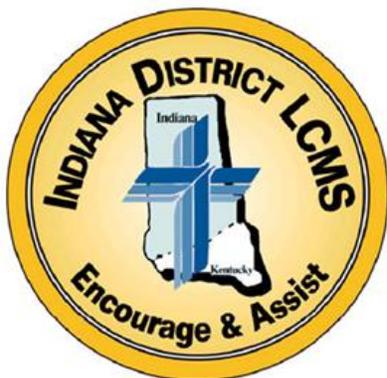


Indiana District  
The Lutheran Church – Missouri Synod

# ***2014 Salary Guidelines***

***For Professional Church Workers***



***For More Information Contact:  
Indiana District LC-MS  
1145 South Barr Street  
Fort Wayne, IN 46802***

***1-260-423-1511***

***or***

***1-800-837-1145***



# 2014 Salary Guidelines for Professional Church Workers

## *Indiana District The Lutheran Church – Missouri Synod*

### *Index*

	Page
Bible Study .....	1
Church Workers: How You Help Them Become Effective Servants .....	3
Rationale for changes to Salary Guidelines.....	5
Base Compensation.....	6
Supplemental Benefits .....	9
Professional Expenses.....	10
Vacancy Pastors .....	11
Vicars .....	11
Other Support and Administrative Staff .....	11
Preschool Workers.....	11
Teacher Pay.....	12
2014 Salary Guidelines Schedule.....	13
Worksheet for Determining Worker’s Compensation.....	14
Sample (Filled In) Worksheet for Determining Worker’s Compensation .....	15
Sample Worksheet for Congregational Payroll.....	16
Sample Resolutions for Establishing Housing Allowance.....	18
Worksheet for Estimating Total Housing Expenses.....	19
Sample Statement to Workers Outlining Compensation and Benefits .....	20

The congregation is encouraged to establish a Congregation Personnel Manual that clearly establishes policies concerning the workers and the shared responsibilities of servants and the congregation. A sample CONGREGATION PERSONNEL MANUAL is available from the district office.



## ~ WORKERS AMONG YOU ~

### **GOD'S PEOPLE PRAY:**

*Almighty God, grant to Your Church Your Holy Spirit and the wisdom that comes down from above, that Your Word may not be bound but have free course and be preached to the joy and edifying of Christ's holy people, that in the steadfast faith we may serve you and, in the confession of Your name, abide unto the end; through Jesus Christ our Lord. Amen.*

As a congregation of the Indiana District of the Lutheran Church Missouri Synod you have been blessed with church workers who serve their Risen Lord in your local congregation. This document has been carefully prepared to assist you in evaluating the salaries you will pay the workers among you. Take a moment at this time to pray for the church workers in your congregation. I also invite you to pray for the congregations of our Lutheran Church – Missouri Synod, that they may be equipped by God to nurture the faithful and reach out to the lost and erring in their midst. To this end, may God be glorified in the church through the faithful preaching and teaching of his Word to all peoples.

### Prayer:

Lord God, heavenly Father, You have sent laborers into the harvest field. Grant them Your Holy Spirit and to give them power from on high. We give thanks that You have called \_\_\_\_\_ as Your servant (s) and entrusted them to serve You in this location. We ask that you bless their labors in Your Church. Open everywhere the hearts of the faithful that Your Word may be received and that laborers in Your harvest may not be lacking. Cause your Church to grow up into Him who is the head, even Jesus Christ, our Lord, who lives and reigns with You and the Holy Spirit, one God, now and forever. Amen

As God's People, we gather around God's Word to hear how our Lord addresses the congregation and church worker relationship.

Please remember that God Himself has established the office of the Holy Ministry. Under the spiritual guiding of the local pastor, you may also be blessed with additional church workers serving in the schools, preschools, and daycares of our congregations.

## GOD'S WORD TELLS US:

***“The Lord has commanded that those who preach the gospel should receive their living from the gospel.” 1 Corinthians 9:14 NIV***

***“Anyone who receives instruction in the word must share all good things with his instructor. Do not be deceived: God cannot be mocked. A man reaps what he sows.” Galatians 6:6-7 NIV***

***“The elders who direct the affairs of the church well are worthy of double honor, especially those whose work is preaching and teaching. For the Scripture says, “Do not muzzle the ox while it is treading out the grain,” and “The worker deserves his wages.” 1 Timothy 5:17-18 NIV***

***“We ask you, brothers, to respect those who work hard among you, who are over you in the Lord and who admonish you. Hold them in the highest regard in love because of their work. Live in peace with each other.” 1 Thessalonians 5:12-13 NIV***

***“Obey your leaders and submit to their authority. They keep watch over you as men who must give an account. Obey them so that their work will be a joy, not a burden, for that would be of no advantage to you.” Hebrews 13:17 NIV***

## OUR RESPONSE TO GOD'S WORD:

As you evaluate the salary offered to church workers reflect on these questions:

Does the salary we offer our church worker (s) ...

- + Provide them with an adequate ***living from the Gospel?*** 1 Cor. 9:14
- + ***Share all good things*** with our church workers? Gal. 6:6-7
- + ***Honor*** the worker (s) serving our congregation? 1 Timothy 5:17-18
- + Show ***respect*** to the church worker? 1 Thess. 5:12-13
- + Place the church worker ***in the highest regard?*** 1 Thess. 5:12-13
- + Bring ***joy*** to the church worker? Heb. 13:17

May God bless the congregations of our District and Synod with faithful workers and congregations who serve their risen Lord with gladness.

