

2016 - 2017

# Indiana-Kentucky Synod

---

STANDARDS AND WORKBOOK  
FOR ROSTERED ASSOCIATES IN MINISTRY,  
DEACONESSES AND DIACONAL MINISTERS  
(Standards for Pastors are provided separately.)

Adopted and approved for use  
by the 2016 Indiana-Kentucky Synod Assembly  
June 9-11, 2016

911 East 86<sup>th</sup> Street, Suite 200  
Indianapolis, IN 46240-1840  
317-253-3522

Revised 04/13/16

## ***Dear Friends in Christ Jesus,***

We're pleased to present to you the 2016-2017 Indiana-Kentucky Synod Compensation Standards for ELCA Associates in Ministry, Deaconesses, and Diaconal Ministers. We provide these for your use in determining just and honorable salary, benefits, allowances, and reimbursements for your professional staff. This is the best tool we have to enable you to make these decisions in a collaborative atmosphere with your co-workers in the gospel who give their lives to the ministry of Jesus Christ with you in your congregation. Please note that "Process 1" is the process by for determining compensation for a leader already under call and that "Process 2" is to be used in the Call Process.

Please use the standards in such a manner that there is good conversation between you and your rostered leaders. It is wise to begin these discussions at least four months before your congregation's next fiscal year, in an open manner with your executive committee and each staff professional. These standards contain a process to assist discussion about issues relating to compensation. Further, these standards present charts and tools for you to calculate and determine compensation, as well as benefits, allowances, and reimbursements following established standards across the Evangelical Lutheran Church in America.

Professional leaders are strongly encouraged to take the initiative in this conversation with parish leaders since you are the ones who should understand your needs and desires. Don't expect your parish leaders to be mind readers. They're waiting for you to be a leader.

With regard to Cost of Living (COLA), please visit the Social Security website at [www.ssa.gov](http://www.ssa.gov) as well as contact your local Chamber of Commerce. These are very helpful in finding the actual cost of living variances in your specific county. Remember this is a 'look back', and not a predictor of the year to come. Also, visit the ELCA website ([www.elca.org](http://www.elca.org)) for further compensatory information.

Since age is now a factor (along with geography, size of congregation, and amount of compensation) in figuring health benefits rates there is no longer a chart with percentages for the coming year. Contact Portico Benefit Services (formerly ELCA Board of Pensions) by phone (800-352-2876) or e-mail ([mail@porticobenefits.org](mailto:mail@porticobenefits.org)) for information and assistance.

If you desire assistance with any matter in this document, or have a question not addressed in the document, please do not hesitate to contact any of our committee members directly, or through the Indiana-Kentucky Synod office.

These Standards were adopted and approved by the Indiana-Kentucky Synod in Assembly, June 9-11, 2016, and are the appropriate norm for use in a current call process or in current conversation around compensation for a rostered leader under call as of their approval by the the Indiana-Kentucky Synod in Assembly, June 9-11, 2016

Please note that these are compensation standards for *associates in ministry, deaconesses, and diaconal ministers*. A separate guideline is provided for clergy.

## ***With joy in the Gospel of Jesus Christ,***

Jim Swinford, Hope Moran, Bill Slover, David Quandt  
Rudy Mueller, Synod staff liaison

## **How to Plan Compensation with Your Pastor and Other Rostered Leaders for 2016-2017**

Often one of the most difficult challenges in ministry is deriving a fair and equitable compensation for rostered leaders in your congregation. Generally this has not been addressed until late in the process of preparing a new budget for the following year. This is a mistake since it often results in frustration for both the rostered leaders and those trying to make decisions with regard to salary, benefits, and reimbursements. The following guidelines should make this process pleasant and honest.

Obviously, first, begin your process with prayer. Second, know that your rostered leader(s) are not 'hired', they are 'called' into ministry with you, alongside of you.

It is extremely important that the rostered leader(s) be involved in this planning from the beginning to the end since they are the persons most affected by the final outcome. It is often difficult to talk about money and benefits, but it should not be. Good communication can, and must, occur at each step of this process.

