

# 2018 CHURCH WORKERS' COMPENSATION GUIDE LUTHERAN CHURCH-CANADA, CENTRAL DISTRICT

## Introduction

These guidelines were recently approved by the District Board of Directors. The salary scale has been increased by 1% as compared to 2017. The auto travel rates will remain the same as last year at 49 cents per km.

These guidelines are not to be construed as the "Official Salary Scale" of the Central District, but rather as a minimum guide to assist each congregation in deciding issues, which are common to all pastors and congregations.

A ministerial support committee, appointed by the congregation, should annually discuss compensation with the pastor. Their goal should be to discover the concerns and issues that may need correcting and to ensure a thorough review process. Demanding workloads and quality work deserves good pay. Therefore, the matter of merit should receive due attention.

## A. Pastors Salary Scale

A salary range has been provided to allow congregations some flexibility in establishing pastor's salaries. The low end of the range is considered to be a suggested minimum, no matter what the size of the congregation. Items to consider when determining the appropriate compensation within the range would include: size of congregation, multiple parishes, additional staff requiring supervision, additional duties, cost of living in some areas.

This scale is cash compensation only. Payments for housing, utilities, car allowance, etc. are to be in addition to this. The proposed salary scale is as follows:

<u>Years in Ministry</u>	<u>Annual Salary Range - 2018</u>	
0	38,313	42,145
1	38,811	42,691
2	39,307	43,238
3	39,793	43,772
4	40,290	44,318
5	40,786	44,865
6	41,284	45,412
7	41,769	45,945
8	42,265	46,491
9	42,762	47,039
10	43,259	47,585
11	43,744	48,119
12	44,242	48,666
13	44,739	49,213
14	45,236	49,758
15	45,732	50,305
16	46,217	50,839
17	46,715	51,385
18	47,211	51,933
19	47,708	52,479
20	48,194	53,014

## **B. Vicar & DPS Intern Salaries**

Vicar: \$24,500 per year, plus housing and mileage. (The salary includes the vicarage fee [tuition] to the seminary of \$1,665)

DPS Intern: \$22,000 per year, plus housing and mileage.

Moving expenses for vicars/DPS interns are to be paid by the congregation at the beginning and conclusion of vicarage/internship.

## **C. Lay Workers Salary**

Salaries of lay workers are to be negotiated by the individual congregation in relation to the type of ministry, education, experience and qualification of the worker.

## **D. Travel**

Pastor and congregation should determine a mutually acceptable form of travel compensation. It is required that pastors maintain a logbook of travel kilometres for parish work to receive a non-taxable allowance. The recommended rate per kilometre is 49 cents/km.

## **E. Continuing Education**

It is strongly recommended that both pastor(s) and congregation(s) be enrolled in the Synodical Continuing Education Program. Congregations should budget to provide for attendance at training courses by pastoral staff to improve areas of ministry. It is also recommended that a \$200 annual book allowance be included.

## **F. Housing**

Congregations are expected to provide adequate housing for their pastor and his family. This also includes utilities (hydro, water and heat), repairs, property taxes and insurance on the building and property. Consideration should also be given to providing heavy appliances, carpets and drapes, as these are not always easily transferable from one parsonage to another. The parsonage, if possible, should be in reasonable proximity to the church. Where circumstances permit, the congregation may offer the pastor the option of a parsonage or a housing allowance.

## **G. Housing Equity Allowance**

When a parsonage is provided for the pastor, the pastor has no way of building equity should he be required to purchase a home later on in his ministry, while the congregation benefits from increased equity through the appreciation of the parsonage over time. For this reason it is felt that where a parsonage is provided, an equity allowance should be seriously considered for the pastor with a minimum of \$1,700 annually to be paid to the pastor to build an equity fund for the pastor's future housing needs.

## **H. Housing Allowance**

Where there is no parsonage, congregations should pay their pastor a housing allowance in addition to his base salary.

It is recommended that the housing allowance be calculated with the help of a local real estate broker who can provide data on the cost of rental housing within the community. The housing allowance should equal the average rental cost of a 1400 sq. ft. three-bedroom bungalow in the congregation's community, plus utilities. The following is an example of this calculation:

Average monthly rental cost	\$1,200	
Utilities monthly	<u>300</u>	
Monthly housing allowance	\$1,500	= Annual housing allowance of \$18,000

This type of calculation is consistent with the deduction calculation used in applying for the Clergy Residence Deduction on the annual income tax return.

#### **I. Vacation Leave**

Congregations should insist that their pastor take time off from regular duties to enjoy a period of relaxation and restoration. The rising incidence of "professional burnout" indicates the need to take time off in addition to their weekly time off. The following vacation schedule is suggested:

From 1 to 5 years in ministry = 3 weeks paid vacation

Over 5 years in ministry = 4 weeks paid vacation

Over 15 years in ministry = 5 weeks paid vacation

A week is constituted to mean seven (7) consecutive days.

#### **J. Statutory Holidays**

This is a matter to be decided between the pastor and the congregation. The Committee recommends that congregations should consider giving pastors time off after Christmas and Easter and also be allowed recreational time away, according to their own choosing, in lieu of statutory holidays.

#### **K. Supply (Guest) Pastors**

When congregations require the services of a guest preacher, he should be paid \$150 for each worship service (\$200 if two services are conducted on a Sunday) plus mileage. An additional \$25 to \$50, depending on preparation time, should be added if the pastor is expected to lead a bible study along with the service.

#### **L. Vacancy Pastors**

Payments to a vacancy pastor should be based on the appropriate percentage of a full-time called pastor's function that a vacancy pastor is providing. For example, if he is assuming 50% of the congregation's regular pastoral duties, he should receive 50% of a full-time pastor's salary. Ordinarily no housing allowance would be provided for vacancy pastors. Mileage should be paid at the established rate.

#### **M. Benefit Plans**

Synodical Worker Benefit Plans should be provided by the congregation for both clergy and lay workers. The congregation is required to pay for its share of the cost of the worker benefit plans and the employer portion of the Canada Pension and Employment Insurance plans. Church workers are required to pay the long term disability plan premium and contribute 4% of their pay into the pension plan. Congregations are encouraged to enroll in the Federal Government's Supplementary Unemployment Benefits (SUB) plan in order to provide for adequate sick leave benefits. For information on the SUB plan, please contact the Central District Office.

#### **N. Pastoral/Diaconal Care Committee**

Congregations/parishes are encouraged to form a "Pastoral Care Committee" consisting of no more than three or four members who sit down with the pastor/deacon, not to criticize or complain, but to listen and offer helpful suggestions for the ministry carried out in that place. Contact your Circuit Counsellor or the District Office for guidelines.