

2018 COMPENSATION GUIDELINES for CLERGY of the GREATER MILWAUKEE SYNOD - ELCA

Approved by the Greater Milwaukee Synod Council on September 21, 2017

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Introduction to Compensation Guidelines

This guidebook, work sheet and supporting documents are intended to be used by Clergy and congregations to assist in determining levels of compensation. They are offered as minimum guidelines. Congregations should decide on an annual basis the level of compensation for their leaders after a period of discussion, research and evaluation. The following materials are provided to assist the congregation and the pastor in that process.

For purposes of definition, “Clergy” are ordained ministers, who meet the definition of Word and Sacrament within the ELCA By-Laws. These guidelines are only for Clergy and are not intended for Deacons or Lay Professionals.

A separate compensation guideline is issued for Deacons and Lay Professionals. “Deacons” are Associates In Ministry (AIM), Deaconesses, and Diaconal Ministers who are on the Word and Service roster of the ELCA, which was created at the 2016 Church wide Assembly. These persons have a prescribed amount of education, supervised field experience, and/or other specified training. These individuals have also been examined and certified by a Candidacy Committee. “Lay Professionals” are church workers who are not rostered, but are engaged in full or part-time church service. They may or may not have a certain level of education or training that would relate to their area of ministry. Some of the areas that would be covered under these categories include Youth and Young Adult Ministry, Education, Music, Parish Administrator, Parish Nurse, Volunteer Coordination, Parish Visitation and Deaconess. No document will deal with secretaries, janitors, and organists. Secretarial and janitorial compensation is usually determined by the market within a given community. Salaries for church organists are often guided by professional organist's societies. The committee encourages consideration of comparable worth and pay equity in those categories.

The overall goal is to provide fair and adequate compensation and benefits to Clergy within our synod. When this happens, servant-leaders in the church will have their basic needs cared for so that they can focus their attention on the ministry to which they are called. On the other hand, inadequate compensation can have the effect of de-energizing Clergy which could undermine their efforts to serve.

The synod strongly encourages each congregation and institution to maintain an active Staff Support or Mutual Ministry Committee. One of the functions that this committee can exercise is to talk in an open and supportive way with the pastor regarding his/her compensation. In an atmosphere of trust and truthfulness, members of this committee can gather information from the pastor regarding his/her particular needs and make recommendations to the Finance

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Committee, Congregational Council, and congregation for fair and equitable compensation. Contact the synod office for further information regarding a Staff Support Committee.

We recognize that there are a variety of settings in which Clergy are serving throughout our territory. This document provides for some flexibility which can take into account those different ministry settings. The format of this document includes a work sheet that can be used each year when compensation is reviewed. The text goes into detailed explanations of most items on the work sheet, with references to Portico Benefit Services' website where more detail is available. Finally, there are attached sample forms that can be helpful when congregations need to enter specific information into official records (ie: annual housing allowance designation).

It is also important to note that the implementation of key provisions of the Affordable Care Act have meant significant adjustment in health care coverage, including in the plans offered by Portico.

Please contact the Greater Milwaukee Synod with any questions.

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Rationale

The 2018 Salary Guidelines for Rostered Leaders in the Greater Milwaukee Synod are provided by the synod to assist in establishing appropriate salary packages. These guidelines are developed with awareness of both urban and suburban circumstances in our synod and of the other synods of Region 5. These synods are striving for uniformity in guidelines, although the dollar amounts may vary. Appendix I outlines the results of our research about compensation in adjacent region 5 synods. Basic changes from 2017 to 2018 are as follows:

Comparison to other Synods - The Synod continues to adjust its base salary index to more closely reflect the salary indexes of the East Central Wisconsin Synod, South Central Synod of Wisconsin and the Metropolitan Chicago Synod.

Cost of Living Adjustment - For 2018, we are recommending a 1.0% cost of living adjustment (COLA) for rostered leaders. This is based on forecasts that US Consumer Price Index for 2018 will be roughly 1.4%. Another Region 5 synod uses the Cost of Living Adjustment (COLA) approved by the Social Security Administration. For the 2017, the COLA for the Social Security Administration was 0.3%.

Salary Adjustment for Added Experience (Step Increase) - However, in addition to cost of living considerations, each year the rostered leader has an additional year of experience. This added experience adds value to the shared ministry and needs to be considered in providing fair compensation for employees. The 2018 guidelines suggest an experience step increase of approximately \$850.

Being Compensated Below Guidelines – We understand that each congregation and their financial situation is unique. If your congregation's rostered leaders are paid below guidelines, a concerted effort should be made to increase their compensation to meet guidelines within three years or less, or come to an agreement in conversation with the rostered leader about what is fair and appropriate compensation.

Note: Wherever the term "congregation" is used in this document it can also be assumed that this applies to all ELCA affiliated organizations.

Housing Allowance - Based on median housing costs in our synod, obtained from the 2016 data, we determined that the minimum recommended housing allowance of 30% of base salary will need to be monitored, and possibly adjusted in future years. Please see discussion in Appendix J regarding issues with current housing allowance and different methods employed by other synods in Region 5.

The Synod will continue to use 30% of base salary as a guideline for congregations in determining base compensation. Adjustments proposed for the future would be to include a minimum base housing allowance, similar to the East Central Wisconsin Synod.

Health Care Benefits:

In 2018, Portico continues to offer four different-priced ELCA-Primary health benefit options — platinum, gold, silver, or bronze — and sponsoring employers continue to pay different health contribution rates based on defined compensation, a member's age, and employer's geographical location.

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In April 2013, the ELCA Church Council recommended that sponsoring employers provide their plan members with the Gold+ option because it most closely resembled the ELCA-Primary health benefits being offered at that time and preserved the compensation packages (salary plus benefits) being offered. We concurred with this recommendation at that time and continue to recommend congregations choose the Gold+ option.

For 2018, the ELCA-Primary contribution rates for Portico are expected to increase by 5% for the Gold+ option, which includes 5% for inflation. All other plan options will see the same increase. This is the smallest increase in recent years. Annually, contributions are also adjusted due to changes in member age (about 2%) and changes in defined compensation. For 2015, 2016 and 2017, the ELCA-Primary contribution rates of Portico increased by 11.0%, 7.0% and 6.0%, respectively, for the Gold+ option. .

For 2018, Portico will be increasing the out-of-pocket costs for members, mainly for non-generic prescriptions. Deductibles and out-of-pocket costs are the responsibility of the member, and provide a cost sharing mechanism between the member (rostered leader or staff) and the health plan. In general terms, the out-of-pocket and deductibles are intended to have a participating member pay up to 20% of their health care costs. Congregations, who wish to assist the member with these costs, can contribute to a Health Savings accounts for the member.

As stated earlier the contribution rates are sensitive to geographical area of the synods, age of member, and defined compensation. The majority of GMS health plan members are in the Gold+ option. Congregations should use the benefit cost calculators provided by Portico at their website to help your congregation determine the total cost of providing the full package of wages and benefits.

Disability contributions will decrease from 3.5% to 3.0% of defined compensation, while basic group life insurance contributions will stay at 0.3% of defined compensation.

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PART I. Determining Compensation

As outlined in the ELCA Letter of Call, compensation includes salary and housing. Related considerations include allowances for Social Security, funds designated for tax deferred annuities, etc. Benefits and professional expenses are covered in Parts II and III of this manual.

A. Base Salary

The number of variables involved that define the needs of the Clergy and congregations makes it unreasonable to recommend one salary figure to apply to every pastor of this synod. These guidelines present a process that will aid your annual deliberations to arrive at a budget recommendation that best serves your pastor(s) and congregation. It is important that all individuals involved in these discussions are sensitive to the tax implications of different strategies in structuring the compensation package. A reference, such as the booklet Tax Planning for Clergy, by Manfred Holck, Jr, Prentice-Hall is recommended. Hopefully, each parish has a Staff Support Committee [or equivalent] to assist in this process. In addition, the Internal Revenue Service has materials related to church salary and benefit issues available at the IRS website, www.irs.ustreas.gov, with detailed information in Publication 1828 <http://www.irs.gov/pub/irs-pdf/p1828.pdf>.

