

ROCKY MOUNTAIN DISTRICT CHURCH WORKERS COMPENSATION GUIDELINES

FOUNDATIONAL PRINCIPLES

Churchworker Concept

The church workers are gifts from God to our congregations and their members. [Ephesians 4]. "Church worker" as used here, embraces all employees of the congregation. It includes Pastors, Teachers, Directors of Christian Education (DCEs), Directors of Christian Outreach (DCOs), Principals, Deaconesses, Parish Music Directors, Choir Directors, Organists, Youth Workers, Aides, Secretaries, Cooks, Custodians, and others.

Care Giving Concepts

Care for these workers [Galatians 6] should reflect high regard for any employee called, contracted, or otherwise employed to lead or support the church's work in carrying out the Great Commission. Church workers should rely on wages and benefits comparable to their peers in other Rocky Mountain District congregations and LCMS Districts. Those who are exceptionally faithful in the use of their God-given talents should receive extra care from individual members as well as the congregation [1 Timothy 5:17-18].

Proper care for our workers means more than just financial compensation [1 Thess. 5:12-28]. It also involves provisions for mental health care, medical and dental care, vision and hearing assistance, disability benefits, retirement benefits, and, in some cases, a housing allowance or a house. To this end, the congregation through its responsible officers will want to ensure adequate financial remuneration for all its workers in whatever form that may be.

In addition, workers desperately need sufficient time for their family life, "lest in tending the household of God they neglect their own family to the sorrow and disgrace of the church" [1 Timothy 3:1-13]. Congregational officers and leaders are to see that their workers have both encouragement and permission to take time for spouse, children, and self, using the example of our Creator who rested on the seventh day, and our Savior who retreated for meditation and prayer. Workers also need time to attend to the needs of seriously ill parents, spouses or children. They may need time to grieve, make arrangements for a funeral etc.

Therefore, the congregation through its policy and practice will want to ensure adequate vacation and weekly rest for its workers. This includes enabling them to take time during the work period for personal reflection, Bible study, and prayer.

Concepts of Support

Workers need emotional support, as they serve, lest they become discouraged and unable to radiate the joy of the Gospel. Congregational members need guidance to provide such support. Hence, the congregation will want to discipline itself to pray for them, encourage them by word and deed, and respect their needs for fellowship and caring relationships. Effective workers need to grow both in their understanding of the Holy Scriptures, and of the issues of the day, as well as in the skills of their profession so that the witness of the congregation to the world is effective, winsome and persuasive. To this end, the congregation will want to provide time and resources for the worker's continuing education and growth. [2 Timothy 2:14-26].

Worker Expectations

Likewise church workers are to be aware of their obligations to the members and congregations of our district. They will want to avoid regarding themselves as spiritually elite, but rather as servants of God's people.

Workers must also remember that their care is not confined to monetary compensation, but also includes expressions and tokens of love and respect from the members of the congregation, its officers, and fellow church workers. Church workers may expect these expressions to include constructive criticism and helpful suggestions from those whom they serve. More formally, the congregation expresses its love and care through its efforts to monitor, evaluate, and recommend improvements in the worker's performance, skills, and efforts. Formal efforts will be expressed in policy.

Most importantly, workers shall give daily attention to their devotional life in the Word and prayer, and graciously exemplify Christian stewardship of time, talent and treasure [1 Timothy 4].

This document is intended to provide each congregation in establishing evaluating and reviewing its commitment to its church workers, according to scriptural principles of service, compensation and care. The desired goal is that through meaningful dialogue between parish leaders and church workers, all parties concerned will recognize compensation as a thoughtful expression of gratitude and love from the congregation. Likewise, it is hoped that the congregation will grow in its understanding of the joys, challenges and burdens of professional service in God's church.

INSTRUCTIONS FOR COMPLETING THE SALARY COMPUTATION FORM

1. The Rocky Mountain District Board of Directors annually suggests a twelve month salary base. The base amount is split based on the geographical locations of the District – Colorado, New Mexico, Utah and El Paso. Please contact the District office to obtain the most recent base salary amount. Another alternative would be to use the salary for a beginning teacher in the local public school district. Because a public school teacher's salary is for ten months of service an adjustment will need to be made for 12 month workers. To convert this base to twelve months multiply by 1.2. The purpose for using this alternative method is to equalize salaries for workers in areas of either extremely low or extremely high cost of living. Congregations can then be fair in administrating this salary schedule in those economically diverse areas of our district. The local public school beginning teacher's salary (adjusted to reflect twelve months of service) is nationally considered to be an equitable indicator for community expression of salary in comparison with local cost of living. **Enter on Line 1.**

