

## **RESOLUTION #**

### **Resolution on Clergy Compensation Report of Finance Committee and Standing Committee On Clergy & Lay Compensation and Benefits**

WHEREAS, there is a continuing need to emphasize the importance of an appropriate salary and adequate total compensation for clergy and laity of the diocese; and

WHEREAS, there is a need for total clergy and lay compensation to be appropriate in relationship to other dioceses; and

WHEREAS, Government guidelines instruct the (a) clergy be issued Form W-2 (not form 1099), and (b) professional allowance be separated from stipend and managed according to an Accounts Reimbursable plan with their employer; and

WHEREAS, the Diocese continues to face a continued increase in the number of congregations unable to sustain full time ordained ministry thus necessitating re-examination of how best to compensate ordained leadership at the congregational level; and

WHEREAS, the Subcommittee on Clergy Compensation has been instructed to review compensation annually and provide information and counsel to congregations, clergy, and the Diocese of compensation matters as needed;

**RESOLVED:** That the following clergy and lay employee compensation policy be adopted by the Diocese, and that the diocesan convention review this policy in 2010, having been advised by the Standing Committee and the Finance Committee Joint Subcommittee on Clergy and Lay Employee Compensation and Benefits.

#### *Diocese of Central Pennsylvania Clergy and Lay Employee Compensation Schedule*

##### ***A. Compensation Schedule***

Full-time priests and transitional deacons shall be paid a salary that is at least equal to the salary established by the Diocesan Minimum Salary Schedule. The schedule provides higher rates of compensation based on the number of years of full-time ministry completed since ordination to the diaconate. Increases will be set in the Minimum Salary Schedule for 0-4 years, 5-9 years, 10-14 years, 15-24 years, and 25-plus years. Other factors including relevant advanced degree (beyond the MDiv) and specific relevant certification should be considered by parishes when setting salaries. Any clergyperson who is not receiving minimum compensation schedule should be considered part time and responsibilities negotiated accordingly. See G.

##### ***B. Cost of Living Adjustment***

A Cost of Living Adjustment (COLA) will be made to each step of the Diocesan Yearly Minimum Salary Schedule. The 2009 schedule is incorporated by title as part of this policy.

##### ***C. Professional Expense Reimbursement***

Vestries are encouraged to review annually with their clergy the actual expenditures incurred in the practice of ministry and to budget accordingly. The minimum professional expense reimbursement will be **\$5,000**, including travel reimbursed at the current rate allowed by the Internal Revenue Service. Such reimbursements are paid with an accountable reimbursement form.

##### ***D. Medical Insurance***

Medical insurance currently in effect is based on the following rates:

|                  |                 |               |
|------------------|-----------------|---------------|
|                  | PPO             |               |
| Single           | \$568.00/ month | \$6,816/ year |
| Husband and wife | \$1133/month    | \$13,596/year |
| Parent and child | \$1004/ month   | \$12,048/year |
| Family           | \$1,606/ month  | \$19,272 year |

Rates when renegotiated are published each Fall.

### ***E. Social Security Contribution***

The full employer's share of the social security tax is to be paid for all employees.

### ***F. Continuing Education***

Full-time clergy receive an allowance of \$750 annually for continuing education. Monies not used for continuing education will be allowed to accumulate up to 3 years, for special education projects, including sabbaticals.

*Sabbatical Leave regulations are as follows:*

It is the policy of the Diocese of Central Pennsylvania that all full-time clergy who have served continuously in this diocesan position or parish for seven years or more are entitled for sabbatical leave of up to three months. Sabbatical leave shall be in addition to vacation. While on sabbatical leave the member of the clergy shall receive full compensation and benefits. The right to request such leave shall recur each additional seven years' tenure.

A sabbatical plan of study is to be submitted to, and approved by, the vestry and the Bishop. Clergy are expected to return to their former position for at least one year following the conclusion of a sabbatical leave. Exceptions to this may only be granted by the Bishop with the concurrence of the vestry(ies) of the congregation(s) in which the clergy person is serving. Clergy shall not be eligible for more than one sabbatical leave in a seven year period, nor shall they be eligible for study leave in the same calendar year in which they take a sabbatical. When available, diocesan financial aid will be given to help with the costs of supply clergy for pastoral duties and the leadership of worship during the time of the sabbatical. The congregation or institution shall pay the cost of compensation and benefits. Clergy are expected to pay for the cost of the sabbatical itself, however efforts will be made to assist members of the clergy to obtain grants or other forms of financial aid.