The synod's

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[Appendix B – Minimum Compensation Guidelines for 2018](#) include a cost of living increase for each category, though one which increases most for beginning and early career Clergy, and less for experienced Clergy. This is in recognition of external factors, including comparisons with nearby synods and the impact of a revised healthcare premium structure through Portico.

1. Factors to use in determining a proposed increase include:

a. Performance and proficiency

- Abilities of the pastor as preacher, worship leader, shepherd, teacher, counselor, administrator
- Years of experience as an ordained pastor
- Administrative ability
- Continuing Education beyond ordination requirements

b. Responsibilities

- Level of responsibility of the position (Senior, Associate, etc.) as defined by the job description
- Time demands of the position
- The size of the congregation

c. Goals and objectives

- Local Congregation
- Professional Development
- Synod Participation
- Personal

d. Cost of Living adjustment for inflation

e. Increase based on additional year of service

2. Understanding the Compensation Worksheet (Appendix A)

- **Base Salary** is for use when a parsonage is provided. It does not include housing or Social Security allowances
- **Base Compensation** is for use when no parsonage is provided. It includes a housing allowance (based on 30% of salary), but does not include a Social Security allowance.
- Base Compensation is different from **Defined Compensation** as used in the ELCA retirement plan. Defined Compensation for the ELCA retirement plan is Base Compensation plus a Social Security allowance paid by the congregation.
- Guidelines for Second-Career Clergy:

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- New Clergy entering the ministry as a 2nd career bring with them a variety of skills and knowledge. While they may not be equivalent to those gained as a pastor, such experience will be reflected in the individual's maturity and can be of benefit to a congregation. While there is no empirical data establishing an equitable formula for converting years in a secular job to parish years of experience service, fairness and common sense dictate that it be secular years be considered.
- Consistent with the practice of other synods we suggest that based on the previous career's relevance to ordained ministry, one year of experience be granted for every 2 to 4 years' experience. For example, a seminary graduate who spent ten years as a counselor may be granted five years' experience and therefore start higher in the salary range. A seminary graduate who spent ten years as an office manager may be granted two and one-half years' experience as an office manager's work is less directly related to the ministry, but still somewhat relevant.

3. Part-Time Salary

In order to remain on the ordained clergy roster, a pastor must maintain at least a 1/3 time call (15 hours per week). In the event that a congregation calls a pastor part time, it should be understood that part time status pertains to salary, responsibilities, and hours. It may also include the proportional number of Sundays (e.g. $\frac{3}{4}$ time means three out of four Sundays, etc.) depending on the particular setting of ministry.

The minimum contribution levels still apply for Portico health benefits; they are NOT proportional. Benefits are available through Portico for Clergy who work at least 15 hours per week for a minimum of six months during the year.

Congregations with a part-time pastor may need to develop lay leadership to augment the work of the pastor in word and sacrament ministry. An ongoing conversation with synod staff should occur if a congregation is considering moving from full-time to part-time pastoral ministry.

B. Housing Allowance

The ELCA Letter of Call considers housing to be part of the compensation for a pastor. Housing is not a benefit or a business expense.

1. Parsonage Provided

The utilities and maintenance costs are to be borne by the congregation.

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a. Housing Equity Allowance

It is recommended that congregations contribute to a Housing Equity Fund. Such a contribution should match the equity that would be accruing if a pastor were making payments on the purchase of his/her own home. A reasonable amount would be equivalent to the amount of principle being paid partway through the payment of a mortgage; most Equity Allowances range from \$1,200 to \$2,500 per year. The amount can be discussed with the pastor. Contributions to such a fund are best made to the ELCA optional retirement fund or other tax-deferred plan.

b. Household Expenses and Furniture Allowance

An allowance may be designated to be used by the pastor for purchasing and repairing furnishings and miscellaneous expenses. To the extent that it is actually used for furnishings, etc., it is excludable from Federal Income Tax.

2. Housing Allowance (without parsonage)

Housing allowance should be separately designated for tax purposes, and for comparison with Clergy salary packages that include a parsonage. The "Base Compensation" figures provided in Table I, page 5, are guidelines for the total of cash salary and Housing Allowance, with the minimum Housing Allowance figured as 30% of cash salary. Two additional points should be noted:

- a. Since individual tax and housing situations vary, the actual figure to be used as Housing Allowance should be discussed and agreed upon by the pastor and council. The Housing Allowance figure must be set in advance of each calendar year by a congregation council resolution. ([See Appendix C – Housing Equity and Housing Allowance Designation Forms.](#))
- b. Housing costs vary, and congregations in some communities where housing is expensive may need to consider whether 30% of cash salary is an adequate housing figure. A helpful guide is to start with the median cost of a home in the community (which can be found at <http://www.elca.org/Our-Work/Congregations-and-Synods/Research-and-Evaluation/Demographic-Reports> or <http://quickfacts.census.gov/qfd/states/55000.html>). A formula for converting home prices to an annual housing allowance is included in Table J. A discussion of alternative methods of calculating the Housing Allowance is proposed, but is not currently recommended.
- c. A congregation should strive to provide a fair housing allowance that provides a home in which any member of the congregation would be comfortable living and which they would be glad to tell other community members that this is the home where their pastor lives. Each community has unique features that will impact the

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cost of housing and the congregation and pastor should reach a mutually agreeable decision regarding the appropriate amount of any housing allowance.

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C. Additional Compensation

1. Social Security Allowance

For social security purposes Clergy are taxed as if they are self-employed. The current rate for self-employed persons is 15.3%. Since congregations pay half of the total Social Security tax for other employees, the same (i.e. 7.65%) should be considered for the pastor. **Note:** the congregation cannot pay the pastor's Social Security tax directly, but designates the amount as an allowance which is additional taxable income. Table II shows SS tax amounts for selected levels of compensation (salary + housing allowance + SS allowance).

Examples of Social Security Tax (2015 Rate 15.3%)

Annual Compensation	38,039	47,713	56,155
Clergy Pay (15.3%)	5,820	7,300	8,592
Employer's Share (Allowance) (7.65%)	2,910	3,650	4,296

2. For technical questions about Social Security

- Seek private legal counsel.
- Obtain publications and forms at 1-800-tax form (800-829-3676), or www.irs.ustreas.gov
- Obtain direct assistance by calling Telephone Assistance for Exempt Organizations, Retirement Plan Administrators, and Government Entities at 1-877-829-5500

3. Tax Sheltered Annuity

The use of a TSA allowance is a way that additional savings fund may be established for a pastor on the initiative of the congregation as a supplement to the retirement benefits, or by redirecting monies from the Base Salary on the initiative of the pastor. (This can also be done through the ELCA Portico Benefits Plan.)

PART II – Determining Cost of Benefits

A. ELCA Retirement and Other Benefit Plans

The employer/congregation contributes required contributions for each eligible employee whom the employer enrolls in the plans. Participation in the Other Benefit Plans is mandated for the pastor (member) if he/she participates in the ELCA Retirement Plan. An ELCA

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congregation may enroll any or all of its employees. The amount of the required contributions is determined as a percent of defined compensation.

Detailed information about calculating defined compensation and required contributions are available through the EmployerLink section of the Portico Benefit Services website (<https://employerlink.porticobenefits.org/home>) or by calling 800-352-2876.

Under the ELCA Regular Retirement Plan, the congregation is required to pay the minimum retirement contribution. The supplemental contribution (i.e., the difference, if any, between the recommended and minimum required contribution rates by the congregation) may be deposited in the ELCA Regular Retirement Plan or the ELCA Optional Retirement Plan. In deciding whether to make contributions to either of these two plans, the parish should consider the differences between the plans.

RETIREMENT CONTRIBUTION RATES

Attained Age on 12/31/87, if enrolled prior to 1988.	Minimum Required Contribution Rate
55 or older	12%
45 through 54	11%
44 or under	10%
All enrolled since 1/1/1988	10%

Multiply the percentage above times the defined compensation to arrive at the retirement benefit. Defined Compensation is the sum of Base Salary, Housing Allowance, and Social Security paid by congregation.