Bible Study prepared by Rev. Nathan Janssen, pastor of Prince of Peace Lutheran Church, Martinsville, Indiana.

## ***CHURCH WORKERS: HOW YOU HELP THEM BECOME EFFECTIVE SERVANTS***

Effective servants are those who are secure in the knowledge that they are each God's very special child. Their lives tend to reflect a good balance as to how they spend their time and energy. They are people who are continually growing in many aspects of their lives. The list below offers possible ways that effectiveness can be maintained or even enhanced. It is not intended to be all-inclusive cataloging, nor should it be expected that perfection be reached in any or all of the areas. Those who are responsible for these servants (elders, Boards of Education) might consider how to help each of these sections become a reality.

1. **Spiritual wellness** – A strong faith life that is supported by personal devotions and continued through searching of the Scriptures.
2. **Sense of mission** – A clear perception of how this person fits into God's plan and makes a constructive contribution to life.
3. **Feeling of security** – A knowledge that compensation will provide for the basic needs such as food, clothing, health care and retirement benefits.
4. **Physical health** – A positive view of the body as a temple of God and nurturing of it by healthy living.
5. **Emotional strength** – A developing of skills and habits that ensures good mental health.
6. **Support system** – A network of friends, relatives and co-workers who are genuinely concerned for the person's well being.
7. **Clear expectations of responsibilities** – A thorough knowledge of what is expected concerning the worker's position and work.
8. **Professional growth** – An enhancement of professional knowledge and skills.
9. **Recognition of service** – Being honored for faithful service.
10. **Special acts of care** – Unique and unexpected deeds of kindness extended to Christian servants.



## ***RATIONALE FOR CHANGES TO SALARY GUIDELINES***

### **Introduction**

For the year 2014, the salary guidelines reflect a 2.17% increase in the base compared to the base used in the year 2013. During the past few years an effort was made to limit the increase in the base salary because of Concordia Plans cost increases.

A worker's salary increase will include the scheduled yearly increase based on their years of experience.

**Congregations, that have not reached the 100% level of salary guidelines for their workers, are encouraged in years when the salary base has not changed that they continue to strive to reach the 100% level of the salary guidelines.**

The cost of employee benefits is an essential element in the congregations' care for their workers and greatly impacts the cost to the congregation. A sample statement of worker compensation and benefits is included with these guidelines. (See Page 17)

The Synod has authorized and established alternate routes for the training of pastors at the seminaries of the Synod. The alternate routes do not require a Master of Divinity degree and encourage alternate route workers to obtain a Master of Arts degree in theology. A separate classification – pastors – certified has been established in the Salary Guidelines.

### **Important Notes**

1. Adjustments to the Salary Guidelines are sometimes necessary to correct either errors from the past or changing conditions. While the Salary Guidelines may show a decreased salary for a church worker, our intent is that no church worker takes a decrease in pay due to changes in the Salary Guidelines. Contact the District Office if assistance is needed in this area.
2. If congregations have reached a percentage less than 100% of the Salary Guidelines, the attempt should be made to gradually increase this percentage each year until they have reached the level of 100% of the guidelines.
3. With the ever-increasing costs incurred by a congregation for doing ministry, it is important that the total cost to the congregation for a worker should not decrease. Therefore, it is important for the congregation to review the total compensation package of a worker when adjustments are made in financial compensation and other benefits.

## I. BASE COMPENSATION

The BASE COMPENSATION includes those items commonly accepted by salaried employees as the normal salary package. This makes comparisons with other professionals easier and the Salary Review Committee should find its job less confusing.

- A. **COMPENSATION** – The minimum entry level of \$29,500 is effective January 1, 2014. The schedule of Salary Guidelines indicates the base/experience level of compensation for Teachers, Pastors and other Church Professionals. The compensation amount is based on a full school year for teachers and a full calendar year for pastors and other church professionals. (Note the payroll worksheets on pages 14 and 15). It will help determine the total compensation with other adjustments stated below.

**If you find the base compensation scale overwhelming, rather than disregard it altogether, you might want to set goals of reaching the guidelines in 3 to 5 years.**

### B. NECESSARY ADJUSTMENTS

1. **ADDITIONAL EDUCATION** – Congregations are encouraged to recognize levels of educational attainment for all church workers as follows:

- (a) Masters Degree – (non-ordained) -add \$2,500
- (b) Doctorate Degree (earned) -add \$5,000

Note: The additional education must be related to the ministry area of the worker.

2. **IF PARSONAGE IS PROVIDED:** Subtract the lesser of ...

- a) The actual cost of housing or
- b) 25% of the worker's compensation amount

Note: See housing Allowance Worksheet on page 18

**ADDITIONAL DUTIES:** If the worker has additional duties, compensation should be increased as a percent of the base/experience pay of the person as follows:

#### **SENIOR PASTORS**

##### **Congregation size**

<b><u>Worship attendance</u></b>	<b><u>Communicants</u></b>	<b><u>Increase</u></b>
0 – 125	0 – 250	0%
126 – 200	251 – 400	10%
201 – 325	401 – 650	15%
326 – 400	651 – 800	20%
401 – 600	801 – 1,200	25%
Over 600	Over 1,200	30%
<b>More than one parish</b>		<b>10%</b>

### 3. **ASSISTANT OR ASSOCIATE PASTORS**

The Guidelines recognize that the senior pastor has considerable additional responsibility because of his position. After assessing the amount of responsibility for the associate or assistant, the congregation may consider the addition of one-half of the stated percentage for congregation size using either the communicant membership or worship attendance.

