

# Compensation Guidelines for Local Church Personnel and Search Committees for Authorized Ministers

*“The gifts he gave were that some would be apostles, some prophets, some evangelists, some pastors and teachers, to equip the saints for the work of ministry, for building up the body of Christ, until all of us come to the unity of the faith and of the knowledge of the Son of God, to maturity, to the measure of the full stature of Christ.” (Ephesians 4:11-13, NRSV)*

## INTRODUCTION

The Southern New England Conference of the United Church of Christ, seeking to balance the growth, vitality and financial sustainability of its churches with the fair and appropriate compensation of its authorized ministers, recommends that all congregations meet the goals as outlined in these *Compensation Guidelines for Local Church Personnel and Search Committees for Authorized Ministers*<sup>1</sup>. The guidelines apply to all people serving in authorized ministries of the church, including those serving full-time and part-time. It includes pastors who serve as solo, as senior, as co-pastor, or as associate or assistant pastor. It applies to settled, interim, and designated term pastors. The guidelines also describe compensation for supply pastors, as well as pastors providing emergency and on-call coverage.

**The primary operating principle for these guidelines is fair and just compensation for all authorized ministers.** Authorized ministers serving our churches should be able to earn enough income, which includes base salary and housing, to live in the community they serve. This, however, does not obligate congregations to cover the necessary income in its entirety. When a congregation cannot pay its authorized minister according to the guidelines, the pastor’s service to the church should be adjusted accordingly to allow them to find other work to supplement their income.

Local median income will largely determine clergy compensation. Minimally, clergy who serve their congregations full-time (35-45 hours per week) should receive the median income for the county in which they serve. Should the town/city median income exceed the county median income, the town/city income will prevail. If congregations cannot afford the minimum full-time compensation, the pastor will serve the church part-time consistent with the percentage the congregation’s budget is of the full-time compensation.

These guidelines also take into account a congregation’s size based upon its worship attendance, a pastor’s experience, and the compensation of other clergy serving the congregation.

These guidelines reflect practices consistent with the manner most people in our congregations receive their compensation. In other words, salary, housing, and benefits are no longer separately determined. Doing this brings consistency to a congregation’s budgeting process and gives clergy more flexibility to structure their overall compensation. Consequently, the guidelines include benefits in compensation calculations.

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<sup>1</sup> Due to the federal tax code, clergy taxes are complex. This document will cover the lion’s share of the questions for churches and clergy. However, a complete reference is the **Church and Clergy Tax Guide** by Richard Hammar. It is revised annually to correlate to the current tax code.

*(Note: These clergy compensation guidelines due to several embedded links were designed to be used on-line. Users with limited internet access can download a copy of these guidelines and the compensation worksheet.)*

## **DETERMINING CLERGY COMPENSATION**

**For the pastor:** The guiding principle for clergy compensation balances the needs for the clergy to receive compensation that is fair and just with the financial condition of the church. Fair and just compensation should enable the pastor to live in the same community as the church in a manner consistent with the average lifestyle of a member in the congregation. Compensation should reflect the pastor's training, relevant experience both inside and outside of the church, congregation size, and scope of responsibilities.

**For the church:** A congregation should compensate its pastor based upon what it can afford. Furthermore, the compensation should realistically reflect the pastor's scope of responsibilities. Though a congregation may desire full-time ministry, its financial condition may not allow it. In those cases, a pastor would serve the congregation part-time so that other employment can be found to supplement the pastor's income in order for the pastor to have a full-time income.

**These are minimum guidelines and apply to settled, designated term, and interim clergy**

## **DEFINING HOURS FOR MINISTRY**

A pastor's work week can be counted by hours. A full-time pastor will serve the church 35-45 hours a week (1.0 FTE, Full-Time Equivalent). During a typical week, a pastor should receive two days off from all church work and should serve no more than three evenings. Occasions will arise when a pastor may exceed the number of hours in a week or may have to respond to an emergency on a day off. In those cases, a pastor should receive compensatory time within the next four weeks.

The number of hours a part-time pastor will work will be a proportion of the full-time pastor.