1. Who should be in the planning process: The process should include the rostered leader(s), Council president, vice president, a member of the Stewardship Committee, and a member of the Mutual Ministry Committee. These are the people who can best assess the leader's effectiveness and his/her own needs, and have a grasp of the church's finances. Having more people in the meeting will slow communication, and reduce effectiveness of the meetings. These are closed meetings and not open to the congregation for the purpose of maintaining a high level of open, honest, and healthy communication among the various leaders present.
2. What areas should be explored in the meetings: There are two areas of discussion: effectiveness and need. Start with need, which is the current compensation each leader is receiving. Compensation of the leader is no secret to the congregation because it is listed in the annual budget and/or annual report to the congregation. It includes, but is not limited to, the following areas: base salary, defined benefits (including housing allowance or equity allowance in the case of a church-owned parsonage), pension and full hospitalization/lump sum death benefit/disability insurance, continuing education, book allowance, social security offset, reimbursements (car allowance, other tangibles applicable to your setting). Go through these step by step. Ask the leader at each juncture if he/she has any input that would be germane to the discussion. This may seem laborious, but the value is obvious since only the rostered leader knows precisely how the current mix of salary, benefits, and reimbursements affects her/him. In some cases your leader is below approved Synod established Minimum Compensation Standards. This needs to be discussed and remedied. Do this early in the process, preferably in early or mid August four months before your congregation's new fiscal year. Your next meeting is in two weeks. Take a lot of notes during the meeting, and share those written notes that week with members present, and not present, at this meeting. This meeting should last about two hours.
3. How to address effectiveness of the leader(s) (Second meeting): It is never a question of how hard a person works, or how many hours, but what gets done and the effectiveness of the work. This is without doubt the most difficult area to quantify. Effectiveness is always a subjective judgment call at best. What one person might find important, another does not. Is sitting with the family during a routine surgery of a loved one important? Is reading and preparation for sermons/meetings/teaching/Scripture study and prayer important? Is visiting regularly in the homes of church members important? Remember, much of what a pastor, or rostered lay leader, does is confidential, and thus cannot be judged in terms of effectiveness. Effectiveness is always, at best, a judgment call. Depending on each individual, subjective value judgments often are completely different. It has been said that every pastor, or rostered leader, has as many bosses as there are baptized members in the congregation. If that is true, then not all will be satisfied with the ministry at any given time, and the leader will not be a leader at all, but a hireling. Some will want the leader to be a chaplain, someone to take care of them, and others, in the congregation. Some will

want the pews packed on Sunday and the offering plate full, and will expect that to be the responsibility of the leader. Some will want the leader to prepare congregational members for leadership and provide vision and clear focus for the total ministry.

Importance and effectiveness are linked together in each person's mind. These are difficult to separate though they are clearly not the same, and even can work against each other. Finally, who decides the leader's effectiveness? We believe it is the responsibility of the Congregation Council, not the general congregation nor the rostered leader. If the leader works well with his/her Congregation Council, you have an effective leader in your setting. Pastors and lay rostered persons are called to a SHARED MINISTRY with you. If there is not any sharing going on, it is the pastor and lay rostered person's responsibility to make it happen. If assistance is needed to improve the shared ministry, use all resources available, especially Synod staff. This meeting should last about two hours.

4. How do we derive Total Compensation for the coming year: After you have completed the previous steps of the process, bring the entire group together to put the pieces together. Start with the effectiveness component that will help you determine how you will deal with the Synod Professional Leaders Compensation Standards for next year. Review all the blank spaces of the Compensation Standards as provided in the attached workbook. Together, fill out the compensation material and discuss each item, at length if necessary. Start with the current base Salary. Do two things with this number: First, check the grid of years of experience and size of worship attendance to see how it compares; second, have a conversation about a cost of living increase. Then move to each item: housing, continuing education, and book allowance. Then move on to benefits and reimbursements. When this part of the process is completed, total it, and then discuss it together with your rostered leader(s). Let your rostered leader take the initiative here. Once again, it is he/she that will be most affected by this decision. This meeting will last approximately two hours.

Hopefully, everyone will have had much time to pray, think, and discuss this very important part of your ministry. You honor the Lord God, your congregation, and your pastor/rostered leader by following the steps of this simple process. By God's grace you will all enjoy this unhurried process, and come away from your meeting closer to one another, and your Lord God. If you have questions, or need resource materials, do not hesitate to contact any member of the Professional Leaders Compensation Committee or Synod support staff for assistance. We stand ready to help you at any time.

In shared ministry with you,  
Professional Leaders Compensation Committee

# TABLE OF CONTENTS

<b>I.</b>	<b>General Information</b>	<b>6</b>
	Salary	6
	Pension and Health Benefits	8
	What Do I Do When I Turn 65	9
	Sick Leave, Disability, Worker’s Comp	11
	Other Benefits	12
	Time Off	12
	Vacation	12
	Holidays	12
	Continuing Education/ Sabbatical Leave	12
	Professional Reimbursements and Expenses	14
	Automobile Reimbursement	14
	Conference Expenses	14
	Moving Expenses	14
<b>II.</b>	<b>Process 1: Annual Review of Compensation for Current Rostered Leader</b>	<b>15</b>
	Salary and Benefits for Rostered Leader under Call	16
	Determining Salary and Benefits: An Example	17
<b>III.</b>	<b>Process 2: Calling a New Associate in Ministry, Deaconess or Diaconal Minister</b>	<b>18</b>
	Minimum Salary Standards	19
	Salary and Benefits for New Rostered Leader	20
	Determining Salary and Benefits: An Example	20
<b>IV.</b>	<b>Continuing Education</b>	<b>22</b>
	<b>Helpful Links</b>	<b>24</b>

# I. GENERAL INFORMATION

## COMPENSATION PACKAGES

There are two categories for determining the compensation package for an Associate in Ministry, Deaconess, or Diaconal Minister. Process 1 should be used for calculating the compensation package for a rostered person *currently under call*. Process 2 should be used in calculating the compensation package *during the Call Process*. Whichever process you use, the first step is to make yourself familiar with the information on pages 6-13.