**4. TEACHERS**

**Principal – (Should reflect the added responsibility as determined by ministry needs of each school)**

<b>Size of school</b>	
<b>0 – 300 students</b>	<b>20%</b>
<b>301+ students</b>	<b>25%</b>

**Teacher (duties beyond the normal school day)**

<b>Athletic Director</b>	<b>10%</b>
<b>Youth Director</b>	<b>10%</b>
<b>Music Director</b>	<b>10%</b>
<b>Technology Coordinator</b>	<b>10%</b>
<b>School activities (extra curr.)</b>	<b>5%</b>

**5. OTHER CHURCH PROFESSIONALS**

**Directors of Christian Education, Directors of Christian Outreach, Deaconesses and Parish Nurses:**

One half of the stated percentage for congregation size (either communicant membership or worship attendance) may be added to the base salary for other church professionals.

**6. A PART-TIME CHURCH WORKER’S SALARY** should be adjusted by the percentage of time that they work. For example, a preschool teacher working 3 mornings a week – 30%, working 3 mornings and afternoons a week – 60%.

**7. A PROFESSIONAL CHURCH WORKER-HAVING LESS THAN A BACHELOR’S DEGREE** (e.g. teacher’s aide, preschool teacher) should be paid according to the salary schedule and the guidelines specifically designed especially for Early Childhood Educators. The congregation may use professional experience in considering the number of year’s experience.

**8. SECOND-CAREER CHURCH WORKERS** deserve special consideration when determining their “years of experience”.

- a) If a pastor enters the ministry coming from a church career (e.g. Lutheran teacher who becomes a pastor) – A year of experience should be applied for every year employed as a full-time church professional prior to entering the seminary.
- b) If a pastor enters the ministry from secular occupations which are beneficial to the Church (e.g. people skills, organizational skills, administrative skills, training ability, counseling skills): He would be credited with half of his years of experience by using the following formula:

**Years of Experience Credit**  
**Current age ... less normal age at ordination or graduation ... divided by 2. (Normal age for pastors – 26; D.C.E.’s – 23; teachers - 22**

**Example**  
**A pastor who is 32 years at time of ordination would receive a credit of 3 years experience. (32 less 26 = 6 divided by 2 = 3)**

- 9. THE EQUALIZATION PAYMENT – (Congregational Treasurer’s Manual 4.550)**  
Workers who are classified by Social Security as “self-employed” (ordained pastors, commissioned teachers, Directors of Christian Education, lay ministers, deaconesses and parish nurses) and participate in the Concordia Retirement Plan on a regular basis (formerly called the offset basis) must be paid the difference between the full basis rate and the regular basis rate in the Concordia Retirement Plan. This ensures that all “Ministers of the Gospel” are treated equally, regardless of whether they participated on the full basis or the regular basis.

The difference 3.0 percent is usually paid directly to the worker, who can use it toward paying self-employment taxes or purchasing other additional benefit coverage. Any such amount paid directly to the worker must be reported as “income” for federal income tax purposes and self-employment Social Security Taxes.

**C. OTHER ENCOURAGED ADJUSTMENTS**

1. Demographic data is available through the district website ([www.in.lcms.org](http://www.in.lcms.org)) and provides current data indicating how income levels are different for the counties in Indiana and Kentucky. Congregations should consider this data when reviewing compensation levels for workers.
2. Housing Equity Program – This program has been eliminated and should no longer be used by congregations. Additional information is available in the Congregation Treasurer’s Manual 5.400 regarding the elimination of the program.
3. The amount of Housing Allowance for each worker is to be determined by each congregation in consultation with its workers. The congregation should have a recorded voters’ resolution (see page 18 for samples) which authorizes a specific sum or percent in advance of any payment. This housing allowance can also be used for pastors with parsonages. Check the IRS rulings to see how they can apply. (Section 2.100 Congregational Treasurer’s Manual)

Limitations on Housing Allowance

A worksheet to help calculate the housing allowance is included on page 16. The housing allowance exclusion is limited to the smallest of the following amounts:

- a. Amount approved by official action taken by the governing body of the employer as evidenced in the official minutes of the governing body.
  - b. Fair rental value of minister’s home, furnished including utilities
  - c. Amount actually expended by the minister during the year and properly substantiated.
4. Tax Sheltered Annuity: The congregation should cooperate with the worker who desires such a program towards retirement since a TSA is available to workers under Federal Tax Laws. (Section 5.200 Congregational Treasurer’s Manual)

- D. SALARIES FOR NON-CALLED STAFF** – These Salary Guidelines are intended to help set salaries for Called workers and other teachers of congregations of the Indiana District. Job descriptions, experience levels, and educational requirements vary greatly among the other staff in a congregation, including secretaries, business and facility managers and other ministry positions. Although it would be difficult to establish such a scale, the following suggestions may help a congregation setting these salaries.

Consider surveying your local school district for salaries of school secretaries, custodians, etc. Also check with local businesses and other churches in your area regarding pay scales. For positions that utilize an advanced degree, use the scale in this guide based on the education and experience of the applicant. For part time staff, consider using this guide to calculate a full time salary and divide the salary by the 2080 hours to approximate an hourly rate.

