

SOUTH WISCONSIN DISTRICT

The Lutheran Church—Missouri Synod



2024

Salary & Benefits

Guidelines & Considerations

Pastors, Teachers, and Professional Church Workers

For implementation during the 2024 Calendar Year

When it comes to salary, benefits, and general human resources, the South Wisconsin District staff works to keep abreast of the changes and challenges, to offer advice where appropriate, and in all cases to be a worthwhile resource to our employers and their employees alike.

The guidelines and salary suggestions contained herein are offered as a service to the congregations and schools of the South Wisconsin District of The Lutheran Church—Missouri Synod. **Congregations and schools are neither instructed nor required to use them or the salary figures generated by them.**

These guidelines were created as a result of historical experiences, extensive research, and continued collaboration with other LCMS districts and should be considered best practices. But they, like any collection of guidelines, are based on informed assumptions which may or may not be true for every congregation and school. It is the responsibility of each congregation and school to use this guide or other appropriate resources to create a fair and equitable plan of compensation and benefits for their employees be they called, contracted, or at-will. It is also best practice that employee handbooks, standing agreements, and contracts of employment be regularly reviewed and updated, and in consultation with a legal professional where applicable.

New for 2024

Historically the base salary herein has been established from a variety of factors including inherited values from previous years and samplings of public school salaries. The leading factor, however, has been the Social Security Administration's Cost of Living Adjustment (COLA). In recent history, these annual adjustments have been relatively modest ranging from 0.3% to 2.8%. But most recent increases of 5.9% for 2022, 8.7% for 2023 (which we consider for these 2024 guidelines), and a projected increase of 3% for 2024 have become untenable.

While the COLA increases Social Security payments to help retirees' benefits keep pace with inflation, a review of the annual pay raise for active federal employees (4.1% for 2023) is a better option and is in alignment with the Employment Cost Index (ECI). The Bureau of Labor Statistics released a June 2023 report that read, "**Compensation costs** for civilian workers increased 4.5 percent for the 12-month period ending in June 2023 and increased 5.1 percent in June 2022. **Wages and salaries** increased 4.6 percent for the 12-month period ending in June 2023 and increased 5.3 percent for the 12-month period ending in June 2022. **Benefit costs** increased 4.2 percent over the year and increased 4.8 percent for the 12-month period ending in June 2022."¹

The following points excerpted from the article *Why Salary Increases *Still* Do Not Align With Inflation*² offers a summary rationale for our consideration of these new leading factors:

- 1 **Inflation and salary increase definitions are not the same** – While inflation and salary increases generally move in the same direction and impact each other, they are driven by different inputs.
- 2 **The role of benefits and total rewards** – Employee benefit costs went up materially in aggregate in 2020, 2021, and 2022. These costs (such as health care and retirement plans) are not captured in salary increase budgets but do reflect actual increases in employer spending.
- 3 **Pay is sticky** – A basic principle of labor economics is that pay increases are "sticky." Effective leaders know pay levels are difficult to reduce if markets deteriorate and are slow to raise them before determining long-term implications.
- 4 **Salaries and inflation are both lagging indicators** – Because pay is sticky and inflation accounts for past results, there tends to be a lag before their interaction is understood.

If you use the District-wide base salary (*see Option A on page 18*) the base increases 4.1%. If you a geographically adjusted base salary (*see Option B on page 18*) the base increases range from 1.38% to 4.78% with an average increase of 3.2%.

As I did last year, I again urge you to consider the entire cost of employment for your workers (*see page 27*). This is something both the employer and employee should explicitly understand and appreciate.

Paul Reske, *Business Manager*

[October 2023]

¹ <https://www.bls.gov/news.release/pdf/eci.pdf>

² <https://www.forbes.com/sites/johnbremen/2023/05/17/why-salary-increases-still-do-not-align-with-inflation/?sh=33325eb85d0d>

Contacts

South Wisconsin District

Rev. Dr. John Wille, *President*

Email: wille@swd.lcms.org

Phone: (414) 464-8100, Ext. 743

Rev. Dr. Nathan Meador, *Executive Assistant to the President for Mission & Mercy*

Email: meador@swd.lcms.org

Phone: (414) 464-8100, Ext. 101

Dr. Chris Cody, *Executive Assistant to the President for Schools, Youth & Family*

Email: cody@swd.lcms.org

Phone: (414) 464-8100, Ext. 741

Paul Reske, *Business Manager*

Email: reske@swd.lcms.org

Phone: (414) 464-8100, Ext. 468

Concordia Plans

Through Concordia Plans, you have access to best-in-class partnerships and offerings not always available to individual organizations. Health care, retirement plans, HR services, life and disability insurance – they're able to offer your ministry and workers solutions for a fraction of the cost that an individual organization would pay on the open market.

If you aren't acquainted with your account manager, complete this form online:

<https://www.concordiaplans.org/employers/contact-my-account-manager>. As always, you can call (888) 927-7526.