B. Medical and Dental Benefits Contribution

With the advent of the Affordable Care Act, changes were made to plan offerings by Portico Benefit Services. Information provided in versions of this document prior to 2014 has been updated, especially with regard to the creation of multiple plan options and age-based premiums, as Portico continues to prepare the ELCA health plan options for the Affordable Care Act (ACA).

Congregations should keep in mind that there are four plan options from Portico, with differing levels of coverage and out-of-pocket expenditure requirements. The Portico website and representatives of Portico can provide you more detail about these plan options. The Gold+ Plan is recommended as the appropriate level for congregations to choose, in that it most closely approximates the plan offered prior to implementation of the ACA. Some may find that the Silver+ or Bronze + plan better meets their needs. While the Gold+ plan is still our recommendation, we ask that you consult with a Portico representative to determine how an alternative plan may fit your individual plan users.

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The decision to recommend the Gold+ Plan was endorsed both by the Church Council of the ELCA in April 2013 and by the Greater Milwaukee Synod Assembly in May 2013.

Congregations are **required** to cover medical and dental premiums for Clergy and deacons, and the spouses and children of Clergy and deacons. Recent years have seen increases in co-payments and deductibles, resulting in a higher member share. Participating in the plan is not optional, except that Portico Benefit Services provides for waiver of medical-dental coverage if proof is given of coverage under a spouse's plan. Calculate benefit costs by using Portico calculator found at <https://employerlink.porticobenefits.org/Resources/Calculators/BenefitsCostCalculator.aspx>.

For purposes of assisting congregations in their analysis, a sample schedule of compensation and benefits is provided in the attachments to this report. The schedules use the minimum salary guidelines, adding in a synod guideline housing allowance of 30% of base salary and employer provided social security allowance to arrive at Defined Compensation. Health costs are then calculated based on estimates from Portico Benefit Services, using the Gold+ plan option. In all cases, congregations should contact Portico for the exact cost of premiums under different plan options. The health care costs show a minimum and maximum. Minimum is representative of a thirty year old member, and maximum is for a sixty-five year old member.

When a Health Benefit waiver is granted it is strongly recommended that the congregation *not* simply absorb the saved dollars into the church budget. Doing so would cause difficulty when the congregation again needs to provide such coverage. Rather, it is recommended that the savings be used for their intended purposes (providing benefits to church staff leadership) either by providing an offset for any additional costs, particularly premium costs, incurred by the spouse to have family medical coverage or by implementing Supplemental Benefits of Medical and Dental Reimbursement.

Members may re-enter the plan at any time. Dependents who are covered under an employed spouse's plan are able to re-enter the ELCA plan without a waiting period or additional pre-existing condition limitation upon termination of other coverage.

Congregational contributions toward medical and dental coverage are based on the level of dependent coverage required. Portico Benefit Services EmployerLink can provide detailed information on premiums and related calculations. Clergy who are already covered should have received information detailing their annual premiums.

In order to participate in the above Benefits Program, an individual must be enrolled in all of the applicable plans. The program is available to Clergy who are scheduled to work 15 hours or more per week for at least six months during the year. The program is also available to Lay Professions who are scheduled to work at least 20 hours or more per week for at least six months during the year.

C. Supplemental Benefits

1. Medical and Dental Expense

The ELCA Medical and Dental Benefit Plan does not cover all medical expenses, but incorporates deductibles and co-payments. The parish and pastor should review the pastor's exposure to these out-of-pocket expenses and consider some allowance for reimbursement or insurance of these expenses.

One method of doing so is reimbursement, with the congregation identifying a sum to be used for medical and dental costs incurred by the pastor that are not covered by insurance. To avoid this being considered as taxable income, these reimbursements should be paid directly to the medical provider upon presentation of a bill and "Explanation of Benefits" from ELCA insurance.

The employee may also wish to take advantage of a Tax-Advantaged Account (Health Savings Account) offered by Portico.

2. Disability Insurance Supplement

As a benefit of participation in the ELCA Benefits Plan your pastor has Disability Insurance. Plan details are available through Portico. The parish provides full compensation including housing for the first two months of disability on a self-insured basis. The parish is also expected to pay the medical, dental and survivors insurance contributions during the first two months of disability. After the first 60 days of disability, the ELCA disability plan becomes effective and will pay 2/3 or 66.67% of the monthly defined compensation. Congregations should consider paying the remaining 1/3 or 33.33% of the monthly defined compensation. The parish should evaluate the need to provide additional disability coverage and the advisability of insuring its own self-insured obligation. This coverage would be obtained apart from the ELCA plan.

PART III – Professional Expenses

It is recommended that the congregation adopt the policy that all professional expenses incurred by the pastor(s) and other employees be reimbursed in full. Adequate allowances, in addition to salaries, should be provided in the church budget to cover anticipated costs. The IRS insists that for these allowances to be non-taxable, they must be fully documented and appropriately paid. The congregation council should frequently review the allowances and their use to be certain that the professional staff are submitting reimbursement requests on a timely basis and are being fully reimbursed.

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The primary areas for professional expenses are shown below. There may be additional professional expenses unique to your parish situation. This matter should be discussed with your pastor and professional staff.

A. Automobile Expenses

The largest single church-related expense for the pastor is the cost of transportation, which includes fuel, repairs, insurance, tolls, etc. Transportation expenses throughout the business world are commonly covered by the employer. For 2017 Internal Revenue Service allows deductions of \$0.535 per mile for a car used for business purposes. This figure is usually adjusted annually. Surveys indicate that the cost of operating automobiles is greater than the mileage amount the IRS allows. The travel allowance should be adequate to cover all transportation costs to the pastor including automobile expenses. Parishes should pay the full cost of car expenses incurred in the fulfillment of pastoral duties.

There are three options available:

1. Parish -Owned Vehicle

Where extensive driving is required, a parish owned or leased vehicle may be the most satisfactory approach. Any personal miles must be reimbursed to the congregation or claimed as taxable income.

2. Reimbursement

Reimbursement can be based on the actual number of miles driven. The reimbursement amount is the Standard Mileage Rate for business set by the Internal Revenue Service (IRS) and announced annually. The \$0.535 cents per mile is the published 2017 rate. Anytime the IRS revises this rate (as was done midyear in 2008 & 2011) the revised rate will become the current rate to use for reimbursements. This information is available at www.irs.gov, search phrase – standard mileage rates.

3. Flat Rate

A flat rate, regardless of mileage driven, could be paid. However, the parish and pastor must be careful how this is structured for income tax purposes. The pastor must be able to demonstrate to the IRS that reimbursed mileage was driven for professional purposes. A daily log is normally kept for this option. This reimbursement is taxable as income.

B. Continuing Education

In order to update skills and thereby strengthen his/her ministry, your pastor must be encouraged to enroll in courses of Continuing Education. Such activities improve ministry and are not vacations. The best way to encourage your pastor's continuing growth is to provide the time and money that make Continuing Education activities possible. The recommended congregation's share is \$700 or more per year. The pastor contributes \$300 on his/her own each year. Two-week study leave is also included. Congregations should

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consider allowing the pastor to accumulate continuing education dollars and time up to a maximum of 3 years to provide for a more structured study opportunity.

C. First Call Theological Education

First Call Theological Education (FCTE) is a requirement of the ELCA for a pastor in the first three years of ministry. This program helps Clergy transition from seminary to congregational ministry. The FCTE requirement is in addition to the above recommended continuing education for the first three years of the pastor's ministry. Currently FCTE is two to four days per year.

D. Synod Assembly Expenses

Attendance at the Synod Assembly is constitutionally mandated, and expenses for registration, lodging, meals, travel and other fees are the responsibility of the congregation.

E. Fall Theological Conference

Fees and time for the Fall Theological Conference will be covered by the congregation separate from continuing education support.

F. Conference Expenses

Your pastor's attendance at synod conferences is a professional expense, and should be supported by the congregation or agency by payment of registration fees and other expenses. Discuss with your pastor his/her anticipated expenses in connection with conferences in the coming year such as Stewardship Fair, Winter Symposium, Day of Renewal, etc.

G. Publications & Technology

Your congregation may choose to provide an allowance for the purchase of, or subscription to, books, periodicals and/or web services, enabling the pastor to keep abreast of developments in his/her profession and the rapidly evolving nature of the church.