**II. SUPPLEMENTAL BENEFITS**

**A. Health, Survivor and Disability, and Retirement Plans**

The LCMS Concordia Plans consist of:

- + Concordia Retirement Plan
- + Concordia Survivors and Disability Plan
- + Concordia Health Plan (medical/dental/vision care)
- + Concordia Retirement Savings Plan

Congregations have the option to choose the health care plan that works best for their situation and what is equitable for their employees. The health care options selected should be made available in a non-discriminatory manner. Detailed information on the Concordia Plans can be obtained by calling the Concordia Plans Services office in St. Louis (1-888-927-7526) or visiting the Concordia Plan Services website at [www.concordiaplans.org](http://www.concordiaplans.org).

**B. Vacations / Holidays / Days off**

The need for vacation time is self-evident. The following schedule is recommended for 12-month employees:

<u>Years of Service</u>	<u>Vacation Days</u>	<u># Sundays</u> (Included in Vacation days)
1 – 4	21	3
5 – 10	28	4
11 – 15	35	5
<b>Over 15</b>	<b>(Negotiable with congregation)</b>	

The congregation should identify a holiday schedule for all of their workers.

The CONGREGATIONAL PERSONNEL MANUAL should be referred to for other types of leaves or absences. (Section 3.600)

The congregation should honor the worker’s day off each week. Attendance at conferences or district meetings is not to be part of day off activities. The day off is given, not only for health of the worker, but also for the sake of the worker’s family. A day off does not include attending church meetings on that night. Though the worker must have a day off, the worker should always be available for emergencies. If the worker should leave town, someone in the congregation should know where and how to reach him/her. A pastor for emergency needs should be available.

**C. Anniversary – Retirement**

Anniversary and retirement celebrations are for the purpose of demonstrating appreciation to those workers with a certain number of years of service to the church. These guidelines are to help promote consistency for the proper recognition of the faithful services of our church workers by virtue of their dedicated service to the LCMS and the congregations they serve.

1. Recognition Committee – appointed or elected to administer these responsibilities:
  - a) Anniversary – 10, 25, 35, or 40 years in profession
  - b) Retirement
  - c) Reception arranged by committee
  - d) Gift of at least ½ month’s salary – 25 years
  - e) Gift of at least one month’s salary at retirement
2. Annual recognition – the committee should provide appropriate recognition to be scheduled on a selected Sunday each year.
3. Additional items to consider:
  - a) Invite: family, colleagues in area
  - b) Notify: former congregations, District President

### III. **PROFESSIONAL EXPENSES**

Church workers should be aware that all “allowance payments” are treated as taxable income according to the Internal Revenue Service. For this reason encouragement is given to the congregation to establish a reimbursement policy for all professional expenses. Documented expenses paid according to a professional reimbursement policy are non-taxable according to the I.R.S. (Section 6.100 Congregational Treasurer’s Manual)

#### A. Automobile

The congregation should establish a reimbursement policy for reimbursing church workers for using their personal automobile for church related purposes. The rate of reimbursement should be determined in accordance with current IRS guidelines. In the event an auto allowance is provided, the worker should be made aware of the negative tax implications of the auto allowance and this should be thoroughly reviewed. (Section 6.110 Congregational Treasurer’s Manual)

#### B. Conventions, Conferences, Retreats

These are a part of church business and the congregation should cover the costs. This should include travel, lodging, meals and registration. This should be a reimbursement, the amount of which should be determined in consultation with the pastor.

- #### C. Continuing Education should be encouraged and a sum should be identified in the church budget for this purpose. This is not added to the worker’s compensation. The worker should be encouraged to have an annual plan for continuing education for his benefit and for the benefit of those he serves. The worker should not be expected to use vacation time for attendance at such places of continuing education.

Current IRS regulations provide for lifetime education credits for advanced education.

Congregations are encouraged to provide, on a periodic basis (after 10 years of service to that congregation), a study leave, which allows sufficient time for the pastor to undertake a chosen professional improvement program.

#### D. Professional / Personal Libraries

The congregation should budget an amount to provide for the cost of professional journals, current publications and updated books and literature to keep the workers current in their ministry to the people.

**IV. VACANCY PASTORS**

A “supply/vacancy” is defined at those times in a congregation where the pastor is temporarily absent due to illness, vacation, or other time off. The following are the Indiana District suggested minimum guidelines: The basic remuneration for conducting one service with a sermon is \$100; for preaching without presiding is \$100; for presiding without preaching is \$30. For each additional service, add \$75. All mileage is to be paid at the current I.R.S. rate. If the supply pastor is to be present for worship in the morning and travel time exceeds 1-1/2 hours, the congregation is to provide motel/hotel lodging and meals for him. Other additional work by the pastor (Bible classes, mission presentations, etc.) should be compensated for at the rate of \$75 per hour. If a pastor’s wife is also expected to be a part of the presentation (i.e. missionary’s wife), she is also to be paid \$75 per hour in addition to the amount paid to the pastor. Congregations requesting pastoral services for an extended period should compensate the individual 40% of the base salary.

<u>Type of Service</u>	
Presiding – No Sermon	\$ 30
Preaching – One Service	\$100
Presiding and Preaching	\$100
Additional Services	\$ 75
Bible Study/Presentation	\$ 75/hr.