FACTORS

2. Using the Table A form, determine the relevant training and experience factor of the current vacant position in the congregation. When there is no vacancy, determine the educational level of the present worker. The educational level may be determined in terms of high school diploma, technical training, or in the case of professional church workers, baccalaureate and post graduate degrees and hours beyond the highest and/or most recent degree. Graduate credits are to be expressed in semester hours. If an applicant presents quarter hours to the committee, the number of quarter hours is to be multiplied by .67 to determine semester hours. Determine the educational level acceptable for compensatory consideration. Parish personnel committees will need to determine how much i.e. what percent of a prospective worker's training and education are applicable to the position opening. A degree in agronomy does not add much to the qualifications of a future teacher. Military police training does not directly impact the value of a potential director of youth or Christian education. Personnel committees need to make value judgments on a potential worker's education, experience, and training from non-church worker related fields, as they may or may not apply to position expectations. In many cases, a committee will find that part but not all of background experience, education, or training will apply. The committee should make that determination prior to calling or otherwise employing a new worker. **Enter factor from Table A on Line 2.**
3. Using the Table B form, consideration should be given to these factor categories and ranges are to be used for called or otherwise employed when these staff members are in supervisory positions, and/or have responsibilities or specifically assigned tasks in the areas of personnel, administration, management, and/or leadership. Congregation with workers who have administrative oversight of ministries will want to consider the weight of such administrative responsibilities and determine a corresponding administrative factor within the suggested ranges. It is possible that a worker may be considered in more than one category. Workers who are only *advisory* to parish programs are generally not thought of as having administrative responsibility. **Enter factor from Table B on line 3.**
4. Determine the appropriate factor(s), if any, from **Table C** and **enter on Line 7.**
5. On line 5 of the Salary Computation Form the congregation may add a factor for exceptional performance, unique circumstance or challenge. This merit/special challenge factor may be for one year or on a continual basis. For instance: Does the church worker have a secretary? If not, is he/she expected to perform secretarial duties as well as be pastor, principal, DCE or other supervising church worker? This may warrant an additional salary factor. Recognizing teachers who are synodically trained may be done by adding the following suggested factor:

.01 - .05 Lutheran Teacher Diploma/Colloquy

Any factors added here should be totaled and **entered on Line 5** of the Salary Computation Form.

6. Total all factors from lines 2-5. **Enter the sum on Line 6.**
7. Calculate 12 month salary by multiplying line 1 by line 6. **Enter salary on line 7.**

Salary Computation Form

1. Base salary for your area (contact District office for most recent base amounts)	1.
<u>FACTORS</u>	
2. Table A – Training and Experience scale, enter factor (from Table A)	2.
3. Administrative Responsibility Factor (from Table B)	3.
4. Additional Responsibility Factor (from Table C)	4.
5. Special Factor	5.
(add lines 2-5) TOTAL FACTORS	6.
7. Calculated 12 month salary (multiply line 6 by line 1)	7.

TABLE B – ADMINISTRATIVE RESPONSIBILITY FACTOR

- *Notes for consideration of size factor*
 - .01-.15 _____ Size Factor (see notes below on determining this factor)
 - .20-.40 _____ Head Pastor with full administrative oversight
 - .10-.20 _____ Pastor charged with partial administrative oversight
 - .05-.20 _____ Director of Christian Education
 - .05-.20 _____ Dir. Christian Outreach
 - .05-.15 _____ Parish Manager/Office Administrator
 - .00-.20 _____ Parish and/or School Music Director
 - .05-.10 _____ Parish and/or School Athletic Director
 - .05-.30 _____ Principal
 - .05-.20 _____ Early Childhood Education Director
 - .01-.15 _____ Assistant Principal
 - .01-.10 _____ Assistant Early Childhood Education Director

_____ **Total Factors**

Table B Notes:

Congregation size: For every 100 members over 300, consider adding to the pastor's factor, especially when the the responsibilities are carried by the pastor as the only called worker. If there is a multiple staff of called workers, consider the nature of each worker's responsibilities, then consider adjusting the size factor accordingly and adding factors for administrative oversight.

School size: Consider the number of workers who are under the direct supervision of this administrator and the legal liability burdens in relation to the number of staff.

TABLE C – ADDITIONAL RESPONSIBILITY FACTOR

- .01-.05 _____ Coaching/Sponsor (per sport/activity)
- .05-.25 _____ Organist /Keyboardist
- .01-.10 _____ Choir Director (per choir)
- .01-.10 _____ Band Director
- .01-.10 _____ Librarian
- .05- .20 _____ Teaching Administrator

_____ **Total Factors.**

BENEFITS AND ALLOWANCES

Housing Allowance (Applies to called workers only)

When a congregation provides a parsonage or teacherage for a called worker (“called worker” is fully defined in the personnel handbook of the LCMS, but can be briefly defined as someone who is eligible for, and on, the roster of our Synod) the congregation must reduce the adjusted salary (computed and on **line 7** of the Salary Computation Form) to take this condition into account. The congregation must determine, and then declare the fair market rental value of this housing, or 25% of **line 13** and reduce the adjusted salary by that amount. It is the congregation’s decision as to which amount will be used. The 25% is just a guideline suggested by The Rocky Mountain District. It is **not** an IRS regulation and is not listed in any IRS Publication. However, regardless of which amount the congregation chooses to use, the called worker must still report the fair market rental value of the home provided for the purpose of computing self-employment tax. Congregations that provide housing for their workers are encouraged to establish a Housing Equity Account on behalf of the worker in the event they retire or accept a Call to another congregation.