## **TIME CONSIDERATIONS<sup>2</sup>**

- **Paid Holidays** according to church personnel policy.
- **Vacation Time** -- Four weeks paid vacation per year.
- **Continuing Education/Study Leave** -- Two weeks, including weekends, per year. The pastor should not be expected to provide worship leadership during this leave.
- **Sabbatical Leave** – Three months paid full-time sabbatical leave every five years in addition to the expenses for substitute pastoral coverage during that time.
- **Sick Time** according to church personnel policy, but at least two weeks per year.
- **Parental Leave** – Parental leave of twelve weeks with full compensation. Parental leave is a way for congregations to support a minister and their family at the time of childbirth, foster placement, and/or adoption, as well as at the time of reproductive loss (such as miscarriage or stillbirth). Parental leave is recommended so that ministers can care for themselves and their family before returning to serve the church. Any accrued vacation or

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<sup>2</sup> These are the same for part-time clergy. They are not pro-rated.

medical leave may be used to extend the leave period. Another option for extending the leave would be for the minister to work part-time, engaging some responsibilities while making provisional arrangements for others. Unless urgent medical conditions or reproductive loss precludes making such arrangements prior to the leave, arrangements for the continuation of the church's pastoral responsibilities during the leave should be planned and negotiated.

Congregations are encouraged to have an expansive understanding of the experience of creating families, as well as the emotional and spiritual impact these experiences may have for ministers and their families. Congregations are advised to make it explicit that their minister may utilize parental leave, if the minister desires, following unsuccessful fertility treatment, failed adoption processes, or similar experiences.

- **Family Leave** includes caring for a family member, such as a spouse, a domestic partner, a child, or a parent, who has a serious health condition. This leave also applies to a qualifying exigency for a family member who is a covered military member who is deployed or has been notified of a pending deployment to a foreign country. Twelve weeks paid (by church and/or disability plan) and up to six months of unpaid leave.
- **Personal/Compassionate Leave** as needed for bereavement or family celebrations. This leave will be paid by congregation for up to five days. The definition of family member covers a wide range of relationships, including spouse; domestic partner, parents; parents-in-law; children; brothers; sisters; grandparents; grandchildren; step-parents; step children; foster parents; foster children; guardianship relationships.
- **Mobilized Military Leave** for those who serve in the military reserves or National Guard receive compensation for each day of mandatory mobilization up to 30 days a year. Should mobilization extend beyond 30 days, the local pastor will go on unpaid leave.<sup>3</sup>
- **Jury Duty** – The pastor will be paid during jury service.

Pastors should not be expected to work for more hours than they are contracted by the church. Pastors who consistently work at the high end of their range or regularly exceed their contracted hours should have their contracts and their scope of work re-evaluated to ensure fairness. A pastor who is overworked and undercompensated can feel resentful, which can negatively affect the ministry.

#### **SPECIAL CONSIDERATIONS**

- **Sabbatical Leave** – Congregations should budget for a sabbatical leave every year, even during an interim time. By setting aside funds every year, a pastor has assurances that the sabbatical will be funded without having to self-fund it through grants. Churches should plan for a three-month sabbatical leave every five years.
- **Accrued Sick Time** – A pastor can accrue sick time up to 20 days.
- **Personal and Compassionate Leave** – Typically, a pastor takes this leave in response to a particular event. When the event was traumatic or especially difficult, such as grief, recovery usually takes time for healing. Though a pastor may return to work, occasions can arise when the pastor cannot adequately serve. For instance, a pastor who is in mourning may have difficulty preparing a funeral a few weeks later. In such cases, the

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<sup>3</sup> When a pastor's is mobilized, the church should hold the pastor's position until the pastor returns. Congregations can call a pastor to lead the congregation while the pastor is deployed.

congregation should provide compassion during the transition time. This should be negotiated with Pastoral Relations.

- Reserve Duty Training Leave - A pastor who performs active or inactive duty with the armed forces of the United States of America as a member of a Reserve unit may be granted a leave of absence for up to two weeks annually for training. This also applies to members of the National Guard and the Coast Guard. During this leave, the employee will receive their regular salary and benefits less the amount of their military pay. A pastor who is a Reservist and called for active duty should continue to receive insurance benefits until such time as the United States government provides it for active duty.

### COMPONENTS OF A COMPENSATION PACKAGE

A compensation package includes cash salary, housing, and benefits. The congregation provides housing either with a housing allowance or a parsonage.<sup>4</sup> The benefits include:

- Annuity (14% of cash salary and housing through UCC Pension Boards)
- Life Insurance/disability (1.5% of cash salary and housing through UCC Pension Boards)
- Self-employment tax offset (7.65% of cash salary and housing)
- Health insurance
- Dental and vision coverage
- Home Equity Allowance<sup>5</sup> (For pastors living in a parsonage. 1.5% of the average home value)
- Moving expenses (this is also treated as income)<sup>6</sup>

These are recommended percentages. The final allocation, however, should be negotiated between the pastor and the church.