LCMS Foundation

Craig Toerpe, *Gift Planner*

Email: craig.toerpe@lfnd.org

Phone: (262) 707-3005

Lutheran Church Extension Fund

Chris Rowan, *District Vice President*

Email: christopher.rowan@lcef.org

Phone: (262) 562-2788

Contents

1. Purpose	7
2. Before Implementation.....	7
Organize.....	8
Consider.....	8
Act.....	8
3. Base Salary & Considerations	9
Degree.....	9
Experience	9
Leadership	10
Additional Responsibilities.....	10
Housing.....	10
FICA / SECA Reimbursement	11
Dual Parish.....	11
Merit / Performance.....	12
Second Career Pastor	12
Multiple Advanced Degrees	12
Proration of Base Salary.....	12
4. Allowances.....	12
Moving Expenses	12
Auto.....	12
Books / Periodicals.....	13
Professional Development / Continuing Education.....	13
Convention and Conference Attendance.....	13
Education Debts.....	13
5. Time off Considerations.....	14
Vacation.....	14
Personal / Sick Leave.....	14
Special Leave	14
Sabbatical	14
Wellness Retreat.....	15
Military Duty.....	15

6. Core Benefits.....	15
Health Benefits.....	15
Retirement Benefit.....	15
Disability & Survivor Benefit.....	15
403(b) Savings Plan	15
7. Non-Called Staff.....	16
Administrative & Support Staff	16
Pastoral Pulpit Supply & Vacancy.....	16
Organists & Musicians	17
Childcare & Preschool Workers.....	17
8. Salary Worksheet Instructions.....	18
9. Salary Worksheet.....	20
10. Salary Table.....	21
11. Resources for LCMS Congregations & Schools.....	22
Financial Matters.....	22
Legal Resources	22
Personnel Matters.....	22
12. Concordia Plans Compensation Tools.....	23
13. Appendix A: Housing Allowance Worksheet and Request Form.....	24
14. Appendix B: Sample Housing Allowance Resolutions	25
15. Appendix C: Sample Salary and Benefits Letter.....	26

1. Purpose

Pastors, teachers, and other church workers are gifts from God to the people and congregations of our District (Ephesians 4:11). Our care of these workers reflects our own high regard for the divinely instituted Office of the Holy Ministry (Galatians 6:6). All professional church workers (ordained or commissioned) should be due a salary comparable to their professional peers, house or housing allowance, and health, retirement, and survivor benefits (I Timothy 5:18). Those who have demonstrated unusual faithfulness in their labors certainly deserve additional consideration (I Timothy 5:7).

But proper care for our workers means more than just financial compensation (I Thessalonians 5:12-13). We also want our workers to devote sufficient time to their personal lives, lest in tending the household of God they neglect their own families to their sorrow and the disgrace of the church (I Timothy 3:4-5). Therefore, it is meet, right and salutary that the congregation, through its responsible officers, should ensure adequate vacation and weekly rest.

We also desire emotional support for our workers, their spouses, and children, as they conduct their ministries, to encourage a radiant and joyful sharing of the Gospel. So, we remind each other to pray for them, to encourage them by our words and actions and to appreciate their need to gather frequently with other peers and professionals.

Finally, continuing education is also important. Our workers need to relate to the issues of the day in order that, through their understanding, our witness to the world might be winsome and persuasive. The congregation will want to make time and funds available for the worker's continuing education (II Timothy 2:15).

2. Before Implementation

The establishment of a permanent Salary Committee is recommended for each congregation. This committee should be convened annually. The membership of the committee could include the Chairman of the Board of Elders, Chairman of the Board of Christian Education, Chairman of the Board of Trustees, and members at large. Your pastor(s) and principal might also serve as advisory members of this committee. The purpose of this committee would be to (re)evaluate all wages and benefits and conduct a complete survey as the economic situation warrants.

Please recognize that there may be substantial differences between present scales and these recommendations. It may not be feasible to make up this difference at one time. The congregation should study the proposed salary schedule, set a timetable for achieving these goals, and perhaps raise salaries some each year until these levels are reached.

Congregations adopting this compensation guide may find they have workers paid in excess of these guidelines. Care should be taken in adjusting salaries for such workers. A congregation may choose to grandfather those workers at their current salary, allowing only cost of living adjustments until the new scale catches up, or determine another reasonable method to handle the situation.

Organize

Collect materials, resources, and statistics that may include:

- Updated South Wisconsin District Salary Guidelines & Considerations
- Updated Concordia Plans Compensation Decision Support Tools
 - a) LCMS Churches: <https://tc.cbiz.com/CompToolCPS/Login.aspx>
 - b) LCMS Schools: <https://tc.cbiz.com/CompToolCPSEd/Login.aspx>
- Your congregation's present salary and benefit schedules and policies
- Local public school salary and benefit information
- Other statistical information about your community (available at such locations as your local public or college libraries, city hall, county courthouse, chamber of commerce, public utilities)

Consider

What is the purpose and mission of your congregation and its ministries including the Christian day school where one exists?

Have you given a careful and honest evaluation of present salaries and benefits offered to your workers?

Have you made a comprehensive study of job descriptions, responsibilities, expectations, and division of tasks among staff?

Have you made a thorough comparison of community statistical information including salaries and benefits paid in your local public schools and other professional personnel?

Do your congregation's financial resources, funding patterns, and currently capabilities need to be (re)assessed?