Use of technology enhances the effectiveness of ministry by providing for better use of time and by making a pastor more accessible. Legitimate expenses incurred by a pastor for church-related activities should be equitably reimbursed. Examples include cell phones, email/internet for prayer groups, and computers. Unless otherwise agreed to, it is the expectation that the equipment remain with the congregation or be purchased at current market value by the pastor at the time the pastor leaves the congregation.

PART IV – Other Benefits and Considerations

This section discusses the types of time off periods that are granted to the pastor(s) as a condition of employment. Time-off may be mandated by the call document, mandated or implied by law or by ELCA policy, or established by agreement between the pastor and the congregation. While this type of benefit does not involve additional compensation for the pastor, it does require that monies be provided in the budget to provide for services required while he/she is absent.

A. Weekly Time Off (as part of defined work week)

Church work requires a great deal of evening and weekend involvement. In order to reasonably set expectations with the pastor, it may be useful to think in terms of blocks of time. Each day can be considered to have 3 blocks of time; morning, afternoon and evening. A seven day week consists of 21 time blocks. A reasonable expectation of full-time service might be 14-15 time blocks. Weekly time off to provide a normal opportunity for renewal, refreshment, and personal business would usually involve 6-7 time blocks per week. Arrangements should be flexible for both the pastor and the congregation, but should also provide for emergency pastoral care when the pastor is unavailable. Clearly defined expectations of time off are important for both the pastor and the congregation.

B. Vacation

The congregation is to provide a minimum of four (4) weeks of vacation (encompassing four Sundays) per year with full pay. Vacation should be proportional to the contracted work week of the clergy. For example, a full-time pastor would work 48 full-time weeks and have four full-time weeks of vacation in a year; a half-time pastor would work 48 half-time weeks and receive four half-time weeks of vacation in a year. **The congregation should consider granting additional vacation time based on the length of service in the ministry.**

The length of vacation, the number of Sundays, and when vacation is to be taken are all matters which need to be discussed openly with your pastor, and should be considered an important part of compensation. (A word of rationale: In addition to four weeks of vacation for entry level Clergy being the national standard in the ELCA, the nature of pastoral work should be considered in granting vacation. A pastor does not work a five-day workweek as most laypersons do. Clergy work six days plus evenings. The pastor is on call 24 hours a day and does not have the same sense of a "break" for a weekend. A pastor's busiest times of the year are often those most lay people consider holidays - namely, Easter, Thanksgiving, and Christmas.) Pastors are also encouraged to take vacation in increments of at least a week.

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C. Disability Leave

When there is a disability, full salary, housing and benefits are to be paid by the congregation until the ELCA Disability Benefit Plan takes effect (two months). See Part II of these guidelines and the Portico website.

The congregation should assume responsibility for a substitute pastor during the disability.

If a full-time rostered leader, because of the disability, receives compensation from some source other than the ELCA disability plan, such as Workers Compensation, then compensation should be mutually negotiated so that the total does not exceed the usual monthly compensation.

D. Sick Leave

According to the ELCA call document, sick leave is up to eight (8) weeks per year with full salary, housing and benefits. This is not a cumulative benefit. Sick leave is thus coordinated with the ELCA disability plan. When there is extended illness contact should be made with the synod office to coordinate benefits.

E. Other Leave Considerations

1. Family Leave

Family leave is paid time off to care for a seriously ill child, spouse or parent, or time off for the funeral of a family member. Congregations should carefully consider developing a family leave policy.

2. Parental Leave

Congregations are expected to provide for a paid parental leave of up to six weeks for the birth, adoption or pre-adoption placement of a child with full, salary, housing and benefits.

3. Sabbatical Leave

Sabbatical leaves are granted to provide an opportunity for the pastor to take an extended period of time for personal enrichment, study, spiritual growth, travel, skill development, research, and/or experimentation. A leave should be approved based upon a specific proposal that indicates how the planned activities will benefit the pastor, the congregation, and/or the wider church. All provisions should be negotiated well in advance of the sabbatical and clearly stated in writing. The proposal/agreement should define how the congregational ministry is to be handled during the absence. The Synod Council has adopted a policy of "Sabbatical Guidelines" for use by congregations in considering such sabbatical leaves. It appears in this document as Appendix E.

2018 Compensation Guidelines for Clergy Greater Milwaukee Synod, ELCA

F. Loans

Caution is urged in the practice of congregations making loans for down payments on homes or other purposes to Clergy. It is suggested that prior to entering into any such agreement it be discussed with appropriate members of the synod staff.

G. 2018 Compensation for Supply Clergy

\$150.00 - 1 worship service, plus mileage.

\$200.00 - 2 worship services, plus mileage.

\$ 50.00 - Each additional service at another time (Saturday evening or weekday), when the preparation involved is already completed for the related Sunday service.

Dollar amount was increased in 2017 based on a survey of synods across the ELCA and taking into account the cost of living in other areas of the United States. We found that the Greater Milwaukee Synod was one of the lowest rates for supply Clergy. This change will place us into a comparable range with other Region V synods.

H. Moving Expenses

The congregation is responsible for moving a rostered leader to the community. All reasonable expenses should be covered by the congregation and negotiated with the incoming pastor. It is preferable to use a professional moving company. If other arrangements are made, they must be mutually agreeable.

**2018 Compensation Guidelines for Clergy
Greater Milwaukee Synod, ELCA**

Appendix A – Compensation Worksheet for Clergy

This worksheet is designed to help build a compensation package for Clergy using the synod's guidelines. See item descriptions in this document. Use only the items which apply.

Double-click on the table to access fillable spreadsheet: return to document by clicking on text, your work will be saved. Be sure to save this document to save your work.

Item	Current Year	2018 Guidelines	Proposed 2018
Part I - Compensation			
<i>With Parsonage</i>			
Base Salary * (Appendix B)			
Equity Allowance			
<i>Without Parsonage</i>			
Base Compensation * (Appendix B)			
Social Security Allowance***			
Tax Sheltered Annuity Contribution			
Household Furnishings Allowance			
Total Defined Compensation	0.00	0.00	0.00
Part II - Cost of Benefits			
Health *			
Employer HSA*			
Retirement *			
Disability*			
Basic Group Life*			
Retiree Support*			
Medical/Dental Reimbursement			
Disability Insurance Supplement			
Total Benefits	0.00	0.00	0.00
Part III - Professional Expenses			
Automobile Allowance *			
Continuing Education *			
Synod Assembly Expenses *			
Fall Theological Conference *			
First Call Theological Education**			
Publications & Technology			
Conference Expenses			
Total Professional Expenses	0.00	0.00	0.00
Part IV - Other Expenses			
Supply Pastors			
Leave-Related Expenses			
Total Other Expenses	0.00	0.00	0.00
Total Expense for Congregation	0.00	0.00	0.00

All items in **bold-face** with an asterisk (*) are required; (**) is required for Clergy in the first three years of ordination, (***) is only required if Clergy pay into social security, all other items are by mutual agreement.

**2018 Compensation Guidelines for Clergy
Greater Milwaukee Synod, ELCA**

Appendix B – Minimum Compensation Guidelines for 2018

Years Experience	2018 Base Min Salary	2018 Base Min Compensation
0	\$ 38,039	\$ 49,449
1	\$ 39,220	\$ 50,990
2	\$ 40,208	\$ 52,268
3	\$ 41,181	\$ 53,531
4	\$ 42,149	\$ 54,789
5	\$ 43,098	\$ 56,028
6	\$ 44,041	\$ 57,251
7	\$ 44,974	\$ 58,464
8	\$ 45,894	\$ 59,664
9	\$ 46,808	\$ 60,848
10	\$ 47,713	\$ 62,023
11	\$ 48,600	\$ 63,180
12	\$ 49,478	\$ 64,318
13	\$ 50,347	\$ 65,447
14	\$ 51,206	\$ 66,566
15	\$ 52,059	\$ 67,679
16	\$ 52,894	\$ 68,764
17	\$ 53,723	\$ 69,843
18	\$ 54,545	\$ 70,905
19	\$ 55,355	\$ 71,965
20	\$ 56,155	\$ 73,005
21	\$ 56,931	\$ 74,011
22	\$ 57,664	\$ 74,964
23	\$ 58,461	\$ 76,001
24	\$ 59,209	\$ 76,969
25	\$ 59,952	\$ 77,942
26	\$ 60,681	\$ 78,881
27	\$ 61,406	\$ 79,826
28	\$ 62,123	\$ 80,763
29	\$ 62,825	\$ 81,675
30	\$ 63,522	\$ 82,582
31	\$ 64,022	\$ 83,232
32	\$ 64,522	\$ 83,882
33	\$ 65,022	\$ 84,532
34	\$ 65,522	\$ 85,182
35	\$ 66,022	\$ 85,832

**2018 Compensation Guidelines for Clergy
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**Appendix C – Housing Equity and Housing Allowance Designation
Forms**

Housing Equity allowance agreement

(This form is for use when contributions to a housing equity allowance are not made by the congregation to the member's ELCA optional retirement plan. When payments are made to the ELCA optional retirement plan, the congregation uses the forms presented by the custodians of this fund.)