Group health insurance for Authorized Ministers is provided by the UCC Pension Boards. The UCC Medical Benefits Plan offers portability to Authorized Ministers and their dependents if they remain in the plan when they change positions.

**Please note: UCC Authorized Ministers and their dependents must enroll in the UCC Medical Benefits Plan within the first 90 days of initial eligibility. If they do not enroll in the Plan during the initial eligibility period, or if they choose to leave the plan at a later date, evidence of good health must be provided to enroll. Plan participation may be denied on health status after the first 90 days of eligibility."**

The following are reimbursable accounts and are in addition to the clergy compensation:

- CORI or Oxford verification
- Mileage reimbursement
- Reimbursable expenses (Includes vestment cleaning, books, conference fees and expenses, clergy community of practices/clergy excellence groups)

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<sup>4</sup> A parsonage counts as income for calculating SECA and UCC Pension Boards annuity and life insurance/disability. The income used for a parsonage should reflect the fair rental value of the parsonage in that housing market.

<sup>5</sup> A Roth IRA allows a \$6,000 maximum annual contribution. The contribution is taxable income.

<sup>6</sup> This is a one-time expense and should not be included in the compensation for salary and benefits.

## **DETERMINING COMPENSATION**

Given that the pastor should receive fair and just compensation enabling the pastor to live in the same community as the church in a manner consistent with the average parishioner, the baseline to use to calculate compensation is the median household income for that community using MissionInsite<sup>7</sup>.

[\[Click here to access MissionInsite\]](#)

The published median household income from MissionInsite includes housing costs.

In a healthy household budget, housing costs should not exceed 30% of household income.

Benefits as noted above typically are 30% above household income. Thus, the published median household income does not include benefits.

### **Determining baseline compensation with housing allowance:**

Median household income from MissionInsite, plus 30% of median household income.

*Explanation: As income includes housing, the benefits will increase the package value by 30%.*

### **Determining baseline compensation with parsonage:**

Median household income from MissionInsite.

*Explanation: As the church provides the housing, which is 30% of income, the addition of benefits offsets the parsonage costs.*

### **Determining baseline compensation with housing allowance when the local median household income is below the county's median income:**

The household income will be county median income, plus an additional 30% for housing.

### **Determining baseline compensation with parsonage when the local median household income is below the county's median income:**

The household income will be the county median household income.

These represent the minimum a pastor should receive. Compensation should be adjusted for congregation size and experience. In churches with multiple clergy, compensation should also reflect seniority.

A pastor and the congregation can negotiate how to allocate the total compensation among the various components comprising the full compensation package.<sup>8</sup>

## **Adjusting Minimum Baseline Compensation**

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<sup>7</sup> MissionInsite is an application providing detailed information about a community. Congregations and pastors who utilize the data from this application will be able to target its ministries more specifically to its community's needs.

<sup>8</sup> This methodology acknowledges a congregation's budget reality in that it typically sets aside a total amount for clergy compensation. All the components of a compensation package are put together under a single budget number and is left to the pastor and the congregation to allocate it based upon the pastor's needs.

Fair and just compensation should reflect pastoral seniority, expertise and experience to further the ministry of the church, and the size of the congregation.

**Size of Congregation:** Based upon the work of Arlin Rothauge<sup>9</sup>, congregations based upon their size fall into one of five categories:

- Family Size Church: Under 75 people in all services throughout the week
- Pastor Size Church: 76-140 people in all services throughout the week
- Transitional Size Church: 141-224 people in all services throughout the week
- Program Size Church: 225-800 people in all services throughout the week
- Resource Size Church: 801+ people in all services throughout the week

The work in a congregation is a function of the congregation's size. As such, the compensation should increase based upon the size of the church. The following table describes the recommended increase above minimum baseline compensation:

<b>Congregation Size</b>	<b>Recommended baseline</b>
Family	Minimum baseline
Pastor	11% above Minimum baseline
Transitional	20% above Minimum baseline
Program Size	28% above Minimum baseline
Resource Size	35% above Minimum baseline

**Pastoral Seniority:** This applies to churches with more than one pastor. If the pastor is the senior pastor, the pastor should receive 20% more than the highest paid associate pastor. If the pastor is a co-pastor, the pastor should receive the same as the other pastor with an adjustment for expertise and experience.

**Expertise and experience:** Different factors comprise expertise and experience. Most clearly, ordained experience is a significant factor. Additional factors can include previous secular work that is applicable to pastoral ministry, such as social work, and education and training acquired above a master's degree. This could include a doctorate or CEUs in topics applicable to pastoral ministry. Congregations seeking pastors with expertise and experience should set the compensation package anywhere from 10 – 30% above the minimum baseline as specified based upon congregation size in the above table.