## SALARY

*Salary* is that portion of the compensation provided to sustain the rostered leader who is called to carry out the Lord's work through the congregation. Salary does not include professional expenses or mileage reimbursements. Income from any other source and/or the income of a spouse should not be a consideration.

Other factors which are to be considered in establishing the salary package for Associates in Ministry, Deaconesses, and Diaconal Ministers include:

1. Level of education
2. Length and variety of experience\*
3. Certification by ELCA or predecessor bodies
4. Quality of performance
5. Job Description / Complexity of responsibility
6. Cost of living in a particular geographical area
7. Educational debt
8. Median income of the congregation and/or income of congregational members with comparable positions in the secular community
9. Length of time in the parish
10. Part time / Full time

\*Appropriate credit should be given for volunteer ministry experience, ministry experience in non-Lutheran settings, church agency employment or volunteer work, and non-ministry experience, particularly of second career candidates. Appropriate attention should be given to prior experience which, while not identical to the current position, has certainly helped to prepare the staff member for his or her current position.

Congregations should also consider educational debt load of first call candidates.

*Benefits* include insurance and pension benefits.

*Professional Reimbursements and Expenses* are the funds provided by the congregation to reimburse the rostered leader for expenses related to the necessary performance of his or her duties, including automobile mileage reimbursement, continuing education allowance, books and journals, etc. This is covered on a separate sheet following "Base Salary and Benefits."

*Housing.* Associates in Ministry, Deaconesses, and Diaconal Ministers are considered employees by the IRS for purposes of Social Security and income taxes, and require standard withholdings from their salaries. A standard W-2 is issued. Congregations are encouraged to consider costs of local housing in determining compensation for all staff members. Moreover, housing allowances or parsonages are typically not available for lay rostered leaders, and so the standards are based on the need for these people to provide their own housing.

However, a congregation ought to consider designating a portion of the salary as housing allowance for the lay rostered leader. The Congregation Council would have to pass a resolution to that effect. IRS Publication 517, the IRS states that “The church or organization that employs you must officially designate the payment as a housing allowance before the payment is made. A definite amount must be designated. The amount of the housing allowance cannot be determined at a later date.”

A sample resolution:

Resolved that of the total cash salary for the year 2\_\_\_\_, \$\_\_\_\_\_ is hereby designated as housing allowance.

Resolved that as long as \_\_\_\_\_ is called to be \_\_\_\_\_ the above amount of designated housing allowance shall apply to all future years until modified.

When it is time to pay income tax, it is important to note IRS Publication 517:

If you own your home and you receive as part of your salary a housing or rental allowance, you may exclude from gross income the smallest of:

- The amount actually used to provide a home,
- The amount officially designated as a rental allowance, or
- The fair rental value of the home, including furnishings, utilities, garage, etc.

You must include in gross income the amount of any rental allowance that is more than the smallest of:

- Your reasonable salary
- The fair rental value of the home plus utilities, or  
The amount actually used to provide a home.

## BENEFITS

### PENSION AND HEALTH BENEFITS

In January 1, 2014, the most significant changes brought about by the Affordable Care Act (ACA), also known as health care reform, took effect. They have implications for many employers, including congregations.

1. Each state has a health insurance marketplace, also called an exchange, where individuals can buy health insurance. The State of Indiana chose not to provide a marketplace, and so the federal government manages one on the state's behalf. The Commonwealth of Kentucky has a state exchange. The plans offered in the marketplace are in four categories:

- Bronze
- Silver
- Gold
- Platinum

Portico offers similar plans:

- Bronze+
- Silver+
- Gold+ (the recommended level of coverage)
- Platinum+

2. This document sets as the standard for the “Definition of Compensation, Benefits, and Responsibilities of the Pastor” the Portico Gold+ Plan. Letter of Call will be signed by the Bishop only what that standard is met to the satisfaction of the Bishop.
3. ELCA-Primary health contribution rates are based on geographic region, age and salary.
4. For 2014, each ELCA employer will need to select one ELCA health plan option for all employees (rostered leaders and lay churchworkers) that they will pay for.
5. Once the employer makes a selection at *EmployerLink* on the Portico web site ([www.porticobenefits.org](http://www.porticobenefits.org)), the employee will confirm that choice or choose to buy up to another plan option at *myPortico* (also on the Portico website), and will be responsible for the cost difference. For example, if the employer selects the Gold+ plan and the employee opts to buy up to the Platinum+ plan, the employee would pay the difference in cost.

Portico will continue to include in the require contributions a percentage that goes to a) Disability and Survivor Plans and b) Retiree Support (this is support for those retired rostered leaders whose pensions are low due to low compensation throughout their years of service. Portico will also include the Pension payment at the amount reported by the congregation, generally 12%.

When a rostered leader waives health coverage because of coverage through the insurance of a spouse, the congregation is strongly encouraged to provide a Health Reimbursement Allowance to cover co-pays, deductibles, and other medical expenses.

The ELCA benefits program contribution rates are a percentage of defined compensation. Defined compensation is base salary, before any pretax benefit contributions\*\* are deducted.

The synod recommends that congregations contribute the 12% retirement rate for Associates in Ministry, Deaconesses and Diaconal Ministers. Additional retirement contributions can be made by the employee (member pretax). If the employer chooses to make additional contributions from time to time, they can be included when paying the regular monthly bill by using the *Explanation of payment* included in the monthly billing statement.