**V. VICARS**

Congregations receiving a vicarage assignment, through one of the seminaries of the synod, are required to follow the guidelines established by the Seminaries and the Board for Higher Education. These guidelines for vicars are provided at the time a congregation files its application with the district office.

**VI. OTHER ADMINISTRATIVE STAFF**

Administrative and clerical staff compensation should be considered at the same time all professional staff compensation is reviewed.

No compensation recommendations are included with this document since the responsibilities and expectations of clerical staff vary for a congregation. Congregations are encouraged to review the local area and determine what level of compensation is paid for clerical services for both church related organizations and non-church related organizations. The congregation must consider the cost of benefits and social security and Medicare taxes in determining the total cost of these workers.

**VII. PRESCHOOL WORKERS**

The number of preschools within the Indiana District is on the increase. These preschools have become an important and vital arm for outreach in the congregation’s overall ministry. The Indiana District recognizes that in order for an early childhood center to maintain its educational quality and provide a Christian outreach, it will require the financial support of the sponsoring congregation. It is not realistic to expect this ministry to be “self-supporting”.

Preschool salaries should be determined on the same basis as other professional workers in the church. Having a reasonable and fair salary schedule reflects the attitude that early childhood educators are professional in the same way as elementary school teachers, DCEs, pastors, etc. Having an established salary schedule simplifies salary decisions when hiring new teachers, director, and aides.

**A. Teacher Pay**

1. Paying teachers a salary, rather than an hourly wage, indicates a sign of professionalism and calling to the preschool ministry.
2. Preschool teachers income should be based on 85% of the Teacher's schedule (page 13), **only** if the preschool annual sessions average 85% of the normal school year. Teachers should be classified into one of the following categories, in order to fairly reflect the varying degrees of education and experience:
  - a) Bachelor's degree in Early Childhood/Elementary education – per schedule
  - b) Bachelor's degree with unrelated degree to Early Childhood/Elementary Education – 90% of schedule
  - c) Associates degree in Early Childhood Education – 90% Preschool Teacher's Schedule
  - d) Associates degree with unrelated degree to EC – 80% of schedule
3. Part-time preschool teacher's salaries should be adjusted by the percentage of time they work. For example, a preschool teacher working 3 mornings a week-30%; working 3 mornings and 3 afternoons a week – 60%.

**B. Director Pay**

Director pay should be adjusted by an additional amount, according to the size of the school and time set aside for performing administrative duties. This amount should reflect the added responsibility as determined by the ministry needs of each preschool.

School Size:     1-100 enrollment – add 7.5% to base salary  
                      Over 100 enrollment – add 15% to base salary

**C. Aide Pay**

Aide pay should be an hourly wage and be based on local market.