At a properly called meeting of the congregation council of _____ Lutheran Church, with a quorum present, held on _____, it was moved, seconded, and voted to establish a housing equity allowance fund for the Rev. _____ with (1) initial contribution of \$ _____ for the year 2018, and (2) with subsequent annual contributions to be determined each year thereafter by vote of the congregation.

The conditions of this agreement are as follows:

1. The annual contribution shall be placed in an interest-bearing account in the name of the congregation.
2. The fund shall not be available for use by the congregation or by the pastor except for the purchase of a house by the pastor or the pastor's spouse.
3. The fund shall be paid in full to the pastor or survivors in the event of the pastor's disability, retirement or death.
4. Upon resignation as pastor from this congregation and acceptance of a call to another congregation or organization, the fund balance shall be transferred to the new employer or paid to the pastor, as the pastor may direct.
5. The funds shall be payable to the pastor's estate if there is no surviving spouse.

Signed by an officer of the congregation Date _____

Signed by the pastor Date _____

DESIGNATION OF HOUSING OR FURNISHINGS ALLOWANCE BY CONGREGATION COUNCIL

Upon motion duly made and seconded, it was voted to designate \$ _____ of the cash salary for 2018 to be paid to the Rev. _____ as a housing/furnishings allowance in response to the pastor's request and acknowledgement that the allowance so designated does not exceed the fair rental value of his/her home, furnished, plus the cost of utilities (or the fair rental value of the furnishings where a parsonage is provided). Therefore, cash salary shall be: \$ _____ and the housing allowance shall be \$ _____.

Signed by an officer Date _____

Signed by the pastor Date _____

**2018 Compensation Guidelines for Clergy
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Appendix D – Housing Allowance Program Forms

The following forms may be utilized in developing a Housing Allowance Program for the pastor.

- No. 1 Form for presentation of minister's estimate of expenses qualifying under the Pastor's housing allowance.
- No. 2 Draft language for action on a housing allowance by the church council.
- No. 3 Draft notification to the minister by the congregation (church council) of approved housing allowance.

PASTOR'S ESTIMATE OF HOUSING EXPENSES

TO: (Name of Congregation)

FROM: (Name of Pastor)

DATE:

SUBJECT: Housing allowance for year extending from _____, 20____, to _____, 20____.

The amounts set forth below are the amounts I expect to spend during the period _____ (as above) to rent or otherwise provide a home for me and my family.

Item

- | | |
|---|----------|
| 1. Rent on leased property or payments on purchase of a home (including down payment, acquisition costs, mortgage payments of principal). | \$ _____ |
| 2. Garage rental (if not included above) | \$ _____ |
| 3. Utilities (gas, electricity, water, sewer, oil, telephone, refuse removal charges, firewood, TV cable) | \$ _____ |
| 4. Insurance (homeowner's, fire, extended coverage, liability, contents, flood) | \$ _____ |
| 5. Repairs and maintenance | \$ _____ |
| 6. Furnishings and improvements | \$ _____ |
| 7. Interest and taxes (may want to itemize these separately) | \$ _____ |
| 8. Other housing expense (list in detail) | \$ _____ |
| TOTAL | \$ _____ |

(Minister's Signature)

**DRAFT LANGUAGE FOR CONGREGATION COUNCIL ACTION ON
HOUSING ALLOWANCE**

The _____ Committee advised the Congregation Council that under the tax laws an ordained minister of the Gospel is not subject to Federal Income Tax with respect "to the rental allowance paid as part of compensation to the extent used to rent or provide a home." Where the Pastor owns a home this amount of the allowance will be an amount equal to the fair rental value of the home, including furnishings and appurtenances such as a garage, plus cost of utilities.

The Council, after considering the statement of the Rev. _____ setting forth estimates of the amount expected to be spent to rent or otherwise provide a home during the period _____, 20__ to _____, 20__, and in light of the Federal Income Tax law and of the established salary level, on motion duly made and seconded, and adopted the following resolution:

Resolved that the Rev. _____ receive a salary of \$ _____ for the year _____, and a housing allowance of \$ _____ for the year, the housing allowance to be so designated in the official records.

(Secretary Signature)

NOTIFICATION OF HOUSING ALLOWANCE BY CONGREGATION (EMPLOYER)

Date _____

Dear Rev. _____:

This is to advise you that at a meeting of the Congregation Council held on _____, 20__, your housing allowance for the year _____ was officially designated and fixed in the amount of \$ _____. Accordingly, \$ _____ of the total compensation payable to you during the year _____ will constitute housing allowance and the balance will constitute "salary" (as interpreted by the Income Tax Law).

(Secretary Signature)

Appendix E – Sabbatical Guidelines

Greater Milwaukee Synod, ELCA
Approved as a Guideline at Synod Council Meeting January 15, 1998

Introduction

It is important for both rostered ministers¹ and the congregation² to realize the importance of the minister's life-long continuing education through workshops, seminary courses and personal study. Congregations of the ELCA have long been encouraged to provide time and financial assistance to enable ministers to maintain and improve their skills. From time to time, however, ministers need and require an extended period of time for study, personal growth, reflection and renewal without the demands of one's regular employment -- a sabbatical leave. Experience has shown that the congregation's ministry directly benefits from such study, growth, and renewal. Long-term ministry is revitalized and stimulated. All parties benefit.

These guidelines are provided to assist ministers and congregations in the contemplation and implementation of such sabbatical leaves.

Purpose

Sabbatical leaves are granted to provide an opportunity for the minister to take an extended period of time for renewal, enrichment, study, spiritual growth, travel, skill development, research, and/or experimentation.

Eligibility

- a. Full time Clergy and deacons.
- b. A sabbatical may be taken after every sixth full year of service in a given parish. Years cannot accumulate between calls (unless agreed at the time of call).
- c. Planning should begin the calendar year before the sabbatical so the congregation and minister can plan for financial and ministry adjustments involved.

Duration

A sabbatical will normally be for 12 weeks (including the two continuing education weeks normally granted). Vacation should not be included as sabbatical time. The sabbatical leave may be split into two blocks of time, which do not have to be consecutive, but shall be taken within a twelve month period from the beginning of the first block of time.

¹ The terms "rostered ministers" or "ministers", for the purpose of these guidelines, refer to those persons on the ELCA's roster of Word and Sacrament Ministry and roster of Word and Service Ministry.

² These guidelines are written for congregations, recognizing that a rostered leader serving in another setting is guided by the policies of that employing body. These other agencies and institutions are also encouraged to consider sabbatical policies.

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Cost to the congregation

- a. The congregation will continue to pay full salary and benefits (base salary, housing allowance, retirement and insurance coverage). Car allowance, a ministry expense, is normally not paid during sabbatical time.
- b. Accrued continuing education dollars can be used for the educational costs of the sabbatical. Continuing education dollars can only be accrued for three years.
- c. The congregation will need to provide for their ministry needs to be covered during the sabbatical time. Specific examples can be found in the Sabbatical Resource Packet available from the Synod office. In most cases, these needs are met in ways other than finding full-time replacement during the sabbatical. Considerations involve:
 - (1) Sunday worship/preaching. Normally done by a pastor engaged at the normal supply preaching rate of reimbursement (see page 10 of the Guidebook).
 - (2) Teaching, visitation, occasional services (funerals, weddings, etc.). The minister, congregational leadership, and the synod office can work together to arrange for these needs to be met during the sabbatical time. Another minister can be contracted for certain responsibilities, other staff may adjust responsibilities, and/or neighboring ministers may agree to cover certain responsibilities.
- d. The congregation is not responsible to fund the sabbatical in any other way. However, it may choose to provide additional financial assistance.