Have you made a study of alternative funding sources (i.e., tuition, third source funding, establishing a foundation, fraternal agencies, or other opportunities which may be unique to your congregation and community)?

Act

Create a salary scale that is equitable and financially sound either using these guidelines, Concordia Plans' tool, or your own.

Adopt a plan for implementation which will effectively install your guidelines over a period of time (for example 85% of goal in the first year, 92% in the second year and 100% in the third year).

Share the specifics of their personal salary and benefit packages with each of your workers. A sample form is included at the end of this document as Appendix C.

Continue to pray for God's blessings on the pastoral, educational, and outreach ministries to congregation and community.

3. Base Salary & Considerations

A base salary should be sufficient to allow the professional church worker and his/her family to maintain a reasonable standard of living. Specific needs that should be met include food and clothing, durable goods, a reasonable amount for savings, etc. Basically, this should be adequate to provide normal essentials.

While these guidelines and recommendations are not binding upon any congregation, the document presented is a guide for evaluating present levels of compensation.

Because the District covers a diverse geographic area and economic conditions vary from area to area, our guidelines include two options for setting a base salary.

Option A: The base salary is established from a table which is updated annually based on a sampling of public school salaries and a review of the annual pay raise for federal employees as well as Employment Cost Index (ECI) data from the Bureau of Labor Statistics.

Option B: The base salary is the current 50th percentile salary in the local public school (by County Seat) for a teacher with a bachelor's degree and less than one year experience.

Since the guidelines are just that, guidelines, and do not take into consideration all factors relevant to a worker's value in a given ministry, much is left to the determination of each individual congregation. However, the following factors ought to be taken into consideration in every situation:

- Formal education
- Years of experience
- Leadership or level of responsibility

To determine the suggested salary for any worker, the base salary is multiplied by various add-on factors, which are the sum of points or percentages assigned to the individual according to the scale. Other factors (many of which are listed below) may also be included based on your situation.

Degree

It is assumed that most positions herein require a minimum degree earned for which the worker should be compensated appropriately. In some cases, an advanced or additional degree is valued and also considered; in other cases, it may be unrelated or not germane to the position.

Experience

Years of experience refer to total years in church and school ministry (not just those in the current congregation). The experience factor adds more to the value of the salary in the first years, and thus, the step increments are larger. Over time the additional experience has less value to the performance of the duties of the position, and consequently, the percentage increase per step is less.

If the professional church worker has entered the ministry after having served for some period in another profession, the congregation may wish to recognize that an entry salary into the ministry may be inadequate compensation. In such a case, some provision is made to recognize the experience, skills, and maturity such a person brings to the ministry.

The years of experience for teachers are generally understood to be the period of time workers have been employed in their profession, including years of service in public schools and other Lutheran schools.

Leadership

A congregation may choose to recognize a professional church worker's leadership or administrative responsibility as a factor in the determination of his/her salary. Generally, as leadership and administrative responsibilities grow, so should the salary.

Additional Responsibilities

As you determine the add-on factors to use for each staff member, it is important that you carefully examine the role that each person holds. The scope of the extra responsibility, the amount of time necessary to complete the tasks, and the amount of experience and training are usually taken into consideration. It is expected that the nature and scope of the task will vary from place to place. Congregations are encouraged to adjust the various salary situations based on unique local situations.

Housing

Church-Owned Housing

Professional church workers who are categorized as "Ministers of the Gospel" (ordained or commissioned) are eligible to receive a housing allowance or parsonage/teacherage that is excluded from income tax. The congregation must designate a portion of the compensation calculated as Housing Allowance and a resolution designating the amount allowed should be entered into the congregation's minutes before the calendar year in which it is to be effective. The amount of money designated as Housing Allowance is not considered income for federal income tax but is considered income when computing self-employment tax. The federal income tax exclusion for a Housing Allowance is limited to the lesser of the authorized Housing Allowance, actual expenditures for housing or the fair rental value of the home, furnished, plus utilities. The federal income tax exclusion for a parsonage means that the fair rental value of the parsonage, including any employer-paid utilities, is not included in taxable income.

Where housing is provided by the congregation, it is recommended that the congregation assume full responsibility for all housing-related costs, including general maintenance and repair, decorating, utilities and telephone. The personal choices of the residents should be considered when changes are being made to the decorating.

A worker living in a parsonage or teacherage may also receive a housing allowance to cover the cost of such items as garbage removal, lawn care, home furnishings, repairs, and maintenance, if any of these are paid for directly by the worker.

If the congregation prefers to have the worker pay utilities, it should carefully determine the actual costs and provide an allowance adequate to cover the total cost.

By not owning a home, a worker does not enjoy the opportunity to build equity in a home, which presents challenges to the worker upon retirement or upon acceptance of a call to a congregation that does not provide a parsonage or teacherage. The congregation may wish to help alleviate this disadvantage by creating or participating in a "housing equity program," so long as it is a tax compliant plan. Alternately, the home equity allowance could be paid to the worker through a tax deferred 403(b) plan (which may only be

available to the worker after the age of 55), through regular taxable cash payments that the worker would invest himself, or other means compliant with tax law.

The salary scales which follow assume individually owned housing.