2014 Salary Guidelines											
		NRE =Not Roster Eligible		RE = Roster Eligible		Dir. of Christian Ed.		Pastors		Pastors	
	Preschool Teachers (85% - Teachers)	Teachers - NRE		Teachers - RE		Dir. of Christian Outreach		Pastors		Pastors	
Base Salary	Amount	Factor	Amount	Factor	Amount	Factor	Amount	Factor	Amount	Factor	Amount
Years Exp.	B.A.-EC related			B.A.		B.A.		Certified		M. Div. / M.A.	
0	\$25,075	0.98	\$28,910	1.00	\$29,500	1.05	\$30,975	1.32	\$38,940	1.42	\$41,890
1	\$26,329	1.03	\$30,385	1.05	\$30,975	1.10	\$32,450	1.37	\$40,415	1.47	\$43,365
2	\$27,583	1.08	\$31,860	1.10	\$32,450	1.15	\$33,925	1.42	\$41,890	1.52	\$44,840
3	\$28,836	1.13	\$33,335	1.15	\$33,925	1.20	\$35,400	1.47	\$43,365	1.57	\$46,315
4	\$29,839	1.17	\$34,515	1.19	\$35,105	1.24	\$36,580	1.51	\$44,545	1.61	\$47,495
5	\$30,592	1.20	\$35,400	1.22	\$35,990	1.27	\$37,465	1.54	\$45,430	1.64	\$48,380
6	\$31,344	1.23	\$36,285	1.25	\$36,875	1.30	\$38,350	1.57	\$46,315	1.67	\$49,265
7	\$32,096	1.26	\$37,170	1.28	\$37,760	1.33	\$39,235	1.60	\$47,200	1.70	\$50,150
8	\$32,848	1.29	\$38,055	1.31	\$38,645	1.36	\$40,120	1.63	\$48,085	1.73	\$51,035
9	\$33,601	1.32	\$38,940	1.34	\$39,530	1.39	\$41,005	1.66	\$48,970	1.76	\$51,920
10	\$34,353	1.35	\$39,825	1.37	\$40,415	1.42	\$41,890	1.69	\$49,855	1.79	\$52,805
11	\$34,854	1.37	\$40,415	1.39	\$41,005	1.44	\$42,480	1.71	\$50,445	1.81	\$53,395
12	\$35,356	1.39	\$41,005	1.41	\$41,595	1.46	\$43,070	1.73	\$51,035	1.83	\$53,985
13	\$35,857	1.41	\$41,595	1.43	\$42,185	1.48	\$43,660	1.75	\$51,625	1.85	\$54,575
14	\$36,359	1.43	\$42,185	1.45	\$42,775	1.50	\$44,250	1.77	\$52,215	1.87	\$55,165
15	\$36,860	1.45	\$42,775	1.47	\$43,365	1.52	\$44,840	1.79	\$52,805	1.89	\$55,755
16	\$37,362	1.47	\$43,365	1.49	\$43,955	1.54	\$45,430	1.81	\$53,395	1.91	\$56,345
17	\$37,863	1.49	\$43,955	1.51	\$44,545	1.56	\$46,020	1.83	\$53,985	1.93	\$56,935
18	\$38,365	1.51	\$44,545	1.53	\$45,135	1.58	\$46,610	1.85	\$54,575	1.95	\$57,525
19	\$38,866	1.53	\$45,135	1.55	\$45,725	1.60	\$47,200	1.87	\$55,165	1.97	\$58,115
20	\$39,368	1.55	\$45,725	1.57	\$46,315	1.62	\$47,790	1.89	\$55,755	1.99	\$58,705
21	\$39,869	1.57	\$46,315	1.59	\$46,905	1.64	\$48,380	1.91	\$56,345	2.01	\$59,295
22	\$40,371	1.59	\$46,905	1.61	\$47,495	1.66	\$48,970	1.93	\$56,935	2.03	\$59,885
23	\$40,872	1.61	\$47,495	1.63	\$48,085	1.68	\$49,560	1.95	\$57,525	2.05	\$60,475
24	\$41,123	1.62	\$47,790	1.64	\$48,380	1.69	\$49,855	1.96	\$57,820	2.06	\$60,770
25	\$41,374	1.63	\$48,085	1.65	\$48,675	1.70	\$50,150	1.97	\$58,115	2.07	\$61,065
26	\$41,625	1.64	\$48,380	1.66	\$48,970	1.71	\$50,445	1.98	\$58,410	2.08	\$61,360
27	\$41,875	1.65	\$48,675	1.67	\$49,265	1.72	\$50,740	1.99	\$58,705	2.09	\$61,655
28	\$42,126	1.66	\$48,970	1.68	\$49,560	1.73	\$51,035	2.00	\$59,000	2.10	\$61,950
29	\$42,377	1.67	\$49,265	1.69	\$49,855	1.74	\$51,330	2.01	\$59,295	2.11	\$62,245
30	\$42,628	1.68	\$49,560	1.70	\$50,150	1.75	\$51,625	2.02	\$59,590	2.12	\$62,540
31	\$42,878	1.69	\$49,855	1.71	\$50,445	1.76	\$51,920	2.03	\$59,885	2.13	\$62,835
32	\$43,129	1.70	\$50,150	1.72	\$50,740	1.77	\$52,215	2.04	\$60,180	2.14	\$63,130
33	\$43,380	1.71	\$50,445	1.73	\$51,035	1.78	\$52,510	2.05	\$60,475	2.15	\$63,425
34	\$43,631	1.72	\$50,740	1.74	\$51,330	1.79	\$52,805	2.06	\$60,770	2.16	\$63,720
35	\$43,881	1.73	\$51,035	1.75	\$51,625	1.80	\$53,100	2.07	\$61,065	2.17	\$64,015
36	\$44,132	1.74	\$51,330	1.76	\$51,920	1.81	\$53,395	2.08	\$61,360	2.18	\$64,310
37	\$44,383	1.75	\$51,625	1.77	\$52,215	1.82	\$53,690	2.09	\$61,655	2.19	\$64,605
38	\$44,634	1.76	\$51,920	1.78	\$52,510	1.83	\$53,985	2.10	\$61,950	2.20	\$64,900
39	\$44,884	1.77	\$52,215	1.79	\$52,805	1.84	\$54,280	2.11	\$62,245	2.21	\$65,195
40	\$45,135	1.78	\$52,510	1.80	\$53,100	1.85	\$54,575	2.12	\$62,540	2.22	\$65,490

**Worksheet for  
Determining the Worker's Compensation**

<b>Name</b>										
Pastor _____		Teacher _____		Preschool _____			Other _____ (specify)			
<b>Years Experience in Ministry</b>										
<b>Base Compensation (From Salary Guidelines)</b>								\$	(1)	
(Add "credit for Second Career Workers - see page 7)										
<b>Additional Education</b>		Masters (Not M-Div)					\$2,500	+	(2)	
(The additional education must be related to the ministry area of the worker)		or Doctorate					\$5,000	+	(3)	
<b>Congregation Size (Average Worship Attendance or Communicants)</b>										
For Assistant Pastors, Associate Pastors and Other Church Professionals at 1/2 of stated percentage										
Average Worship	Communicants	Pastors	Others							
0-125	0-250	0%	0.0%					times line 1		
126-200	251-400	10%	5.0%					times line 1		
201-325	401-650	15%	7.5%					times line 1		
326-400	651-800	20%	10.0%					times line 1		
401-600	801-1200	25%	12.5%					times line 1		
over 600	over 1200	30%	15.0%					times line 1		
<b>Multiple Parishes</b>		10%						+	(4)	
<b>School Size -( Number of students enrolled) - Principals Only</b>										
		0-300				20%		times line 1		
		300+				25%		times line 1		
								+	(5)	
<b>Teachers -additional responsibilities (Beyond normal school day)</b>										
		Youth - Music - Athletic Director; Technology Coordinator				10%		times line 1		(6)
		Extra Curricular Duties				5%		times line 1		+
<b>Total Compensation ( add lines 1 - 6)</b>								\$	(7)	
<b>Equalization Payment</b> (Multiply line 7 times 3.0%)								\$	(8)	
<b>Housing Provided by Congregation</b>								-( )	(9)	
(Subtract the lesser of 25% of base compensation or estimated housing costs) - see page 16										
<b>Total Compensation according to the Guidelines</b>								(Lines 7, 8 and 9)		\$ (10)
<b>Salary Recommended:</b>		Which is						% of the salary guidelines		