ELCA-primary health benefits include a personal wellness account offering financial rewards of up to \$400 per year to members (and spouses). The ELCA Flexible Benefits Plan is also available to employees who are sponsored in the ELCA benefits program and receiving ELCA-primary health benefits. “ELCA-primary health benefits” does not include Medicare. (Those on Medicare may register for a personal wellness account, but are not eligible to receive the financial rewards.) See [www.porticobenefits.org](http://www.porticobenefits.org) for more information.

*\*\*Pretax benefit contributions include member pretax contributions to the Retirement Plan or another eligible retirement plan. They also include pretax contributions to qualified reimbursement accounts for health care, dependent care or transportation expenses.*

## WHAT DO I DO WHEN I TURN 65

Medicare is a health benefits program for U.S. citizens or permanent residents who meet certain work history requirements:

1. Age 65 or older,
2. Individuals with End-Stage Renal Disease (ESRD),
3. Under age 65 with certain disabilities:
  - a. All who get disability benefits from Social Security or certain disability benefits from the Railroad Retirement Board for 24 months.
  - b. Individuals with Amyotrophic Lateral Sclerosis (ALS), often referred to as Lou Gehrig's Disease.

Most individuals automatically get Part A coverage without having to pay a monthly premium. This is because they or a spouse paid Medicare taxes while working. These individuals receive Part A coverage without having to pay a Part A premium. For those individuals who do not automatically qualify for Part A coverage, the Part A premium in 2016 is \$411 a month depending on an individual's duration of Medicare covered employment. Individuals with disabilities who are under age 65 are automatically enrolled in Part A after they have received Social Security or Railroad Retirement disability benefits for 24 months.

At age 65, most individuals who file an application for Social Security or Railroad Retirement benefits 3 months before they turn age 65 or later are automatically enrolled in part B unless they refuse Part B coverage. Individuals with disabilities who are under age 65 are automatically enrolled in Part B the earlier of:

1. The month they turn 65 if they have received Social Security or Railroad Retirement benefits for at least 4 months before they turn age 65. They are given an opportunity to refuse Part B coverage, or
2. The month after they have received Social Security or Railroad Retirement disability benefits for 24 months. They are also given an opportunity to refuse Part B coverage.

The standard monthly premium for Part B is \$104.90 in 2016. Individuals with income over \$85,000, or filing jointly with incomes over \$170,000, pay more, up to \$335.70 a month in 2015 based on the income related monthly adjustment amount. Part B premiums may be deducted from Social Security checks or Railroad Retirement checks. Individuals who do not enroll in Part B when first eligible (e.g., at age 65) can enroll during a General Enrollment Period January 1 – March 31. Part B coverage begins on July 1 of the year they enroll.

The Part B premium is increased 10% for each full 12-month period the beneficiary could have had Part B but, did not enroll. One exception is for Individuals who have group health plan coverage based on their own current employment (e.g. Portico Benefit Services) or the employment of a spouse are not subject to the premium increase and may enroll in Part B anytime while covered under the group

health plan or during a special enrollment period that occurs during the 8-month period immediately following the last month of the group coverage.

Beneficiaries with limited income and resources are encouraged to apply to their State Medicaid Office to determine eligibility for various programs. Beneficiaries may qualify for help from the State to pay the Medicare Part A (if any) and Part B premium, the Part A and Part B deductibles and cost sharing, and/or some Part D prescription drug costs. Individuals seeking this information should call: 1-800-Medicare (1-800-633-4227) select "Limited Income Option," then just say "Medicaid" for the State Medicaid telephone number.

Beneficiaries may qualify for help through a number of programs for individuals with limited income:

- Contact the State Medicaid office for help with health care costs
- Contact the State Medicaid office for the Medicare Savings Premium which helps with paying Medicare Part A and/or Part B premiums and, in some cases, deductibles and coinsurance/copayments. [www.socialsecurity.gov/prescriptionhelp](http://www.socialsecurity.gov/prescriptionhelp)
- Contact the State Medicaid office for help with Part D low-income subsidy. This program helps pay for prescription drug coverage.
- Contact the Social Security Administration for information on Supplemental Security Income benefits which help with care for basic needs.

A beneficiary in Original Medicare may receive Part D prescription drug coverage through a stand-alone prescription drug plan (PDP). A beneficiary may also leave Original Medicare and receive drug coverage through a Medicare Advantage health plan (MA-PD) or sometimes through a Medicare Advantage (MA) plan and a separate PDP. Generally, with the exception of those dually eligible for Medicare and Medicaid, Medicare beneficiaries must actively select a Part D plan. Annual enrollment for a Part D plan is October 15 to December 7.

Beneficiaries who enroll in Part D typically pay a monthly premium, annual deductible and per-prescription cost-sharing. Extra help is available for low-income beneficiaries. In 2016, beneficiaries with income above \$85,000 (individual) or \$170,000 (joint) pay an income-related monthly adjusted amount in addition to the Part D premium.