Individually Owned or Rented Housing

Ministers of the Gospel (ordained or commissioned) who are eligible for a tax-excluded housing allowance will need to fulfill the basic requirements set by the IRS. The congregation must designate a portion of the total compensation as a "Housing Allowance", and a resolution designating the amount allowed must be entered in the Congregation's minutes in December (or earlier) before the calendar year in which it is to be effective.

The congregation needs only to designate the housing allowance. It is the worker's responsibility to document the actual amount spent and the fair market value of the dwelling and to adjust his or her income accordingly, if applicable. This action may be amended at any time but is applicable to future payments (not retroactive). Once the amount of the allowance has been properly designated, it need not be paid to the worker separately. It can be included in one check covering both the allowance and salary.

The housing exclusion is intended to cover the expenses the worker spends which are directly related to renting or providing a home. For this purpose, the term "home" not only means a dwelling place, but also includes other related structures such as a garage. Expenditures directly related to renting or providing a home include rental payments and mortgage installment payments on a home and such related expenditures as real estate commissions, attorney fees, escrow fees, mortgage interest, real estate taxes and special assessments, utilities, garbage removal, repairs and maintenance, home furnishings and the cost of insurance coverage for fire, theft, and liability.

The amount of money designated as "housing allowance" is not considered income for federal income tax but is considered income when computing self-employment tax. (See FICA/SECA below.)

(See Appendix A as a guideline sheet for declaration of items included in a housing allowance and see Appendix B for sample resolutions for establishing housing allowances.)

FICA / SECA Reimbursement

Ministers of the Gospel (ordained or commissioned) are considered to be self-employed for Social Security tax purposes. Unlike its lay employees, the congregation does not pay the employer's half of the minister's FICA tax. The professional church worker is instead obligated to pay his/her entire SECA tax (the self-employed equivalent of FICA) on both "salary" and "housing." The current tax rate is 15.3% (12.4 component for old-age, survivors, and disability insurance (OASDI) and a 2.9% component for Medicare).

A congregation may compensate their professional church worker the amount the congregation would normally pay in FICA tax to use in payment of his/her SECA tax. Please note that if this amount is provided as compensation, it is subject to income tax and additional SECA tax.

Dual Parish

When a professional church worker serves more than one congregation, the congregations may want to make an adjustment in his/her compensation to reflect the extra workload and challenges that come with that work.

Merit / Performance

Performance or effectiveness should play a significant role in the compensation decision process. Best practices suggest that a performance appraisal performed by the professional church worker's supervisor should form the basis for such decisions. Since performance evaluation is difficult, a good suggestion is that congregations develop a position description for their workers indicating areas of responsibility and expected performance levels.

Second Career Pastor

When calling a second-career pastor, a congregation may want to make an adjustment to the starting salary to give credit for secular work experience. Some Districts recommend that these men be allowed an experience factor of one-half of the years spent in a secular position. Others recommend a one-to-one ratio of secular work experience to credited experience.

Multiple Advanced Degrees

When a professional church worker has earned multiple applicable advanced degrees (masters or doctorates), a typical increase in compensation is between five and eight percent. This percentage represents best practices but is not a requirement.

Proration of Base Salary

We are committed to equal pay for equal work for both men and women. However, it is worth noting that these guidelines are based on assumed full-time employment. When appropriate, prorations of the base salary may be made for part-time or seasonal positions.

4. Allowances

Moving Expenses

When a congregation calls a professional church worker, the general accepted practice is to pay all necessary and reasonable moving expenses for the worker and his/her family. However, for 2018 – 2025, such reimbursements are taxable, and the deduction for moving expenses also has been suspended.

Auto

Car and travel expenses should be regarded as “business expenses” of the congregation. Reimbursement should cover actual miles traveled. (Most agencies and businesses allow the standard IRS rate which includes gas and oil, depreciation, maintenance, and insurance.) A year-end review of actual expenses should be conducted to assure that total travel expenses are covered. Congregations may also wish to purchase or lease a car for their workers.

Professional church workers are required to account to the IRS for auto allowance income as well as any personal use of a congregation-owned auto. Because of changing tax laws concerning a church worker's tax liability for auto allowance, it is recommended that congregations seek advice from a tax consultant and from the IRS.

Generally, to minimize tax impact to the worker, a direct accountability program is the best. This means that the congregation requires that the worker keep and submit exact expense records according to IRS regulations for monthly or bimonthly reimbursement. There are tax ramifications for both “unaccountable” cash allowances and personal use of congregation-owned vehicles.

Books / Periodicals

A sum should be identified in the congregation budget for these purposes. This amount is not added to the worker's compensation but is made available when needed.

Professional Development / Continuing Education

All professional church workers should be encouraged to have an annual plan for professional development and continuing education for his/her personal benefit and for the benefit of those whom he/she serves. This allowance is placed in the budget to be used, when needed. The amount should not be a “token” amount but should be sufficient to permit the worker to avail him/herself of a meaningful development opportunity.

The worker should not be expected to use his/her vacation or days off to attend opportunities for continuing education.

Convention and Conference Attendance

Attendance by a professional church worker at Synod and District approved conventions, retreats, conferences, and workshops are sometimes required and considered to be part of the business of the congregation. The professional church worker should not be required to utilize vacation time or personal funds to attend these events.