Planning

- a. Planning should begin at least a year before the sabbatical is to take place.
- b. A congregational sabbatical policy should be in place before any other planning begins. This policy may be this synod guideline or a locally adapted version.
- c. Normally the minister provides an outline of the planned use of time to the Council or responsible committee before the sabbatical is approved.

Commitments following the sabbatical

- a. The minister will submit a report of the sabbatical time, and find occasion to share with congregational members reactions, learnings, insights, etc.
- b. The minister is expected to remain at least one year in the parish following a sabbatical.

An illustrative checklist/timeline (to be used along with the synod's Sabbatical Resource Packet)

- _____ Mutual Ministry Committee or its equivalent encourages staff to consider a sabbatical.
- _____ Staff determines interest and what he/she might like to do with the 12 weeks. .
- _____ Council receives request/proposal, approves sabbatical leave.
- _____ Council or committee adjusts budget to allow for additional staff coverage.³
- _____ Staff or Council consults with the synod office regarding pastoral assistance.
- _____ All arrangements with persons involved should be in place three months in advance.
- _____ Staff makes all necessary arrangements for his/her course of study, travel, etc.
Please call the synod office if you have questions.

³ How much time will the interim need to work? Full time? Part time? Will regular office hours need to be kept? Who will be responsible for pastoral needs that arise - crisis counseling, weddings, funerals, etc.?

Appendix F – Addendum to the Letter of Call

For FIRST CALL Clergy and Deacons of the Greater Milwaukee Synod of the Evangelical Lutheran Church in America

Following the 1995 resolution of the Evangelical Lutheran Church in America in its Churchwide Assembly, and working in partnership with the respective synod, all congregations, institutions and agencies which are calling a First Call candidate, defined as being in the first year of ordained, consecrated or commissioned ministry, will provide continuing education opportunities for all First Call rostered staff.

Under the guidelines of First Call Theological Education (FCTE), provisions will be made for all First Call persons to complete fifty (50) continuing education contact hours (50 minute periods of educational activity to meet program goals) annually for the first three years of call. Other expected components during these first three years include the Mentor Program and First Call Gatherings, which are administered by the synod.

Participation in these programs will be achieved through the working partnership of the First Call person, the congregation, institution or agency, and the synod office. The Greater Milwaukee Synod will provide annual events, totaling 25 continuing education contact hours. The remaining 25 contact hours and continuing education days for each year will be fulfilled with electives, chosen by the rostered person in consultation with the leaders of the congregation, institution or agency.

The below listed congregation, institution or agency of

_____ agrees to provide _____ days (7 minimum) annually for First Call Theological Education, in addition to _____ days (synod guidelines minimum 14 days) for electives in continuing education.

We also have budgeted \$_____ (\$300 minimum) annually to assist with FCTE expenses, in addition to \$_____ (\$700 minimum) for electives in continuing education

This congregation/institution/agency recognizes that during the first three years of First Call staff member will also participate in the mentoring program and attend the bi-annual gatherings with peers, usually scheduled to coincide with other synod events.

These provisions will be available for the next three years.

President/Chair _____ Date _____

First call person _____ Date _____

Synod representative _____ Date _____

2018 Compensation Guidelines for Clergy
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Appendix G - Health Benefits – Based on Health Care effective 1/1/2018

Calculate cost by using Portico calculator found at
<https://employerlink.porticobenefits.org/Resources/>

Rate Class	Age Group for Health Ins.	Premium as a percentage of Defined Comp between \$49,000 and \$66,000	Premium for Defined Comp of \$49,000 and below	Premium for Defined Comp of \$66,000 and above
Member	65	23%	\$935.00	\$ 1,254.00
Member	60	22%	\$880.00	\$ 1,182.50
Member	55	20%	\$812.00	\$ 1,089.00
Member	50	18%	\$742.00	\$ 1,023.00
Member	45	17%	\$674.00	\$ 930.00
Member	40	15%	\$605.00	\$ 838.00
Member	35	13%	\$536.00	\$ 744.00
Member	30	12%	\$467.00	\$ 652.00

Rate Class	Age Group for Health Ins.	Premium as a percentage of Defined Comp between \$49,000 and \$66,000	Premium for Defined Comp of \$49,000 and below	Premium for Defined Comp of \$66,000 and above
Member and Spouse	65	40%	\$1,637.00	\$2,213.00
Member and Spouse	60	38%	\$1,541.00	\$2,084.00
Member and Spouse	55	35%	\$1,421.00	\$1,920.00
Member and Spouse	50	32%	\$1,301.00	\$1,759.00
Member and Spouse	45	29%	\$1,180.00	\$1,595.00
Member and Spouse	40	26%	\$1,059.00	\$1,432.00
Member and Spouse	35	23%	\$940.00	\$1,271.00
Member and Spouse	30	20%	\$819.00	\$1,107.00

Rate Class	Age Group for Health Ins.	Premium as a percentage of Defined Comp between \$49,000 and \$66,000	Premium for Defined Comp of \$49,000 and below	Premium for Defined Comp of \$66,000 and above
Member Spouse and Children	65	57%	\$2,338.00	\$3,165.00
Member Spouse and Children	60	54%	\$2,202.00	\$2,978.00
Member Spouse and Children	55	50%	\$2,030.00	\$2,746.00
Member Spouse and Children	50	46%	\$1,857.00	\$2,513.00
Member Spouse and Children	45	41%	\$1,685.00	\$2,280.00
Member Spouse and Children	40	37%	\$1,514.00	\$2,048.00
Member Spouse and Children	35	33%	\$1,342.00	\$1,814.00
Member Spouse and Children	30	29%	\$1,170.00	\$1,582.00

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Rate Class	Age Group for Health Ins.	Premium as a percentage of Defined Comp between \$49,000 and \$66,000	Premium for Defined Comp of \$49,000 and below	Premium for Defined Comp of \$66,000 and above
Member and Child(ren)	65	40%	\$1,637.00	\$2,213.00
Member and Child(ren)	60	38%	\$1,541.00	\$2,084.00
Member and Child(ren)	55	35%	\$1,421.00	\$1,920.00
Member and Child(ren)	50	32%	\$1,301.00	\$1,759.00
Member and Child(ren)	45	29%	\$1,180.00	\$1,595.00
Member and Child(ren)	40	26%	\$1,059.00	\$1,432.00
Member and Child(ren)	35	23%	\$940.00	\$1,271.00
Member and Child(ren)	30	20%	\$819.00	\$1,107.00

2018 Compensation Guidelines for Clergy
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Appendix H – Salary, Defined Compensation and Benefits Tables

