry, or mandated by membership in Synod, are part of the business of the congregation and should not be treated either as part of the worker's vacation or done at his expense. Church workers should be encouraged to attend conferences and conventions regularly with all expenses (travel, meals, lodging, registration, etc.) paid by the congregation.. Synodical rules require rostered called workers to attend all district conventions.

ESTABLISHMENT OF PREPARATION TIME FOR EDUCATORS

In order to encourage commitment to faithful and full service to our Lord and Savior, and for the health and well-being of professional church workers, it is recommended that congregations assure the worker that an adequate amount of time will be made available for the purpose of completing the required preparations and record keeping to provide for the success of all students. To this end, each full-time educator will be allowed an average of 2.5 to 5 hours per week for preparation periods during the school day. These preparation periods will be in addition to a 45 minute student free lunch break.

The rationale for establishing these guidelines include the following:

- Provide time for professional growth (e.g. reading journals, books, etc.) Plan lessons
- Opportunity to meet with the principal individually
- Initiate and return phone calls
- Make final preparations for special lessons/activities
- Organize field trips
- Conference with parents, students, or fellow staff members
- Correct papers/Record keeping
- Work on additional responsibilities such as yearbook, NLSW activities, sports, etc.
- Peer coaching and collaboration
- Time to be refreshed

The following suggestions are potential ways to implement this plan:

- At least one additional educator could be added to the staff to furnish specific training in a designated subject (e.g. art, physical education, computer, foreign language, music, etc.) Although this might result in a tuition increase, the students would benefit from the expertise these individuals would bring in broadening these specific areas of the curriculum.
- Paid staff or volunteers may be used to supervise lunch and recess periods. It is important to note that volunteers should be trained specifically and adequately for their position so they feel confident and comfortable in performing the task, and are able to maintain excellent supervision.
- Preparation time may be coordinated with the number of hours a teacher has a classroom aid. Those teachers without a classroom aid would receive more preparation time than those with an aid.

Caring for our professional church workers should be one of our highest priorities. Instituting a teacher preparation program will be as a morale booster for teachers, and will demonstrate care and concern for their high calling. This is vital to the growth and quality in our Lutheran Schools. Our teachers are precious, and caring for their well-being and professional growth is crucial.

NON-DISCRIMINATION

The following information is provided to ensure that salary provisions are morally fair, legal, and non-discriminatory. Synod has determined that all teachers who have graduated from one of its colleges and have received Lutheran teachers' diplomas or received the Lutheran teachers' diploma through colloquy should receive calls rather than contracts. Teachers without the Lutheran teachers' diploma are to be classified as lay teachers and may be contracted. Title IX of the Education Amendments of 1972 expressly stipulates that there shall be no sex discrimination in hiring practices. In effect, this means that salaries should be equal for men and women.

AUTOMOBILE EXPENSES

Automobile and other travel expenses are not included in the salary base. Such expenses are business expenses of the congregation for which the worker should be fully reimbursed. Each congregation should consider distances that workers are required to travel in carrying out their assigned responsibilities.

The Internal Revenue Service is increasingly demanding actual records to support automobile expenses claimed on tax returns. Some examples for handling this item are:

- Reimbursing for actual business miles traveled at a specified rate per mile. (Government and business rates are available and might be used as reference.)
- Estimating, for the year, a lump-sum figure which will be paid in 12 monthly installments. The actual expenses would still need to be defined to the congregation and the IRS by the workers.
- The congregation purchasing or leasing a car and assuming the total automobile expense.

Methods A & C above *do not* require reporting amounts paid to the individual to the Internal Revenue Service on the worker's W-2. Method B does require reporting such payment, and deductibility is subject to the limits established for *employment-related* unreimbursed expenditures (currently 2% of adjusted gross income). In an attempt to circumvent this interpretation some workers have attempted to continue to use Schedule C for such expenditures. These then become subject to the IRS interpretation of the *Deason Rule*, which limits expenses according to the ratio of compensation declared for housing. For these reasons, the district does not recommend Method B, and each individual should confirm with his own tax consultant for the specifics of his case.

Congregations with several staff members are encouraged to recognize that not only the pastor is required to travel to carry out his ministry, and to strive for equity and fairness to all staff members.

VACATION

Days of vacation for the worker are based on prior service. Vacation days are not cumulative, but taken within a given calendar year. Vacation days for twelve-month workers are any days away from assigned duties, including school Christmas and Easter breaks. Teacher vacations are scheduled with the approval of the principal. Congregations are advised to consider maximum vacation time for positions of great responsibility, such as senior pastor and principal, regardless of years of service.

SUGGESTED VACATION DAYS

POSITION	1–5 Years	6 – 10 Years	10 – 20 Years	20 + Years
Senior Pastor	3 – 4 weeks	4 weeks	4 weeks	Cong. Discretion
Principal	3 – 4 weeks	4 weeks	4 weeks	Cong. Discretion
Other 12–Month	2 – 3 weeks	3 weeks	4 weeks	Cong. Discretion
		10–Month	n / a	n / a