**Sample (filled-in) Worksheet for  
Determining the Worker's Compensation**

**Name: John Schmidt**

Pastor X

Teacher \_\_\_\_\_

Other \_\_\_\_\_ (specify)

**Years Experience in Ministry** \_\_\_\_\_ 17

Congregation Size - 275

**Base Compensation (From Salary Guidelines)**

\$56,935 (1)

(Add "credit for Second Career Workers - see page 7)

\_\_\_\_\_ (2)

**Additional Education**

Masters (Not M-Div)

\$2,500 +

(The additional education must be related to the ministry area of the worker)

or  
Earned Doctorate

\$5,000

5,000 (3)

**Congregation Size (Communicant Members)- Pastor's**

For Others: Assistant Pastors, Associate Pastors and Other Church Professionals at 1/2 of stated percentage

Average Worship	Communicants	Sr.Pastors	Others		
0-125	0-250	0%	0.0%	times line 1	
126-200	251-400	10%	5.0%	times line1	
201-325	401-650	15%	7.5%	times line 1	
326-400	651-800	20%	10.0%	times line 1	
401-600	801-1199	25%	12.5%	times line 1	
over 600	over 1200	30%	15.0%	times line 1	
<b>Multiple Parishes</b>		10%		times line 1	<u>\$5,694</u> (4)

**School Size -( Number of students enrolled) - Principals Only**

0-300	20%	times line 1	
300 +	25%	times line 1	+ _____ (5)

**Teachers -additional responsibilities (Beyond normal school day)**

<i>Youth - Music - Athletic Director; Technology Coordinator</i>	10%	times line 1	
<i>Extra Curricular Duties</i>	5%	times line 1	+ _____ (6)

**Total Compensation ( add lines 1- 6)**

\$67,629 (7)

**Equalization Payment** (Multiply line 7 times 3.0%)

2,029 (8)

**Housing Provided by Congregation**

(\$14,234) (9)

(Subtract the lesser of 25% of base compensation or estimated housing costs) - see page 16

**Total Compensation according to the Guidelines**

(Lines 7, 8 & 9) \$55,424 (10)

**Salary Recommended:** \$51,000 which is 92% of the salary guideline.

Sample Worksheet For Congregational Payroll											
Position	# of Yrs.	Base Comp.	Masters	Doctorate	Housing Provided by Cong.	Teachers Add'l Resp.	Teachers Extra Curricular	Principal School Size	Pastors, D.C.E.'s Cong Size	Offset Payment	Total Comp.
			<u>2,500</u>	<u>5,000</u>	<u>-25%</u>	<u>10%</u>	<u>5%</u>	<u>210</u>	<u>350</u>		
Pastor	17	56,935		5,000	(14,234)				5,694	2,029	55,424
Assistant Pastor	6	49,265							2,463	1,552	53,280
Principal	20	46,315	2,500					9,263		1,742	59,820
D.C.E.	14	44,250	2,500						2,213	1,469	50,431
Commissioned											0
Teacher 1	6	36,875	2,500			3,688				1,292	44,354
Teacher 2-unmarried	5	35,990	2,500			3,599				1,263	43,352
Teacher 3	25	48,675	2,500				2,434			0	53,609
Teacher 4-unmarried	15	43,365	2,500				2,168			1,441	49,474
Teacher 5 (non commissioned)	10	40,415	2,500				2,021			0	44,936
Preschool Teacher (BA -EC Related)	6	31,344								0	31,344
Preschool Teacher (AA -EC Related)	5	27,532								0	27,532
Preschool Teacher (AA -Unrelated)	3	23,069								0	23,069
Preschool Director	10	34,353						2,576		0	36,929