Education Debts

Many professional church workers are graduating from college or seminary with significant educational debts. They have undertaken these debts in order to be equipped to serve. A congregation may consider assisting these workers in the repayment of these debts. Such assistance is regular income for the worker and subject to IRS taxation.

5. Time off Considerations

Vacation

Vacation and days off each week are necessary if the worker is going to avoid overwork and “burnout.” The amount of time will perhaps vary with each situation so this must be determined locally. Each congregation should adopt a vacation schedule for its workers. The vacation schedule should be reviewed annually, and necessary allowances made if the workload has been exceptionally heavy for any period of time. Full-time church workers should receive vacation during their first year in ministry and should be encouraged to take some vacation each year. One suggestion might be the following:

Years of Service	Weeks of Vacation per Year
0-4	1 to 2 weeks
5-9	3 weeks
10+	4 weeks

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 the health of the worker, but also for the sake of the worker’s family.

Days of vacation should be in addition to normal days off. In addition to Sundays that the professional church worker is granted as part of vacation time, the congregation may also consider giving the professional church worker two to three additional Sundays off per year for personal growth and development, to attend special occasions in other congregations, to visit other churches, etc.

Personal / Sick Leave

The congregation should provide the professional church worker with personal/sick leave. Some Districts recommend a standard of one day awarded per month worked.

Sick leave, hospitalization, and disability should be granted in accordance with the benefit program(s) in which each congregation participates. These plans ensure that a worker’s compensation is not disrupted.

Congregations are advised to develop policy that indicates whether unused personal and/or sick days are accumulated.

Special Leave

A congregation may grant special leave at the discretion of the board to cover special cases of emergency or death in the immediate family of the professional church worker. Special leave should not be considered vacation, sick leave, or personal leave.

Sabbatical

After a defined number of years, consideration may be given to the granting of a sabbatical (time off with pay) for a professional church worker, depending on the specific role. This is often used as a time of renewal or extended study or research. Sabbaticals are often three to six weeks off or longer.

Wellness Retreat

Consideration may be given to offering the professional church worker and his/her spouse an expenses-paid wellness retreat, designed to provide a time away for them to focus on their own physical, emotional and spiritual health.

Military Duty

If a professional church worker serves in an Armed Forces reserve unit, he/she will need to be granted a leave of absence during the time he/ she is required to serve. This is usually a two-week period. The worker should not be expected to use allotted vacation time for this purpose. The worker should receive full salary during this training period.

6. Core Benefits

Health Benefits

Congregations are encouraged to offer professional church workers the opportunity to enroll in the Concordia Health Plan (CHP). The congregation can choose the percentage of the health plan cost it will pay but must pay at least 50 percent for the member. The congregation can determine if it will contribute to the contribution cost of dependents, provide the opportunity for the worker to set aside pre-tax money to cover out of pocket expenses through a Flexible Spending Account or Health Savings Account (for use with high deductible plans), or provide additional support with a Health Reimbursement Arrangement.

Retirement Benefit

Congregations are encouraged to enroll eligible professional church workers in the Concordia Retirement Plan (CRP). Paired with the Concordia Disability and Survivor Plan (CDSP), the CRP provides a defined level of income in retirement once the professional church worker is vested with at least five years of eligible work experience.

Each congregation which participates in the CRP must participate for all eligible workers. The national plan, which is qualified with the Internal Revenue Service, prohibits discrimination against any eligible employee by denying this benefit. The congregation pays the full cost of the plan.

Disability & Survivor Benefit

Congregations are encouraged to enroll eligible professional church workers in the CDSP. Paired with the CRP, the CDSP provides a benefit when a worker becomes disabled with a qualifying disability, which may include maternity leave. The Plan also provides a benefit at the time of the death of a worker or a qualifying dependent.

403(b) Savings Plan

Congregations are encouraged to provide eligible professional church workers the opportunity to save for retirement in the Concordia Retirement Savings Plan (CRSP), a 403(b) plan. Various insurance companies and investment brokers also offer 403(b) plans.

Workers can make contributions on either a pre-tax or after-tax Roth basis. Additionally, congregations can encourage their worker's preparation for retirement by providing an employer contribution, such as a match to the worker's contributions, subject to IRS limits.

7. Non-Called Staff

This compensation guide is intended to help set salaries for Called workers and other teachers of congregations in the District. Job descriptions, experience levels, and educational requirements vary greatly among the other staff within each congregation, including the secretaries, business and facility managers, and other para-ministry positions. The following suggestions may help a congregation in setting such salaries.

Administrative & Support Staff

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 12-month salary by 2080 hours to approximate an hourly rate.

Add-on factors for these positions (assumed no degree required) may reasonably include negative factors. (See Section 8 for suggestions.)

Pastoral Pulpit Supply & Vacancy

Pulpit supply is defined as those times in a congregation where the pastor is temporarily absent due to illness, vacation, or other time off and a guest is brought in. In such cases, all mileage ought to be paid at the current IRS rate. If the supply pastor is to be present for worship in the morning and must travel 75 miles or more, the congregation should consider motel/hotel lodging and meals for him. One such example might be:

Type of Service	Rate
Presiding (No sermon)	\$100
Preaching (One service)	\$150
Presiding & Preaching	\$200
Additional Services	\$50
Bible Study/Presentation	\$50

When addressing a long-term vacancy, this table may or may not work due to the specific coverage needs of individual congregations; you may consider paying an appropriate percentage of an annual salary.

