

REPORT OF THE COMMITTEE ON MINISTER'S SALARIES

This report is limited to providing a yearly guideline concerning Minister's Salaries. For other matters pertaining to Parish Administration and salary guidelines, please consult the Diocesan Customary, the Diocesan Forms of Call, and/or contact the Diocesan office.

I also recommend that parish treasurers consult IRS publication 517 regarding the unique situation of clergy taxation and the filing of proper tax documents. Clergy on staff should be receiving a W-2 for their salaries and not a 1099, especially if they are receiving a housing allowance. Parishes should not be withholding or reporting any FICA/Medicare wages or FICA/Medicare taxes on clergy.

If you have questions about how to handle a clergyman's tax status and filings, please contact me at j2Grote@rechurch.org

While recognizing that individual parish capabilities and budgets differ, we still believe it is important to provide standards which our congregations should strive concerning the salaries paid to ministers. The source of these figures is www.churchsalary.com and it reports the average range of actual salaries being paid. It is broken down based on church size and church budget. In some cases, there is not enough data for a particular category. This survey may also "lag behind" increases received due to inflation.

These tables are based on an ordained pastor serving with a Master's Degree with only 0-3 years of experience. Additional consideration should be made for the pastor's experience, number of years he has served the parish, his degree level, and the job complexity (size of staff, oversight of preschool or day school, etc).

The cash compensation represented includes compensation of ONLY Stipend AND Housing Allowance (or the value of the rectory, rectory allowances and utilities paid if a rectory is provided by the parish). These figures **do not** include fringe benefits, such as health insurance, disability, and life insurance. Nor does it include the Disability policy and defined Pension Contribution mandated by the General Council (12% of salary & housing combined). In no circumstance should a pastor's cash compensation be reduced to cover the cost of the General Council mandated pension program as this violates the terms of the Pension Program.

We recommend that clergy be given four weeks paid vacation (including 4 Sundays) annually. An extended paid sabbatical leave should also be considered. The length of sabbatical leave is usually calculated as one week for each year of service since the last sabbatical leave, and is taken every four to six years. These items should be determined and enumerated as a part of the minister's contract. It is also recommended that the Vestry of each parish determine to present a Christmas gift to the pastor. A special appeal should be made to the parishioners and a special offering taken. This gift should be over and above any approved salary.

The parish vestry should provide **an annual review of the pastor's compensation package**. At the very least, a cost of living adjustment (COLA) commensurate with the rate of inflation should be provided. If a COLA is not provided, the pastor is, in effect, receiving a reduction in salary. *Example:* If a pastor earns \$10,000 and inflation is 1%, then a \$100 COLA would be needed to keep the salary the same. If there is no COLA, then the pastor, in essence, took a \$100 pay reduction.

While the year-over-year level of inflation has decreased from the past few years, it is still higher than normal. The historic rate of inflation during the past decade averaged under 2% year-over-year. 2021 saw an inflationary rate of 7%. 2022 was 6.5%. 2023 was 3.4%, and 2024 is currently at 2.5%.

For full report and source: <https://www.usinflationcalculator.com/inflation/current-inflation-rates/>

It may be impossible for some parishes to provide a COLA adjustment commensurate with these inflation levels, but if parishes do not seek to provide some level of adjustment during these times, they will discover that their current salaries are well below where they should be in a few years.

Each parish is reminded that the total Housing Allowance for a pastor must be approved by the Vestry of the parish prior to the allowances being paid. A review of the annual housing allowance designation should be done each November/December prior to the new year's salary beginning.

In such cases when the pastor's compensation is below the guidelines or an increase could not be given at the beginning of the year, it would be most appropriate for the parish vestry to review the financial position of the parish more frequently and determine if increases can be provided to the pastor throughout the year. In some cases, a lump-sum addition can be provided at the end of the year if the parish realizes a year-end surplus.

Parishes should also be mindful of other expenses associated with the ministry of the pastor. Regular reimbursements for hospital parking, personal vehicle mileage (the 2024 IRS rate is now \$0.67/mile), meals with parishioners, and other expenses should be made with accompanying receipts. Please note that mileage cannot be reimbursed on a per mile basis if the actual gas charges are submitted for reimbursement.