Congregations should try to budget their pastor's compensation to as high as they can comfortably afford. This ensures the congregation will be an attractive site of ministry during the search and call process, as well as affirming a pastor's gifts and talents for ministry. Though not guaranteed, higher compensation will promote a long-term pastoral relationship with the congregation.

Given this compensation methodology, a congregation should expect to pay more than the minimum baseline for any one or more of these conditions:

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<sup>9</sup> [https://www.episcopalfoundation.org/uploads/pages/files/Church\\_Size\\_Resources\\_-\\_101612.pdf](https://www.episcopalfoundation.org/uploads/pages/files/Church_Size_Resources_-_101612.pdf)  
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- The congregation is 76 or more people
- More than one pastor serves the congregation
- The pastor has years of experience or brings specialized knowledge and skills to the position

Items to note:

1. The compensation agreement should be renegotiated annually.
2. In cases where compensation includes a housing allowance, the amount set aside for cash salary and housing is negotiated between the pastor and representatives from the congregation. Furthermore, the allocation can be changed each year.
3. The pastor should have health insurance coverage. The cost for this coverage may have to be shared between the pastor and the congregation.

[\[Click here for the clergy compensation worksheet\]](#)

[\[Click here for the clergy compensation worksheet instructions\]](#)

### **PART-TIME MINISTRY**

When a congregation cannot pay for full-time ministry with the above guidelines, it can enter an agreement with a pastor for part-time ministry position. The percent the congregation can pay for a pastor's compensation should reflect approximately the same percent as the budget amount is of a full-time compensation package.

We should note that based upon a recent survey of clergy compensation and church budgets, clergy compensation, whether for full-time or part-time clergy, generally is 40% of the total church budget.

A part-time clergy compensation package should contain most of the components of a full-time package, although including insurance for healthcare, dental and vision, may not be possible in small part-time compensation packages. Allocating the components of the package remains the same as for a full-time package.

(Funding health insurance for part time clergy: Purchase a plan through the Pension Boards or through the local healthcare exchange. The church will fund a percentage of the plan's cost consistent with the number of hours as a Section 125 plan, cafeteria non-taxable benefit)

When a congregation cannot pay a full-time package, the number of hours should be such that a pastor can readily earn supplemental income to achieve full-time earnings. Thus, a part-time package should not exceed 0.8 FTE. A part-time package exceeding 0.8 FTE will probably not leave enough time for the pastor to find other employment and, thus, should be considered full-time with full-time compensation.

Sunday Plus: When a congregation cannot support a half-time pastor, the congregation and the pastor can negotiate compensation based upon preaching one service a week and an hourly rate for any pastoral services during the week as needed, such as visitation or meetings. The package would be:

<b>Task</b>	<b>Rate</b>
Preparing and Leading Worship	\$250 - \$350
Hourly rate for tasks	\$32.00 - \$40.00 <sup>10</sup>

The number of hours can vary up to eight hours a week. The pastor should only receive compensation for actual work plus documented mileage at the current IRS rate. Furthermore, the pastor should provide documentation, such as a timesheet, as a record for the church. Including benefits for less than half-time ministry is optional.

#### **GUIDELINES FOR SHORT-TERM COVERAGE**

**Pulpit Supply:** When congregations need clergy to preach for a short, specified length of time, such as during their pastor’s vacation or study leave, the congregation can engage a supply preacher. A supply preacher has responsibility to prepare worship, prepare a homily, and lead worship. A supply preacher is not expected to provide pastoral visitation to members and friends of the congregation.

Compensation for supply preachers should be \$250 - \$350 per service. The specific amount within this range will depend upon the prevailing wage in the local community.

**Emergency Pastoral Coverage:** Clergy provides short-term coverage for a colleague while they are on vacation, attending a conference, on retreat, or otherwise unavailable to the congregation. The clergy providing coverage will respond to pastoral emergencies per the arrangements with the congregation. In the event the clergy responds to an emergency, the congregation will provide compensation. The clergy who provides coverage must provide documentation to the congregation.

Coverage begins and ends from the time the clergy leaves their domicile or office. The clergy has the option to request mileage reimbursement. The compensation is \$35.00 per hour and is paid to the nearest quarter hour.

If coverage includes a funeral, the clergy should receive compensation from the funeral home.

**On-Call:** A congregation requests a clergy to provide on-call coverage for specific times and time periods. The congregation expects the clergy to respond within an hour after notification.