There is a permanent premium penalty of 1% of the national standard premium for every month that a beneficiary could have had Part D coverage or equivalent creditable coverage and chose not to enroll. There is no penalty for individuals who qualify for low-income assistance.

For more information about Medicare

Center for Medicare & Medicaid Services: [www.cms.gov](http://www.cms.gov)

- Medicare: [www.medicare.gov](http://www.medicare.gov)
- Medicare & You Handbook: <https://www.medicare.gov/Pubs/pdf/10050.pdf>
- You Medicare Benefits: <https://www.medicare.gov/Pubs/pdf/10116.pdf>

## **SICK LEAVE, DISABILITY, WORKERS' COMPENSATION**

Sick leave of up to six weeks per year with full salary and benefits should be provided by the congregation when needed. This is not accumulated and should not be abused. This is not an entitlement.

Paid "family leave" of up to six weeks is standard practice when a child is born or adopted. The number of weeks of leave before and after the birth should be specified in advance and in mutual discussion with the staff member. Similarly, paid 'family leave' of up to six weeks also should be available to care for a sick family member such as a spouse, child, parent, or sibling.

Should a participating member of the Health and Pension Plan suffer a physical, nervous, or emotional disorder resulting in disability, the participant is covered by four types of benefits:

1. Salary Continuation

During the first two months of disability, full salary coverage is provided by the congregation or agency

2. Monthly Benefits:

Beginning with the third month of disability, the member receives a monthly benefit equal to 2/3 of the monthly average compensation on which contributions were paid during the 12-month period preceding the disablement. Benefits continue until recovery or age 65 when retirement pension begins.

3. Supplemental Benefits

At the time of death, or age 65, a supplemental pension payment equal to the additional amount that would have been paid under the pension plan if required contributions had been paid during the disability, will be paid to the member of survivor.

4. Medical, Dental, and Survivor Benefits Coverage

During disability, the member or the member's employer pays the plan contributions for the first two months. After the first two months, contributions are covered by the plan to age 65.

Congregations and agencies are required by Indiana and Kentucky state law to secure Workers' Compensation on all staff to provide for such expenses in the event of disability.

## OTHER BENEFITS

### *Weekly time off*

Congregations should ensure that their Associate in Ministry/Deaconess/Diaconal Minister has two full days off per week. The weekly schedule (days/hours) may be negotiated as necessary. For the well-being of the staff member and the health of the congregation, the staff member should not exceed 50 hours work in a week.

### *Vacation*

It has been customary to provide a minimum of four weeks vacation (28 days) per year, including four Sundays, for all rostered staff. An additional week of vacation should be granted after 15 years of service in the ministry, another week after 25 years in the ministry. Continuing education time is not to be regarded as vacation.

Congregations in which an Associate in Ministry/Deaconess/Diaconal Minister has served for an extended period of time should consider additional vacation time. All costs and procurement of supply ministries during vacation times, including Sunday, are the responsibility of the congregation.

### *Holidays*

Because of the nature of their professional responsibilities, staff members are frequently unable to take advantage of three-day weekends and other holidays such as Christmas, Easter, etc. Generally, 9-11 total holidays should be granted, plus three floating personal days at the discretion of the Church Council. Consideration should be given, and the staff member encouraged, to take days off another time during the week to compensate for these holidays. This should not be counted as vacation time.

### *Continuing Education / Sabbatical Leave*

The purpose of continuing education is to strengthen the professional for more effective service. The ELCA expects a minimum of 25 contact hours annually in organized continuing education. These experiences are to be with colleagues and under responsible sponsorship, capable directors, and qualified instructors.

The congregation is encouraged to establish a fund to which it annually contributes a minimum of \$700, with an Associate in Ministry /Deaconess/Diaconal Minister contributing a minimum of \$300, for a total of \$1,000. Any money which an Associate in Ministry /Deaconess/Diaconal Minister contributes to the fund belongs to the pastor and may accumulate over a period of years. If the Associate in Ministry/Deaconess/Diaconal Minister resigns the call, any money contributed by the Associate in Ministry /Deaconess/Diaconal Minister but not used returns to the Associate in Ministry /Deaconess/Diaconal Minister. This money would be used for registration, course materials, travel and housing while the person pursues approved continuing education. Financial assistance is available through the Indiana-Kentucky Synod Leadership Support Committee.

Continuing education may range from a single day seminar to enrollment in a formal program at an educational institution. First Call candidates are expected to participate in **First Call Theological Education**; documents outlining this program are available through the Synod office. The ELCA call form presently provides for a minimum of two weeks of continuing education annually, cumulative up to three years. It is recommended that the professional staff member attend the annual Fall Professional Leaders Conference offered each year in the Indiana-Kentucky Synod.

Congregations should offer their Associate in Ministry/Deaconess/Diaconal Minister **sabbatical** leave time for spiritual and personal renewal which may be a maximum of eight weeks after four years or twelve weeks after six years in a congregation. Such sabbatical time should normally be offered at either of these intervals during a long term of service and should not preclude vacation time during the year in which the sabbatical leave is taken. The sabbatical should include an education emphasis. The request for sabbatical leave, along with the specific description and purpose of the leave, are to be submitted to and approved by the Church Council at least six months prior to the time the leave is to begin. Congregations might want to include in the budget and set aside funds each year toward that sabbatical so that its cost might be spread over several years.