If no congregation-owned housing is provided, the Internal Revenue Service permits the congregation to designate a percentage of the adjusted salary to be used as housing. The amount, or percentage, must be set annually and approved by the voter’s assembly prior to January 1 of the affected year. Failure to do so will prevent your called worker(s) from claiming a housing allowance deduction.

Adjusted Salary (from line 7 above)	\$ _____
Percentage or Amount approved by the voter’s assembly as housing allowance (applies to called workers only)	\$ _____
Reportable Cash Salary Subtract housing allowance from Adjusted Salary to determine	\$ _____

Reimbursable Expenses

Your congregation is encouraged to establish an Accountable Reimbursement Plan for workers who incur expenses on behalf of the congregation. It is called “accountable” because the worker must submit a lot, receipt or other good record before the congregation would reimburse for these expenses. As Reimburement, these monies would not be exposed to Social Security, Medicare or Income Tax.

On the other hand, should your congregation choose to pay **allowances** for automobile, continuing education, etc., those funds would be reportable for Social Security, Medicare and Income Tax purposes.

Whichever method you choose, your congregation is encouraged to annually discuss which expenses are allowed or reimbursed, and make these clear to each and every worker. The method chosen should be expressed in parish policy.

Social Security

Each non-called staff member is entitled to receive a social security benefit in the form of the employer’s contribution to the federal social security program. The congregation’s share of FICA will vary as controlled by the federal government. Congregations are entitled to this information from the local social security branch in their corresponding communities. This benefit is not available to called ministers of religion-commissioned or ordained.

Retirement Offset

Male or female commissioned workers as well as ordained workers should be paid by the congregation an additional allowance making up the difference between the full and regular retirement plans. This should be 2.3% for single workers and 3.0% for married. This income is taxable. Consult the Concordia Plan Services website for additional details on the offset www.concordiaplans.org

Concordia Plans

Retirement, Disability and Survivor, Health, Vision, Hearing, and Accident Insurance are available to workers whose congregations are enrolled in the Synod’s Concordia Plans. The Worker Benefit Plans office can provide the current rates and enrollment requirements for congregations. Congregations are encouraged to provide these benefits for their workers.

Vacations

Vacations for full time (twelve month) church workers are usually based on total years of experience in Lutheran churches than on service to an individual parish as follows:

<u>Years of Experience</u>	<u>Weeks of Vacation</u>	<u>* Ministerial Health/Wellness Committee</u>
1 to 5 years	2	3
6 to 10 years	3	4
11+ years	4	5

A week should be considered five working days. Vacation may be taken consecutively or in shorter periods. One Sunday would normally be included in each week. The congregation should budget separately for pulpit supply in the absence of a pastor. Congregations with teachers who have responsibilities which extend beyond the school calendar should consider these factors when setting vacation days for these workers.

The congregation may permit accrual of vacation for a special plan of the worker such as travel abroad, but it urged that vacation time be taken annually. Any worker entitled to vacation will be compensated for unused vacation upon termination of employment.

Leave of Absence

Generally, a congregation should provide at least 5 to 10 sick days per year. It is strongly recommended that congregational policy be written to permit sick leave accrual to insure adequate protection for workers who may become disabled or suffer catastrophic illness. This accrual should provide a basis for continuance of pay and work consistently with the Concordia Plans.

Other leaves of absence which may need to be addressed include: bereavement, family needs, personal sabbatical, and jury duty.

Holidays

Usual holidays may be granted by the congregation may include but are not limited to: New Years Day, President’s Day, Good Friday, Easter, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas.

Many church workers cannot observe these holidays as scheduled since the same days are often festival occasions in the church. It is suggested that in these cases alternative holidays be offered. In congregations with schools it is recommended that policy be developed which takes into consideration personnel responsibilities during school breaks such as Thanksgiving, Christmas, Easter, and Spring Break.

Days Off

The congregation should see that each worker has at least one day off each week. Mental healthcare providers increasingly recommend two days. This day off should be respected by both the worker and by the congregation for the mental health of the worker. When emergency situations arise that make this impossible, compensatory days should be given as needed.