The congregation will pay \$50 for each 12-hour on-call shift. In the event the on-call situation necessitates a clergy response, the compensation is \$35.00 per hour paid to the nearest quarter hour in addition to the compensation for the on-call shift. The clergy will provide a timesheet to document the shifts and the response should it arise.

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<sup>10</sup> Source: <https://datausa.io/> The rate was derived by using the state’s median income divided by 2000 (approximately the number of annual hours for full-time work).

## **DEFINING PASTORAL RESPONSIBILITIES AND TASKS**

### **PASTORAL RESPONSIBILITIES AND TASKS**

A pastor has a broad portfolio of tasks and responsibilities. They try to balance competing objectives: provide spiritual guidance, administer church business, proclaim the gospel, offer comfort and support, lead a congregation, encourage discipleship, professional growth and development, provide collegial support, and service to the wider church. These tasks and responsibilities include:

- Preparing and leading worship, including a sermon or homily
- Providing congregational leadership, including presence at committee meetings, congregational meetings, and helping the congregation discern the movement of the Holy Spirit
- Deepening faith through teaching of scripture, doctrine, and tradition, as well as the intersection of faith and contemporary issues and concerns
- Being a pastoral presence, especially during people's significant life moments such as birth, marriage, death, severe illness, divorce, or job loss
- Providing pastoral counseling and guidance to help people find hope, comfort, and grace
- Serving the wider church at the association, conference, or national levels
- Proclaiming the gospel to the wider community, which could include serving on boards of community agencies as well as participating in protests, writing letters to the editor, and other acts of proclamation
- Communicating with the congregation and the wider community through newsletters, epistles, and social media to build, strengthen, and maintain relational bonds
- Serving the wider community beyond the congregation in mission and outreach
- Ongoing learning for professional growth; this can include participating in workshops, clergy communities of practice, retreats, and reading
- Practicing self-care to remain an effective pastoral leader

Furthermore, some situations may demand the pastor to address particular tasks typically not part of the usual tasks of ministry over the course of a month. This may especially apply to pastors serving a congregation in a transitional capacity when infrequent issues arise such as finding tenants to share the church building, transitioning a congregation from full-time to part-time ministry, or shifting a congregation to become a legacy church. These can take considerable time.

### **DEFINING HOURS FOR MINISTRY**

A full-time pastor serves the congregation 35-45 hours a week. During a typical week, a pastor should receive two days off from all church work and should serve no more than three evenings. Occasions will arise when a pastor may exceed the number of hours in a week or may have to respond to an emergency on a scheduled off-day. In those cases, a pastor should receive compensatory time within the next four weeks.

A part-time pastor's hours will be determined by the compensation the church will pay compared to the baseline compensation. Thus, if the compensation is 75% of the baseline compensation, the pastor will serve three-quarter time.

## **BALANCING RESPONSIBILITIES AND TASKS WITH HOURS**

Realistically, a full-time pastor cannot accomplish all the responsibilities and tasks described above in a single week. Some of the tasks, such as worship preparation and leadership, occur every week, whereas others, such as serving the wider church, may occur once a month. Some tasks take much longer to complete, such as church leadership, than others such as providing pastoral counseling and guidance. Finally, the amount of time a pastor puts to a task will also be a function of that pastor's interest and passion for each task.

The tasks for a part-time pastor remain the same. Fewer hours each week means less time to dedicate to each task. Yet, the time for some tasks, such as worship preparation and leadership, does not differ between full-time and part-time ministry. Implicitly, the pastor will not be able to accomplish all these tasks in any given month.

Part-time pastors and their congregations should discuss and agree upon a reasonable expectation of responsibilities and tasks given the time constraints of a part-time agreement. Some portions of a task can be delegated and shared with the laity. The congregation's expectations for their pastor's commitment to a task can be lowered. Finally, a congregation should consult with its pastor to agree upon the priorities of each task. These priorities should be revisited annually.

Considerations for part-time ministry:

- Designate one or two Sundays a month when the pastor may have no worship preparation or leadership. For example, a three-quarter time pastor would preach three out of four Sundays. A half-time pastor would preach two out of four Sundays. On those Sundays, the congregation can engage a supply pastor, have a lay-led service, engage in community service, or invite speakers from the community.
- Utilize laity for visitation and congregational care, such as [Called to Care](#). The pastor would visit and support more acute cases.
- Schedule fewer committee meetings or hold multiple committee meetings at the same time. The pastor can rotate between meetings and when present offer leadership and guidance.
- Hire help, such as retired clergy, for short-term tasks, such as confirmation or to teach specific topics, such as the liturgical cycle, the development particular doctrines, or aspects of polity.
- Encourage laity to represent the church on community boards.