2009

**Minimum Clergy Compensation**

The minimum clergy compensation schedule is based on an adjustment to the base salary which reflects a 4% Cost of Living Adjustment (COLA) for the previous year.

| <b>Years Ordained</b><br>as of 1/1/08 |          |     |      |   | <b>MINIMUM SALARY</b> |
|---------------------------------------|----------|-----|------|---|-----------------------|
| 0 - 4                                 | \$34,666 | x.1 | .04  | = | <b>\$36,053</b>       |
| 5 - 9                                 | \$38,280 | x   | 1.04 | = | <b>\$39,811</b>       |
| 10 - 14                               | \$40,082 | x   | 1.04 | = | <b>\$41,685</b>       |
| 15 - 24                               | \$43,355 | x.  | 1.04 | = | <b>\$45,089</b>       |
| 25 - plus                             | \$45,660 | x.  | 1.04 | = | <b>\$47,486</b>       |

*Minimum salary guidelines are not meant to be considered in lieu of a merit increase. Every parish should be in dialogue with their clergy concerning evaluating responsibilities, performance and compensation annually.*

Additional benefits provided by congregations for full-time clergy include:

- 1) Housing- either cash allowance or provided through a rectory in which case a \$1,100 equity allowance is to be given. This equity allowance is to be reviewed by the compensation committee annually.
  - 2) Church Pension Fund Premiums.
  - 3) Life insurance coverage of \$50,000 provided by the Church Insurance Company to clergy employed full-time at no extra cost to the congregation.
  - 4) Clergy are to be covered by worker's compensation insurance.
- Long-term 25 disability insurance coverage offered through Church Medical Trust is encouraged as well.

**G. Part-time Clergy**

Based on a full-time week of 44 hours and diocesan standards for years of service, congregations will provide compensation including housing for the work of part-time clergy in proportion to mutually-agreed-upon hours of service.

Professional expenses to be reimbursed proportionately according to Section C of this resolution. The congregation and the ordained person may negotiate for greater reimbursement as part of the total compensation package.

Minimum health insurance coverage proportionate to the hours worked. The congregation and the ordained person may negotiate for greater coverage as part of the total compensation package. Clergy persons eligible for Medicare, CHAMPUS or similar federal or state insurance programs will receive a proportionate share of "medigap" insurance.

Continuing Education and Sabbatical leave proportionate to compensation contracted work time. Vacation time of at least four Sundays a year.

Clergy employed by two or more congregations to make a full-time job shall receive full-time salary and benefits as negotiated by the churches served.

**H. Supply Clergy**

The stipend for supply clergy is \$125 for one service and \$150 for two services. Beyond two services a day, the rate is to be negotiated. Mileage is to be reimbursed at the current rate allowed by the Internal Revenue Service.

### ***I. Vocational Deacon Reimbursement***

Mileage for church business conducted by vocational deacons is to be reimbursed at the current rate allowed by the Internal Revenue Service. In addition, a minimum continuing education allowance of \$500 as well as a \$300 professional expense reimbursement is to be provided. These reimbursements are to be reviewed annually by the Diocesan Compensation Committee.

### ***J. Retired Clergy Insurance***

As part of the benefits offered through Church Pension, retired clergy are offered supplemental insurance for Medicare. The comprehensive supplement is included with retired clergy benefits. A premium supplement may be purchased. While it is the responsibility of clergy to purchase the Premium Supplement for their spouse, the Diocese of Central Pennsylvania has helped retired clergy obtain the Premium Supplement for themselves. For 2008, the Diocese provides a total of \$26,500 toward this cost.

### ***J. Lay Employees***

It is required that lay employees who work one thousand or more hours per year be provided with pension benefits after one year of service. An agreement should be reached with those employees on health insurance, life insurance, paid holidays, vacation and sick leave. Arrangements for health insurance should be made through the Diocesan plan. Diocesan guidelines are available on these matters.

Worker's compensation and the employer's share of Social Security must be paid for all employees. Further, it is encouraged that short-term disability insurance be obtained for lay employees as well.