During sabbatical leave, the congregation continues to provide normal compensation and pays for any congregational ministerial expenses related to the absence of the staff member. The staff member is responsible for expenses related to the sabbatical, such as additional living expense, tuition, books, and supplies. Supplemental funds are available from the synod to rostered leaders for these related expenses. Normal vacation time may be used to extend the sabbatical leave.

A report of the staff member's sabbatical activities is to be submitted to the church council, and a staff member taking a sabbatical is expected to continue to serve the congregation for a minimum of a year following the leave.

Continuing education and sabbatical leave time accrue to an individual during service in a single congregation. All accumulated educational time is forfeited with the acceptance of another position. Such educational time may not be used for vacation purposes, transferred to another rostered staff member, or exchanged for monetary reimbursement.

### **SABBATICAL PLANNING FOR INTERIM MINISTERS**

Any Rostered Interim minister who has not yet retired and **has received accredited Interim Ministry Training**, shall be eligible for a sabbatical after four years [208 weeks] of contracted Interim service. As trained interim ministers, these leaders rarely accrue sufficient time in one congregation to qualify for a sabbatical. To remedy this, any congregation that has contracted with such an Interim, shall contribute 8/208 of the weekly compensation package specified in the contract. [8/208 represents the weekly contribution to an eight week sabbatical accrued after 208 weeks of service.] These funds shall be held in special accounts established by the Synod in each interim minister's name, and shall be held until the forty-eight months have been served. (Such contributions may be made weekly or monthly, by special arrangement with the synod bookkeeper.) Application to receive the funds and the sabbatical shall be made to the Synod Council, who shall collaborate with the Interim concerning content, timing, and reporting of the sabbatical.

## PROFESSIONAL EXPENSES AND REIMBURSEMENTS

### *Automobile Expense Reimbursement*

The expenses which professional leaders incur in driving an automobile while performing church business are not personal expenses, but rather costs incurred by the congregation in order for the staff member to perform ministry. As such, reimbursement for such costs should be fair, monthly, and complete, at 100% of the IRS standard mileage rate (See IRS Publication 463 for current rate). The AIM/Deaconess/Diaconal Minister is required to submit an accurate record of business miles driven to the congregation or employing agency.

### *Conference Expenses*

Your an Associate in Ministry/Deaconess/Diaconal Minister's attendance at official assemblies and conferences is a professional expense. **Attendance at the Annual Indiana-Kentucky Synod Assembly is constitutionally mandated** and expenses for registration, lodging meals, travel and other fees are the responsibility of the congregation. Attendance at other conferences should also be supported by the congregation or agency by payment of registration fees and other expenses.

Discuss with your rostered leader his/her anticipated expenses in connection with assemblies and conferences in the coming year.

Examples of other professional reimbursements are:

1. Books and journals;
2. Professional (professional dues, supplies, vestments, etc.); and
3. Professional liability insurance.
4. Cell phone
5. Mileage reimbursement (see above)

### *Moving Expenses*

At any time of change, the relocation and moving expenses of the AIM/Deaconess/Diaconal Minister are the responsibility of the calling congregation. Because of the liability involved, it is strongly recommended that the services of professional moving firms be secured.

## **II. Process 1:**

### **ANNUAL REVIEW OF COMPENSATION FOR CURRENT ROSTERED LEADER**

- A. Compensation of each rostered leader (Associate in Ministry, Deaconess, or Diaconal Minister) shall be reviewed annually. This shall be done by the congregation's Executive Committee or Congregation Council, in the same manner as such reviews are conducted for ordained clergy in the congregation. Since the rostered staff member depends on the congregation and its Council to provide adequately for his or her financial needs, this person requires an opportunity to discuss those needs in an open and supportive forum. Each rostered staff member shall participate in his/her compensation review and shall be encouraged to openly share their expectations. The Committee or Council can then make recommendations to the congregation for fair, honorable, and equitable compensation.
- B. Compensation adjustments shall include, but by no means be limited to or by:
  - 1. Base salary;
  - 2. Cost of living increase;
  - 3. Merit increase based on an evaluation of the performance of each rostered staff member;
  - 4. Incentive increase based upon new expectations of additional effort or responsibility; and,
  - 5. Health and Medical Benefit adjustments consistent with ELCA Portico Benefits standards.
- C. The congregational council shall be responsible for presenting the compensation budget with appropriate rationale to the annual meeting of the congregation.
- D. A member of the Compensation Standards Committee will be available for clarification of the process presented in this document. Contact may be made through the Synod Office.

## SALARY AND BENEFITS FOR ROSTERED LEADER UNDER CALL

Before beginning this section, be sure to read all sections in this booklet.

### Step 1:

Fill out the following chart for Associate in Ministry, Deaconess or Diaconal Minister under call.