Determining the total cost of the worker											
Position	# of Yrs.	Total Comp.	FICA	Worker Benefit Plans					Total	Total	
				Medicare	Health Plan*	Dis./Surv. Plan	Retirement Plan	Total	Benefit	Worker	
			6.200%	1.450%	Option B	1.2% OR 2.25%	8.70%		Cost	Cost	
							11.7% (before 1982)				
Pastor	17	55,424	Self Employment Taxes		21,132	1,247	4,822	27,201	27,201	82,624	
Assistant Pastor	6	53,280	Self Employment Taxes		21,132	1,199	4,635	26,966	26,966	80,246	
Principal	20	59,820	Self Employment Taxes		15,888	1,346	5,204	22,438	22,438	82,259	
D.C.E.	14	50,431	Self Employment Taxes		21,132	1,135	4,388	26,654	26,654	77,086	
Commissioned		0	Self Employment Taxes								
Teacher 1	6	44,354	Self Employment Taxes		21,132	998	3,859	25,989	25,989	70,343	
Teacher 2-unmarried	5	43,352	Self Employment Taxes		7,896	520	3,772	12,188	12,188	55,539	
Teacher 3	25	53,609	Self Employment Taxes		15,888	1,206	6,272	23,366	23,366	76,975	
Teacher 4-unmarried	15	49,474	Self Employment Taxes		7,896	594	4,304	12,794	12,794	62,268	
Teacher 5 -non commissioned	10	44,936	2,461.86	575.76	21,132	1,011	3,909	26,052	29,090	74,026	
Preschool Teacher (BA -EC Related)	6	31,344	Self Employment Taxes		21,132	705	2,727	24,564	24,564	55,908	
Preschool Teacher (AA -EC Related)	5	27,532	1,707.01	399.22	7,896	330	2,395	10,622	11,468	39,000	
Preschool Teacher (AA -Unrelated)	3	23,069	1,430.28	334.50	13,224	519	2,007	15,750	16,532	39,601	
Preschool Director	10	36,929	Self Employment Taxes		21,132	831	3,213	25,176	25,176	62,105	
		2013	Health Plan Rates			Option A	Option B	Option C	Option D	Option E	Option HDHP
			a	Member only		9,756	7,896	6,984	6,396	5,976	5,796
*Health Plan Costs are based on the amounts reflected for the Fort Wayne Area. Others areas of the district are different. Congregations should refer to the Concordia Plans Services website for rates for their zip code area.			b	Member and spouse		19,608	15,888	14,064	12,852	12,012	11,652
			c	Member and children		16,284	13,224	11,676	10,704	9,972	9,684
			d	Family		26,052	21,132	18,660	17,100	15,948	15,480

## Sample Resolutions for Establishing Housing Allowance

### **SAMPLE 1**

**RESOLVED**, that (name of congregation), as a Standing Resolution to remain in force and effect until such time as amended or revoked, hereby authorizes and establishes a housing allowance for each Minister of the Gospel at any time serving it in the amount of \$\_\_\_\_\_ per year.

### **SAMPLE 2**

**RESOLVED**, that (name of congregation), as Standing Resolution to remain in force and effect until such time as amended or revoked, hereby authorizes and establishes a housing allowance for each Minister of the Gospel at any time serving it in an amount each year equal to \_\_\_\_% of that person's gross annual compensation.

### **SAMPLE 3**

**RESOLVED**, that (name of congregation), as a Standing Resolution to remain in force and effect until such time as amended or revoked, hereby authorizes and establishes a housing allowance for (individual's name) at any time serving it in the amount of \$\_\_\_\_\_ per year.

### **SAMPLE 4**

**RESOLVED**, that (name of congregation), as a Standing Resolution to remain in force and effect until such time as amended or revoked, hereby authorized and establishes a housing allowance for (individual's name) at any time serving it in an amount each year equal to \_\_\_\_\_% of that person's annual compensation.

### **SAMPLE 5**

#### **(Must be passed every year)**

**RESOLVED**, that the dollar amounts noted adjacent to the names of those individuals listed below, be stipulated as housing allowance for the year \_\_\_\_\_ in accordance with the regulations of the Internal Revenue Service. In the event of an audit, each of the individuals understand that the 'Burden of Proof' is upon them to substantiate the amount. The housing allowance will be paid from \_\_\_\_\_ to December 31, \_\_\_\_\_. (List professional workers below with the amount of their housing allowance next to their name.)

**WORKSHEET FOR ESTIMATING TOTAL HOUSING EXPENSES**

If parsonage is provided – use the lesser of 25% of the total compensation or the total amount listed.

If parsonage is not provided – use this total as the basis of determining the % of compensation designated for the housing allowance resolution.

ITEM		AMOUNT
Rent		
Garage Rental		
Down payment, legal, loan and title fees; purchase of a home		
Mortgage Payment – principal and interest		
Real Estate Taxes		
Property Insurance		
Utilities:	Gas	
	Electricity	
	Water	
	Heat	
	Telephone service – (basic service – no personal long distance charges)	
	Trash service	
Lawn care and landscaping		
Furnishings and appliances (purchase and repair)		
Maintenance items – household cleaners, light bulbs, pest control		
Other allowable expenses (specify)		
Structural repairs and remodeling		
<b>TOTAL</b>		

This form should be submitted to the congregation for each Minister of the Gospel that is provided a housing allowance. The worker should sign and date this form.

If this form is used (because the parsonage is provided) in determining the reduction in the amount from base compensation, attach a copy of this to the worksheet determining the pastor’s compensation.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Minister of the Gospel

**SAMPLE STATEMENT TO WORKERS OUTLINING COMPENSATION AND BENEFITS**

To: \_\_\_\_\_  
(Name of Worker)

From: \_\_\_\_\_  
(Name of Congregation)

Subject: Your compensation and benefits beginning \_\_\_\_\_, 2014

Our congregation has determined the amount of your compensation for the year beginning \_\_\_\_\_, 2014. This compensation has been determined with the assistance provided through the Salary Guidelines published by the Indiana District of the Lutheran Church Missouri Synod.

For your information the following amounts will be paid to you or on your behalf for the year beginning \_\_\_\_\_, 2014.

Amounts Paid to You	
Compensation	\$ _____
Housing Allowance (If applicable)	\$ _____
Total Compensation Paid to You	\$ _____

Amounts Paid for Your Benefits	\$ _____
Health Plan	\$ _____
Disability and Survivor Plan	\$ _____
Retirement Plan	\$ _____
Total Benefits	\$ _____

Total Compensation and Benefits for 2014	\$ _____
--	----------