Table revised on August 15, 2017

2018 Year - Base Salary, Housing, FICA, Pension and Health									
Housing 30.00% of Base Salary; FICA 7.65% Based Comp; Pension 10.0%; Health Ins (Table)									
Base Salary using prior year with modified Cost of Living Adjustment by year									
Health Insurance is based on Member Only participation									
Year	Base Salary GMS	Housing 30%	FICA 7.65%	Defined Compens ation	Pension 10%	Health Ins Min Single	Health Ins Max Single	Total Comp Min	Total Comp Max
0	\$ 38,039	\$11,412	\$3,783	\$53,234	\$5,323	\$6,216	\$12,160	\$64,773	\$70,717
1	\$ 39,220	\$11,766	\$3,900	\$54,886	\$5,489	\$6,409	\$12,537	\$66,784	\$72,912
2	\$ 40,208	\$12,062	\$3,999	\$56,269	\$5,627	\$6,570	\$12,853	\$68,466	\$74,749
3	\$ 41,181	\$12,354	\$4,095	\$57,630	\$5,763	\$6,729	\$13,164	\$70,122	\$76,557
4	\$ 42,149	\$12,645	\$4,192	\$58,986	\$5,899	\$6,888	\$13,473	\$71,773	\$78,358
5	\$ 43,098	\$12,929	\$4,286	\$60,313	\$6,031	\$7,042	\$13,777	\$73,386	\$80,121
6	\$ 44,041	\$13,212	\$4,380	\$61,633	\$6,163	\$7,197	\$14,078	\$74,993	\$81,874
7	\$ 44,974	\$13,492	\$4,473	\$62,939	\$6,294	\$7,349	\$14,376	\$76,582	\$83,609
8	\$ 45,894	\$13,768	\$4,564	\$64,226	\$6,423	\$7,499	\$14,670	\$78,148	\$85,319
9	\$ 46,808	\$14,042	\$4,655	\$65,505	\$6,551	\$7,649	\$14,962	\$79,705	\$87,018
10	\$ 47,713	\$14,314	\$4,745	\$66,772	\$6,677	\$7,797	\$15,252	\$81,246	\$88,701
11	\$ 48,600	\$14,580	\$4,833	\$68,013	\$6,801	\$7,824	\$15,048	\$82,638	\$89,862
12	\$ 49,478	\$14,843	\$4,921	\$69,242	\$6,924	\$7,824	\$15,048	\$83,990	\$91,214
13	\$ 50,347	\$15,104	\$5,007	\$70,458	\$7,046	\$7,824	\$15,048	\$85,328	\$92,552
14	\$ 51,206	\$15,362	\$5,092	\$71,660	\$7,166	\$7,824	\$15,048	\$86,650	\$93,874
15	\$ 52,059	\$15,618	\$5,177	\$72,854	\$7,285	\$7,824	\$15,048	\$87,963	\$95,187
16	\$ 52,894	\$15,868	\$5,260	\$74,022	\$7,402	\$7,824	\$15,048	\$89,248	\$96,472
17	\$ 53,723	\$16,117	\$5,343	\$75,183	\$7,518	\$7,824	\$15,048	\$90,525	\$97,749
18	\$ 54,545	\$16,364	\$5,425	\$76,334	\$7,633	\$7,824	\$15,048	\$91,791	\$99,015
19	\$ 55,355	\$16,607	\$5,505	\$77,467	\$7,747	\$7,824	\$15,048	\$93,038	\$100,262
20	\$ 56,155	\$16,847	\$5,585	\$78,587	\$7,859	\$7,824	\$15,048	\$94,270	\$101,494
21	\$ 56,931	\$17,079	\$5,662	\$79,672	\$7,967	\$7,824	\$15,048	\$95,463	\$102,687
22	\$ 57,664	\$17,299	\$5,735	\$80,698	\$8,070	\$7,824	\$15,048	\$96,592	\$103,816
23	\$ 58,461	\$17,538	\$5,814	\$81,813	\$8,181	\$7,824	\$15,048	\$97,818	\$105,042
24	\$ 59,209	\$17,763	\$5,888	\$82,860	\$8,286	\$7,824	\$15,048	\$98,970	\$106,194

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2018 Year - Base Salary, Housing, FICA, Pension and Health									
Housing 30.00% of Base Salary; FICA 7.65% Based Comp; Pension 10.0%; Health Ins (Table)									
Base Salary using prior year with modified Cost of Living Adjustment by year									
Health Insurance is based on Member and Spouse, or Member and Family participation									
Year		Housing 30%	FICA 7.65%	Defined Compens ation	Pension 10%	Health Ins Min Two	Health Ins Max Two	Total Comp Min	Total Comp Max
0	\$ 38,039	\$11,412	\$3,783	\$53,234	\$5,323	\$10,699	\$21,386	\$69,256	\$79,943
1	\$ 39,220	\$11,766	\$3,900	\$54,886	\$5,489	\$11,031	\$22,050	\$71,406	\$82,425
2	\$ 40,208	\$12,062	\$3,999	\$56,269	\$5,627	\$11,309	\$22,605	\$73,205	\$84,501
3	\$ 41,181	\$12,354	\$4,095	\$57,630	\$5,763	\$11,582	\$23,152	\$74,975	\$86,545
4	\$ 42,149	\$12,645	\$4,192	\$58,986	\$5,899	\$11,855	\$23,697	\$76,740	\$88,582
5	\$ 43,098	\$12,929	\$4,286	\$60,313	\$6,031	\$12,121	\$24,230	\$78,465	\$90,574
6	\$ 44,041	\$13,212	\$4,380	\$61,633	\$6,163	\$12,387	\$24,760	\$80,183	\$92,556
7	\$ 44,974	\$13,492	\$4,473	\$62,939	\$6,294	\$12,649	\$25,285	\$81,882	\$94,518
8	\$ 45,894	\$13,768	\$4,564	\$64,226	\$6,423	\$12,908	\$25,802	\$83,557	\$96,451
9	\$ 46,808	\$14,042	\$4,655	\$65,505	\$6,551	\$13,165	\$26,316	\$85,221	\$98,372
10	\$ 47,713	\$14,314	\$4,745	\$66,772	\$6,677	\$13,419	\$26,825	\$86,868	\$100,274
11	\$ 48,600	\$14,580	\$4,833	\$68,013	\$6,801	\$13,284	\$26,556	\$88,098	\$101,370
12	\$ 49,478	\$14,843	\$4,921	\$69,242	\$6,924	\$13,284	\$26,556	\$89,450	\$102,722
13	\$ 50,347	\$15,104	\$5,007	\$70,458	\$7,046	\$13,284	\$26,556	\$90,788	\$104,060
14	\$ 51,206	\$15,362	\$5,092	\$71,660	\$7,166	\$13,284	\$26,556	\$92,110	\$105,382
15	\$ 52,059	\$15,618	\$5,177	\$72,854	\$7,285	\$13,284	\$26,556	\$93,423	\$106,695
16	\$ 52,894	\$15,868	\$5,260	\$74,022	\$7,402	\$13,284	\$26,556	\$94,708	\$107,980
17	\$ 53,723	\$16,117	\$5,343	\$75,183	\$7,518	\$13,284	\$26,556	\$95,985	\$109,257
18	\$ 54,545	\$16,364	\$5,425	\$76,334	\$7,633	\$13,284	\$26,556	\$97,251	\$110,523
19	\$ 55,355	\$16,607	\$5,505	\$77,467	\$7,747	\$13,284	\$26,556	\$98,498	\$111,770
20	\$ 56,155	\$16,847	\$5,585	\$78,587	\$7,859	\$13,284	\$26,556	\$99,730	\$113,002
21	\$ 56,931	\$17,079	\$5,662	\$79,672	\$7,967	\$13,284	\$26,556	\$100,923	\$114,195
22	\$ 57,664	\$17,299	\$5,735	\$80,698	\$8,070	\$13,284	\$26,556	\$102,052	\$115,324
23	\$ 58,461	\$17,538	\$5,814	\$81,813	\$8,181	\$13,284	\$26,556	\$103,278	\$116,550
24	\$ 59,209	\$17,763	\$5,888	\$82,860	\$8,286	\$13,284	\$26,556	\$104,430	\$117,702