In closing, please know that **most pastors will not initiate a conversation or direct the Vestry to consider their own compensation.** If anything, pastors will simply live with 'whatever the parish can do for them', including taking decreases in pay if it helps to balance the church budget. This is often done despite the impact to their own personal and family financial well-being. It should be the regular and normal duty of the Senior Warden to direct the Vestry in these matters and to help care for the pastor and his family. To help with this, we ask that you please provide a copy of this report to your parish Vestry.

Pulpit Supply – It should be assumed that a visiting pastor who is asked to cover a worship service and to provide pulpit supply will spend an average of 10-15 hours doing so. They should be compensated for that time along with consideration for how far they are driving. An honorarium should be a minimum of \$200 for their time plus additional for their travel costs if driving any distance. If possible, a parish should strive for a minimum of \$250.00.

A reminder that if a visiting clergyman receives pulpit supply compensation greater than \$599 TOTAL in a given calendar year, then the parish must issue a 1099-NEC to that clergyman.

Respectfully submitted,

The Very Rev. Canon Jason R. Grote

The range provided in each table reflects the average of the 25th to 75th percentile of all salaries surveyed within the criteria for a “Solo Pastor” or “Senior Pastor”. Example: If you earn \$42,650 in a parish that has a budget of \$100k-\$250k, then you are at 25% percentile which means 75% of all other pastors with that same criteria are earning more. If you earn \$69,000 in the same situation, it means that you are earning more than 75% of other pastors in that category. The Median is the middle point of all surveyed data (not average). The median says 50% of pastors received less and 50% received more. The Part-Time tables reflects an average hourly rate based on the Rector’s table that can be used in calculation with total work hours expected.

**Rector
(0-3 years Experience)**

Parish Membership Parish Budget	Under 50 members	50 - 100 members	100-200 members	200-300 members
Less than \$50,000	\$16,437 - \$36,525 Median: \$26,650	\$12,975-\$48,425 Median: \$28,025	-	-
\$50,000 - \$100,000	\$31,137 - \$49,937 Median: \$40,162	\$32,475 - \$53,825 Median: \$41,725	-	-
\$100,000-\$250,000	-	\$49,575-\$71,362 Median: \$59,762	\$54,350 - \$75,275 Median: \$63,850	-
\$250,000-\$500,000	-	\$64,625 - \$88,737 Median: \$74,350	\$66,562 - \$90,525 Median: \$76,562	\$68,775 - \$91,325 Median: \$77,225

* A budget of less than \$50,000 and membership under 50 reflects a situation where the minister is most-likely bi-vocational and receiving a part-time salary rather than a full-time salary.

**Full-Time Associate
(0-3 years Experience)**

Parish Membership Parish Budget	Under 50 members	50 - 100 members	100-200 members	200-300 members
Less than \$50,000	-	-	-	-
\$50,000 - \$100,000	-	-	-	-
\$100,000-\$250,000	-	\$37,900 - \$53,200 Median: \$44,050		-
\$250,000-\$500,000	-	-	\$47,512 - \$65,862 Median: \$56,937	

* A budget with less than \$100,000 and less than 50 members did not return survey results. Usually, only larger member and larger budget parishes have full-time associates.

**Part Time Rector, Associate, Church Planter
Based on the percentiles of the Rector's table**

Parish Membership Parish Budget	Under 50 members	50 - 100 members	100-200 members	200-300 members
Less than \$50,000	\$15.80/ hr - \$23.28 / hr Yearly based on 20 hrs per wk would be: \$16,437 – \$24,212			
\$50,000 - \$100,000	\$14.97/ hr - \$25.87 / hr Yearly based on 20 hrs per wk would be: \$15,569 – \$26,912			
\$100,000-\$250,000	\$23.83 / hr - \$36.19 / hr Yearly based on 20 hrs /wk would be: \$24,787 - \$37,637			
\$250,000-\$500,000	\$31.07 / hr - \$43.90 / hr Yearly based on 20 hrs /wk would be: \$32,312 - \$45,662			