Organists & Musicians

Part-time, seasonal, and guest organists or soloists/musicians should be compensated for their training, preparation, and participation in worship services whenever possible. While the hourly rate for professional musicians varies wildly by local market, a flat per-service rate is often the easiest method to maintain equity and consistency. A mid-tier example might be:

Type of Service	Rate
Organist (One service)	\$100
Additional Services	\$60
Soloist/Musician (One service)	\$50
Rehearsals or Additional Services	\$50

Childcare & Preschool Workers

Following are suggested hourly wages for childcare and preschool workers. Please note that this table gives suggested hourly wages based on position (Childcare & Assistant Preschool Teacher, Lead Childcare, and Lead Preschool Teacher), years of service, and completion of Early Childhood certification (noted as EC-I and EC-II) or a bachelor's degree.

Years of Service	Enrolled in EC-I & EC-II	EC-I & EC-II (no degree)			BA (non-Ed) plus EC-I & EC-II or 2 Years AA-EC	BA in Elementary Ed or EC
	<i>Childcare & Assistant Teacher</i>	<i>Lead Childcare</i>	<i>Lead Preschool Teacher</i>			
0	\$13.11	\$14.21	\$15.30	\$17.48	\$19.67	\$21.86
1	\$13.24	\$14.35	\$15.45	\$17.66	\$19.87	\$22.07
2	\$13.38	\$14.49	\$15.60	\$17.83	\$20.06	\$22.29
3	\$13.51	\$14.63	\$15.76	\$18.01	\$20.26	\$22.51
4	\$13.64	\$14.77	\$15.91	\$18.18	\$20.46	\$22.73
5	\$13.77	\$14.92	\$16.06	\$18.36	\$20.65	\$22.95
6		\$15.06	\$16.22	\$18.53	\$20.85	\$23.17
7		\$15.20	\$16.37	\$18.71	\$21.05	\$23.39
8		\$15.34	\$16.52	\$18.88	\$21.24	\$23.60
9		\$15.48	\$16.68	\$19.06	\$21.44	\$23.82
10		\$15.63	\$16.83	\$19.23	\$21.64	\$24.04
11				\$19.41	\$21.83	\$24.26
12				\$19.58	\$22.03	\$24.48
13				\$19.76	\$22.23	\$24.70
14				\$19.93	\$22.42	\$24.92
15				\$20.11	\$22.62	\$25.13

8. Salary Worksheet Instructions

STEP 1: The District's Salary Guidelines & Considerations include two options for setting a base salary.

- **Option A:** The base salary is established from a table which is updated annually based on a sampling of public school salaries and a review of the annual pay raise for federal employees as well as Employment Cost Index (ECI) data from the Bureau of Labor Statistics.

Year	Base Salary
2018	\$42,457
2019	\$43,306
2020	\$44,519
2021	\$45,231
2022	\$46,588
2023	\$48,521
2024	\$50,510

- **Option B:** The base salary is the current 50th percentile salary in the local public school (by County Seat) for a teacher with a bachelor's degree and less than one year experience.

County	Base Salary
Adams	\$49,911
Calumet	\$50,228
Columbia	\$51,246
Dane	\$51,668
Dodge	\$51,376
Fond Du Lac	\$50,173
Grant	\$49,911
Green	\$51,447
Green Lake	\$50,173
Iowa	\$51,246
Jefferson	\$51,333
Juneau	\$49,911
Kenosha	\$51,802
La Crosse	\$48,997
Lafayette	\$51,246
Manitowoc	\$50,168

County	Base Salary
Marquette	\$51,246
Milwaukee	\$52,187
Monroe	\$48,632
Ozaukee	\$51,764
Racine	\$51,802
Richland	\$49,911
Rock	\$51,457
Sauk	\$51,246
Sheboygan	\$50,970
Vernon	\$48,604
Walworth	\$51,556
Washington	\$51,765
Waukesha	\$51,990
Waushara	\$50,173
Winnebago	\$50,268

For both Options A and B, we have created a "Percentage to Scale" field that allows organizations to adjust the guidelines to their unique situations. This factor may reflect a congregation's need or willingness to pay below or above the standard suggested salary.

STEP 2: Since the base salary from Step 1 assumes a full-time salary, a proration may be made to reflect part-time or seasonal positions.

STEP 3: To obtain the worker’s suggested annual salary, multiply the prorated base salary from Step 2 by individual add-on factors. The total add-on factor is computed by adding together the points credited based on: (A) education/experience (see Section 10), (B) leadership, (C) responsibility, (D) performance, (E) multiple degrees, and (F) any reductions where applicable, and expressing the sum as a percentage.