Current salary	1. \$ _____
Cost of living increase [The recommended Cost of Living Adjustment (COLA) that includes food and energy is 0%. The congregation also should take into consideration: a) the local cost of living, (contact local Chamber of Commerce), and b) any change in needs of the pastor and family.]	2. \$ _____
Merit increase*	3. \$ _____
Base Salary (add lines 1-3)	4. \$ _____

Step 2: Determine Portion Salary to designated as Housing (if applicable)

\$ \_\_\_\_\_

Step 3: Health and Pension

To determine the total congregations should sign up at EmployerLink at [www.porticobenefits.org](http://www.porticobenefits.org).

Step 4: TOTAL COMPENSATION PLUS BENEFITS

\$ \_\_\_\_\_

Add Line 4 from Chart plus Step 3

Step 5: Go to page 21 for Professional Reimbursements and Expenses.

\* Merit Pay reflects exceptional effort in the previous year.

Merit increases should be revisited regularly and may be adjusted up or down.



**EXAMPLE OF DETERMINING SALARY AND BENEFITS  
FOR ROSTERED LEADER UNDER CALL**

For Associate in Ministry, with master's degree, married with no children.

Step 1:

Current Salary	\$43,700
Cost of living increase	\$ 743
[The recommended Cost of Living Adjustment (COLA) that includes food and energy is 0% (this number is the inflation rate for 2016). The congregation also should take into consideration:	
a) the local cost of living, and	
b) any change in needs of the pastor and family.]	
Merit increase* (if applicable)	\$_____
Total	\$44,443

Step 2: Determine Portion Salary to designated as Housing (if applicable)

\$\_\_\_\_\_

Step 3: Health and Pension

To determine the total congregations should sign up at EmployerLink at [www.porticobenefits.org](http://www.porticobenefits.org).

Step 4: TOTAL Salary Plus Benefits     \$44,443 + Portico Contribution

Step 5: Go to page 21 for Professional Reimbursements and Expenses.

\* Merit Pay reflects exceptional effort in the previous year.

Merit increases should be revisited regularly and may be adjusted up or down.

### **III. Process 2:**

#### **CALLING A NEW ASSOCIATE IN MINISTRY, DEACONESS, OR DIACONAL MINISTER**

- A. When calling a new Associate in Ministry, Deaconess, or Diaconal Minister, care should be taken to have a healthy conversation about compensation. This shall be done by the Congregational Council as part of their interview with the candidate. The Council shall present to the candidate a compensation package based on these standards and invite the candidate's response. It is important to have an open and honest conversation now, as this will set the tone for future compensation conversations. The Council will recommend a package to the congregation that has been agreed upon by Council and the candidate. The compensation will be voted on by the congregation at the Call Meeting.
- B. Compensation shall include:
1. Salary
  1. Health and Medical Benefit adjustments consistent with ELCA Portico Benefits standards.
  2. Professional expenses, such as automobile and continuing education;
  3. Vacation and continuing education expenses.
- C. A member of the Compensation Standards Committee will be available for clarification of the process presented in this document. Contact may be made through the Synod Office.

**FOR USE IN THE CALL PROCESS:**

**MINIMUM BASE SALARY STANDARDS FOR**

**ASSOCIATES IN MINISTRY, DEACONESSES, AND DIACONAL MINISTERS**

Please note that this chart represents a 0% Cost of Living increase.

Years of Experience	Minimum Salary Guideline	
	w/o Master's Degree	w/Master's Degree
0	37,500	41,700
1	38,100	42,300
2	38,700	42,900
3	39,300	43,500
4	39,900	44,100
5	40,500	44,700
6	41,100	45,300
7	41,700	45,900
8	42,300	46,500
9	42,900	47,100
10	43,500	47,700
11	44,100	48,300
12	44,700	48,900
13	45,300	49,500
14	45,900	50,100
15	46,500	50,700
16	47,100	51,300
17	47,700	51,900
18	48,300	52,500
19	48,900	53,100
20	49,500	53,700

After 20 years, add \$400 per year



**Professional Expenses and Reimbursements**

Continuing Education (Annual Minimum \$700 per year) (see page 11)	\$_____
Books and Journals (see page 13)	\$_____
Membership in Professional Organizations (see page 13)	\$_____
Mileage Reimbursement (see page 13)	\$_____
Other	\$_____
<b>TOTAL PROFESSIONAL EXPENSES</b>	<b>\$_____</b>

(These numbers should appear in the congregation’s annual budget in the same form as those provided to the congregation for ordained clergy.)

**If you have questions about or need clarification of anything in this document, please do not hesitate to contact the Indiana-Kentucky Synod office or one of the Compensation Standards Committee members for help. We are pleased to assist you in any way. Thank you for the opportunity to serve with you in ministry of the Gospel of our Lord and Savior Jesus Christ.**