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2018 Year - Base Salary, Housing, FICA, Pension and Health									
Housing 30.00% of Base Salary; FICA 7.65% Based Comp; Pension 10.0%; Health Ins (Table)									
Base Salary using prior year with modified Cost of Living Adjustment by year									
Health Insurance is based on Member, Spouse and Family participation									
Year	Base Salary GMS	Housing 30%	FICA 7.65%	Defined Compens ation	Pension 10%	Health Ins Min Three	Health Ins Max Three	Total Comp Min	Total Comp Max
0	\$ 38,039	\$11,412	\$3,783	\$53,234	\$5,323	\$15,287	\$30,568	\$73,844	\$89,125
1	\$ 39,220	\$11,766	\$3,900	\$54,886	\$5,489	\$15,761	\$31,517	\$76,136	\$91,892
2	\$ 40,208	\$12,062	\$3,999	\$56,269	\$5,627	\$16,158	\$32,311	\$78,054	\$94,207
3	\$ 41,181	\$12,354	\$4,095	\$57,630	\$5,763	\$16,549	\$33,093	\$79,942	\$96,486
4	\$ 42,149	\$12,645	\$4,192	\$58,986	\$5,899	\$16,939	\$33,871	\$81,824	\$98,756
5	\$ 43,098	\$12,929	\$4,286	\$60,313	\$6,031	\$17,320	\$34,633	\$83,664	\$100,977
6	\$ 44,041	\$13,212	\$4,380	\$61,633	\$6,163	\$17,699	\$35,391	\$85,495	\$103,187
7	\$ 44,974	\$13,492	\$4,473	\$62,939	\$6,294	\$18,074	\$36,141	\$87,307	\$105,374
8	\$ 45,894	\$13,768	\$4,564	\$64,226	\$6,423	\$18,443	\$36,880	\$89,092	\$107,529
9	\$ 46,808	\$14,042	\$4,655	\$65,505	\$6,551	\$18,811	\$37,615	\$90,867	\$109,671
10	\$ 47,713	\$14,314	\$4,745	\$66,772	\$6,677	\$19,175	\$38,342	\$92,624	\$111,791
11	\$ 48,600	\$14,580	\$4,833	\$68,013	\$6,801	\$18,984	\$37,980	\$93,798	\$112,794
12	\$ 49,478	\$14,843	\$4,921	\$69,242	\$6,924	\$18,984	\$37,980	\$95,150	\$114,146
13	\$ 50,347	\$15,104	\$5,007	\$70,458	\$7,046	\$18,984	\$37,980	\$96,488	\$115,484
14	\$ 51,206	\$15,362	\$5,092	\$71,660	\$7,166	\$18,984	\$37,980	\$97,810	\$116,806
15	\$ 52,059	\$15,618	\$5,177	\$72,854	\$7,285	\$18,984	\$37,980	\$99,123	\$118,119
16	\$ 52,894	\$15,868	\$5,260	\$74,022	\$7,402	\$18,984	\$37,980	\$100,408	\$119,404
17	\$ 53,723	\$16,117	\$5,343	\$75,183	\$7,518	\$18,984	\$37,980	\$101,685	\$120,681
18	\$ 54,545	\$16,364	\$5,425	\$76,334	\$7,633	\$18,984	\$37,980	\$102,951	\$121,947
19	\$ 55,355	\$16,607	\$5,505	\$77,467	\$7,747	\$18,984	\$37,980	\$104,198	\$123,194
20	\$ 56,155	\$16,847	\$5,585	\$78,587	\$7,859	\$18,984	\$37,980	\$105,430	\$124,426
21	\$ 56,931	\$17,079	\$5,662	\$79,672	\$7,967	\$18,984	\$37,980	\$106,623	\$125,619
22	\$ 57,664	\$17,299	\$5,735	\$80,698	\$8,070	\$18,984	\$37,980	\$107,752	\$126,748
23	\$ 58,461	\$17,538	\$5,814	\$81,813	\$8,181	\$18,984	\$37,980	\$108,978	\$127,974
24	\$ 59,209	\$17,763	\$5,888	\$82,860	\$8,286	\$18,984	\$37,980	\$110,130	\$129,126

Appendix I - Salary Guidelines Information:

Adjusting Salary Guidelines - The Synod continues to adjust its base salary index to more closely reflect the salary indexes of the East Central Wisconsin Synod, South Central Synod of Wisconsin, Northern Illinois Synod and the Metropolitan Chicago Synod. In comparing our salary guidelines to these three synods in 2014, we found four things regarding the GMS salary guidelines:

- The first year starting base salary was lower than the other three synods.
- Minimum Base Salary for the first ten years were comparable to the Metropolitan Chicago Synod
- GMS Synod minimum base salary exceeded other three synods in later years.

A similar comparison was performed using the 2018 compensation guidelines for the four synods noted above. The comparison noted the following items:

- The first year starting base salary is comparable to the other synods
- Minimum base salary for the first ten years were comparable to other synods, but by the tenth year, the GMS is still above all the other synods.
- GMS minimum base salary exceeded the other four synods in later years, but was closer than the 2014 analysis.

Note: Wherever the term “congregation” is used in this document it can also be assumed that this applies to all ELCA affiliated organizations.

Appendix J – Housing

Based on median housing costs in our synod, obtained from the 2016 data, we determined that the minimum recommended housing allowance of 30% of base salary will need to be monitored, and possibly adjusted in future years.

- The East Central Wisconsin synod continues to define the minimum housing allowance as 30% of base compensation or \$12,000, whichever amount is higher.
- The Metropolitan Chicago Synod has set their minimum housing allowance at \$21,000, regardless of base salary.
- South Central Synod of Wisconsin provides a table of median home sale prices by County, with an adjustment for furnishings and utilities. The suggested approach is to take 12% of the adjusted median home price for the annual housing allowance.
- Northern Illinois Synod uses a figure of 12% to 15% of median home prices for the suggested housing allowance.
- Other synods in Region 5 are currently using either 30% of base salary or 35% of base salary.

- As noted in a survey of clergy in the GMS, congregations tend to focus on the base compensation (salary and housing), and allow the rostered leader to make their own decision regarding dollars assigned to the housing allowance.
- Rostered leaders do not necessarily live where their congregation is located, and rostered leaders may move within the synod to different congregations.
- Median Home sale prices data from the Wisconsin Realtors Association in Southeastern Wisconsin was used to determine the annual housing allowance by County. The calculation showed that housing allowances ranged between \$16,800 and \$33,600 based on median home prices.
- The housing allowance included in the base compensation guidelines ranges from \$11,400 at zero years of experience to \$19,430 at thirty years of experience.
- Based on data from the Wisconsin Realtors Association median home prices have increased on average 5% per year over the last three years.

As a comparison a table was prepared to show the current compensation guidelines to a formula based housing allowance using Wisconsin median home prices. A median home price can be converted to an annual housing allowance. We use the Wisconsin Realtors Association report of Median Home prices. The median home price for your area is for an unfurnished home. You will need to add an additional 12% of value to that figure for being fully furnished plus utilities. Taking 1.0% of this figure will determine the fair market rental value. This 1.0% equals the monthly amount of housing allowance. For example: the median cost of a home in Kenosha County, was \$142,000. Fully furnished, that home would be valued at \$159,040 ($\$142,000 \times 1.12$). 1% of \$159,040 gives you a monthly housing allowance figure of \$1,590 (annually: \$19,084).

The following table provides a comparison by County using the Wisconsin Realtors Association median home sales average for the past three years (2015, 2014, and 2013). This table can be used for comparison purposes, but is not a guideline for purposes of the rostered leader's compensation guidelines.

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2017 Monthly Housing Statistics				
3 Year Average of Median Home Sales				
	Home Sale Price	Annual Housing Allowance		
County	Median	Average	Low	High
Dodge	\$ 127,250	\$ 17,100	\$ 15,390	\$ 18,810
Kenosha	141,670	19,040	17,140	20,940
Milwaukee	131,630	17,690	15,920	19,460
Ozaukee	250,330	33,640	30,280	37,000
Racine	136,920	18,400	16,560	20,240
Sheboygan	125,000	16,800	15,120	18,480
Walworth	170,000	22,850	20,570	25,140
Washington	198,670	26,700	24,030	29,370
Waukesha	250,630	33,690	30,320	37,060
Average	\$ 170,230	\$ 22,880	\$ 20,590	\$ 25,170

The Base Compensation guidelines are currently 30% of base salary. The following table shows the Base Salary from the 2018 Compensation Guidelines plus the annual housing allowance at 5-year increments.

Based on Compensation Guidelines			
Years Since Ordination	Base Salary	Housing Allowance	Base Compensation
Year 0	\$ 38,039	\$ 11,300	\$ 49,339
Year 5	\$ 43,098	\$ 12,850	\$ 55,948
Year 10	\$ 47,713	\$ 14,300	\$ 62,013
Year 15	\$ 52,059	\$ 15,680	\$ 67,739
Year 20	\$ 56,155	\$ 17,000	\$ 73,155
Year 25	\$ 59,952	\$ 18,240	\$ 78,192
Year 30	\$ 63,522	\$ 19,430	\$ 82,952