Leadership

Administrative (Senior) Pastor

• 1-70 Average weekly worship attendance	0
• 71-135 Average weekly worship attendance	10
• 136-265 Average weekly worship attendance	20
• 266-450 Average weekly worship attendance	30
• 451-700 Average weekly worship attendance	40
• 701-999 Average weekly worship attendance	50
• 1,000+ Average weekly worship attendance	60

Associate Pastors could be paid using one-half of the factor above.

Principal

• 1-150 Students	15
• 151-300 Students	20
• 301+ Students	25

Assistant Principals could be paid using one-half of the factor above.

Responsibility

Some broad suggestions may include the following factors:

• DCE, DCO, Lay Minister, Deaconess, etc.	5 to 15
• Director of Music	5 to 15
• Athletic Director	5 to 10
• Youth Director	5 to 10
• Receptionist	-30 to -25
• Secretary	-25 to -15
• Bookkeeper	-15 to -10
• Custodian	-10 to 0

STEP 4: If appropriate, the suggested salary can be adjusted by reducing salary for the value of church-provided housing. A worker living in church-owned housing could have deducted from his/her salary an amount equal to the fair market rental value of the housing including any utilities which are paid by the congregation. To get the fair market rental value, secure two estimates and take the average.

If using Option A or Option B, it is recommended that employers consider increasing the salary for professional church workers who are considered “Ministers of Religion” (ordained or commissioned) by 7.65% to offset SECA taxes.

9. Salary Worksheet

Name of Worker: _____
 Fiscal Year: _____
 Education Level: _____

Years of Experience: _____ Our Congregation: _____
 Prior Congregations: + _____
 Prior Secular Experience (if applicable): + _____
 Total Years of Experience: = _____

Step 1 Determine Base Salary

Option A - SWD Suggested Base Salary _____ 50,510
or
Option B - Base Salary for Public School Teachers by County Seat _____
 % to Scale _____ % _____
 = _____

Step 2 Determine Pro-rated Base Salary (if necessary)

Number of months required _____ x _____
 Pro-rated base salary _____ = _____

Step 3 Multiply Adjusted Base Salary by Additional Add-On Factor(s)

A. Education/Experience: _____
B. Leadership:
 Administrative Pastor + _____
 Associate Pastor + _____
 Dual-Point Parish? + _____
 Principal + _____
 Asst. Principal + _____
C. Responsibility: _____ + _____
D. Performance: _____ + _____
E. Multiple Degrees: _____ + _____
F. Reduction(s): _____ - _____
 x _____
Suggested Salary _____ = _____

Step 4 Optional Adjustments

A. Provided Housing Reduction: _____ Current Fair Market Value - _____
 B. SECA Tax Offset for Rostered Worker: _____ Yes or No _____ % 7.65
Final Salary _____ = _____

(Visit swd.lcms.org/resources or email reske@swd.lcms.org for the self-calculating version of this worksheet.)

South Wisconsin District Suggested Salary Schedule
January 1, 2024 -- December 31, 2024