## Leadership Support Standards for Continuing Education

- 1) A Continuing Education Covenant must be on file with the Synod office. This Covenant is renewable every seven years. There will be an attached letter from the Congregation Council or appropriate agency.
- 2) A Continuing education grants may be provided through the Leadership Support Committee to all rostered members of the Indiana-Kentucky Synod, ELCA.
- 3) Grants will normally not exceed the amount contributed by either the recipient or the congregation or appropriate agency. The fund will be shared in approximate increments of one-third. In the event of greater need exceptions may be made. If applicants exceed available funds, they will be available based on needs. (The earlier application is made in the year, the greater the opportunities to receive funding.)
- 4) Continuing education grants will be made for structured formal study programs directly related and beneficial to the applicant's ministry, excluding tours.
- 5) Assistance grant requests will be made in one of three areas:
  - a. Stolldorf Grants, not to exceed \$400.00 for the fiscal year (Feb. 1), for single event programs, such as conferences, seminars and workshops.
  - b. Leadership Grants, not to exceed \$500.00 annually, for the development of leadership skills through participation in a multi-year program of supervised study, such as a D.Min. program.
- 6) Grant requests will require the approval of the Leadership Support Committee. The approval process will be as follows:
  - a. Approval by a Synod Staff person and chair of the committee.
  - b. Review by the Leadership Support Committee.
  - c. The recipient, following the event, will submit a summary of the learning experience.
- 7) *Sabbatical Grants for Pastoral Leaders* (can include pastors, those on the Lay Roster, and those in specialized ministries) is a grant program of the Louisville Institute that provides funds up to \$15,000. Information can be found at [www.Louisville-Institute.org](http://www.Louisville-Institute.org), or in writing to The Louisville Institute, 1044 Alta Vista Road, Louisville, KY, 40205 502-895-3411.  
*Other grant resources* can be found at [www.centerforcongregations.org](http://www.centerforcongregations.org) and Life-Long Learning Opportunities at [http://www.elca.org/News-and-Events/2781?\\_ga=1.245646788.1966363527.1449762694](http://www.elca.org/News-and-Events/2781?_ga=1.245646788.1966363527.1449762694) or at [www.faithandwisdom.org](http://www.faithandwisdom.org)  
A Good planning resource book:  
Clergy Renewal: The Alban Guide to Sabbatical Planning, by A. Richard Bullock and Richard Bruesehoff Alban Books are available directly from Rowman & Littlefield or from online sellers such as Amazon.com and Barnesandnoble.com. Rowman & Littlefield has established a special website for Alban .  
<https://rowman.com/albanbooks>.

**Indiana-Kentucky Synod  
ELCA Continuing Education Form**

**APPLICATION FOR FUNDS**

Name \_\_\_\_\_ Date of Application \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ Telephone \_\_\_\_\_

**I WISH TO PARTICIPATE IN THIS OPPORTUNITY FOR CONTINUING EDUCATION**

Subject \_\_\_\_\_

Agency / Institution \_\_\_\_\_

Location \_\_\_\_\_ Date \_\_\_\_\_

I have this / these goal(s) in mind: \_\_\_\_\_

**CONTINUING EDUCATION FUNDING**

Congregational \$ \_\_\_\_\_ Rostered Leader \$ \_\_\_\_\_

How will these funds be used for the current year? \_\_\_\_\_

The total cost of this undertaking will be:

Commitments toward this cost are:

Tuition or Fee \$ \_\_\_\_\_

Church Council or Congregation \$ \_\_\_\_\_

Materials \$ \_\_\_\_\_

Other (Identify) \$ \_\_\_\_\_

Room and Board \$ \_\_\_\_\_

Participant (my outlay) \$ \_\_\_\_\_

Transportation \$ \_\_\_\_\_

TOTALS \$ \_\_\_\_\_

\$ \_\_\_\_\_

**SUPPLEMENTAL FUNDS REQUESTED FROM THE SYNOD**

Stollendorf \$ \_\_\_\_\_ Leadership \$ \_\_\_\_\_

**SUPPLEMENTAL FUNDS RECEIVED FROM THE SYNOD TO DATE**

Year	Amount
20_____	\$ _____
20_____	\$ _____
20_____	\$ _____
20_____	\$ _____
TOTAL	\$ _____

DATE \_\_\_\_\_ ACTION TAKEN \_\_\_\_\_

**PLEASE MAIL COMPLETED APPLICATION TO:**

Indiana-Kentucky Synod, ELCA  
Leadership Support  
911 E 86<sup>th</sup> St Ste 200  
Indianapolis, IN 46240-1840  
317.253.3522

## HELPFUL LINKS

Indiana Department of Revenue [www.in.gov/dor/](http://www.in.gov/dor/)

Kentucky Department of Revenue [revenue.ky.gov](http://revenue.ky.gov)

Minister's Compensation and Housing Allowance:

[Ministers' Compensation & Housing Allowance](#) (click on THIS and it will show the very long command line)

Auto Allowance:

[Tax Topics - Topic 510 Business Use of Car](#) (Click on THIS link)

<https://www.irs.gov/pub/irs-pdf/p463.pdf> (re: Adequate accounting for use of personal vehicle for business use)

Center for Medicare & Medicaid Services: [www.cms.gov](http://www.cms.gov)

- Medicare: [www.medicare.gov](http://www.medicare.gov)
- Medicare & You Handbook: <https://www.medicare.gov/Pubs/pdf/10050.pdf>
- Your Medicare Benefits: <https://www.medicare.gov/Pubs/pdf/10116.pdf>
- Medicare Savings Premium [www.socialsecurity.gov/prescriptionhelp](http://www.socialsecurity.gov/prescriptionhelp)