Base 12-Month Salary:
\$50,510

Year	Certificate 1 Factor	Salary	BA (Non-Roster Eligible) Factor	Salary	BA (Rostered) Factor	Salary	Certificate 2 Factor	Salary	MA / MS Factor	Salary	MDiv / EEd Factor	Salary	STM / DMin Factor	Salary	PhD / ThD Factor	Salary		
0	90.0	45,459	90.0	45,459	100.0	50,510	105.0	53,036	110.0	55,561	125.0	63,138	130.0	65,663	135.0	68,189		
1	94.0	47,479	94.0	47,479	104.0	52,530	109.0	55,056	114.0	57,581	129.0	65,158	134.0	67,683	139.0	70,209		
2	98.0	49,500	98.0	49,500	108.0	54,551	113.0	57,076	118.0	59,602	133.0	67,178	138.0	69,704	143.0	72,229		
3	102.0	51,520	102.0	51,520	112.0	56,571	117.0	59,097	122.0	61,622	137.0	69,199	142.0	71,724	147.0	74,250		
4	106.0	53,541	106.0	53,541	116.0	58,592	121.0	61,117	126.0	63,643	141.0	71,219	146.0	73,745	151.0	76,270		
5	110.0	55,561	110.0	55,561	120.0	60,612	125.0	63,138	130.0	65,663	145.0	73,240	150.0	75,765	155.0	78,291		
6	113.0	57,076	113.0	57,076	123.0	62,127	129.0	65,158	134.0	67,683	149.0	75,260	154.0	77,785	159.0	80,311		
7	116.0	58,592	116.0	58,592	126.0	63,643	133.0	67,178	138.0	69,704	153.0	77,280	158.0	79,806	163.0	82,331		
8	119.0	60,107	119.0	60,107	129.0	65,158	137.0	69,199	142.0	71,724	157.0	79,301	162.0	81,826	167.0	84,352		
9	122.0	61,622	122.0	61,622	132.0	66,673	141.0	71,219	146.0	73,745	161.0	81,321	166.0	83,847	171.0	86,372		
10	125.0	63,138	125.0	63,138	135.0	68,189	145.0	73,240	150.0	75,765	165.0	83,342	170.0	85,867	175.0	88,393		
11	127.0	64,148	137.0	69,199	137.0	69,199	148.0	74,755	153.0	77,280	168.0	84,857	173.0	87,382	178.0	89,908		
12	129.0	65,158			139.0	70,209	151.0	76,270	156.0	78,796	171.0	86,372	176.0	88,898	181.0	91,423		
13	131.0	66,168			141.0	71,219	154.0	77,785	159.0	80,311	174.0	87,887	179.0	90,413	184.0	92,938		
14	133.0	67,178			143.0	72,229	157.0	79,301	162.0	81,826	177.0	89,403	182.0	91,928	187.0	94,454		
15	135.0	68,189			145.0	73,240	160.0	80,816	165.0	83,342	180.0	90,918	185.0	93,444	190.0	95,969		
16	135.6	68,492			145.6	73,543	160.6	81,119	165.6	83,645	180.6	91,221	185.6	93,747	190.6	96,272		
17	136.2	68,795			146.2	73,846	161.2	81,422	166.2	83,948	181.2	91,524	186.2	94,050	191.2	96,575		
18	136.8	69,098			146.8	74,149	161.8	81,725	166.8	84,251	181.8	91,827	186.8	94,353	191.8	96,878		
19	137.4	69,401			147.4	74,452	162.4	82,028	167.4	84,554	182.4	92,130	187.4	94,656	192.4	97,181		
20	138.0	69,704			148.0	74,755	163.0	82,331	168.0	84,857	183.0	92,433	188.0	94,959	193.0	97,484		
21	138.6	70,007	148.6	75,058	148.6	75,058	163.6	82,634	168.6	85,160	183.6	92,736	188.6	95,262	193.6	97,787		
22	139.2	70,310			149.2	75,361	164.2	82,937	169.2	85,463	184.2	93,039	189.2	95,565	194.2	98,090		
23	139.8	70,613			149.8	75,664	164.8	83,240	169.8	85,766	184.8	93,342	189.8	95,868	194.8	98,393		
24	140.4	70,916			150.4	75,967	165.4	83,544	170.4	86,069	185.4	93,646	190.4	96,171	195.4	98,697		
25	141.0	71,219			151.0	76,270	166.0	83,847	171.0	86,372	186.0	93,949	191.0	96,474	196.0	99,000		
26	141.6	71,522	166.6	84,150	166.6	84,150	171.6	86,675	176.6	88,190	186.6	94,252	191.6	96,777	196.6	99,303		
27	142.2	71,825			167.2	84,453	172.2	86,978	177.2	88,493	187.2	94,555	192.2	97,080	197.2	99,606		
28	142.8	72,128			167.8	84,756	172.8	87,281	177.8	88,796	187.8	94,858	192.8	97,383	197.8	99,909		
29	143.4	72,431			168.4	85,059	173.4	87,584	178.4	89,098	188.4	95,161	193.4	97,686	198.4	100,212		
30	144.0	72,734			169.0	85,362	174.0	87,887	179.0	89,401	189.0	95,464	194.0	97,989	199.0	100,515		
31	Certificate 1 -- Intended for alternate route pastors <u>without</u> an existing college degree.				169.5	85,614	174.5	88,140	179.5	90,665	189.5	95,716	194.5	98,242	199.5	100,767		
32	Routes often include:				170.0	85,867	175.0	88,393	180.0	90,918	190.0	95,969	195.0	98,495	200.0	101,020		
33	Specific Ministry Pastor (SMP) Ethnic Immigrant Institute of Theology (EIIT)				170.5	86,120	175.5	88,645	180.5	91,171	190.5	96,222	195.5	98,747	200.5	101,273		
34	Deaf Institute of Theology (DIT) Center for Hispanic Studies (CHS)				171.0	86,372	176.0	88,898	181.0	91,423	191.0	96,474	196.0	99,000	201.0	101,525		
35	BA (Non-Roster Eligible) -- Bachelor of Arts				171.5	86,625	176.5	89,150	181.5	91,676	191.5	96,727	196.5	99,252	201.5	101,778		
36	BA (Rostered) -- Bachelor of Arts or colloquy from a Synodical Institution				172.0	86,877	177.0	89,403	182.0	91,928	192.0	96,979	197.0	99,505	202.0	102,030		
37	Certificate 2 -- Intended for any of the alternate route pastors listed above <u>with</u> an existing college degree.				172.5	87,130	177.5	89,655	182.5	92,177	192.5	97,232	197.5	99,757	202.5	102,283		
38	MA/MS -- Master of Arts or Master of Science				173.0	87,382	178.0	89,908	183.0	92,444	193.0	97,484	198.0	100,010	203.0	102,535		
39	MDiv/EdD -- Master of Divinity or Doctor of Education				173.5	87,635	178.5	90,160	183.5	92,695	193.5	97,737	198.5	100,262	203.5	102,788		
40	STM/DMin -- Master of Theology or Doctor of Ministry				174.0	87,887	179.0	90,413	184.0	92,938	194.0	97,989	199.0	100,515	204.0	103,040		
41	PhD/ThD -- Doctor of Philosophy or Doctor of Theology				174.5	88,140	179.5	90,665	184.5	93,189	194.5	98,242	199.5	100,767	204.5	103,293		
42					175.0	88,393	180.0	90,918	185.0	93,444	195.0	98,495	200.0	101,020	205.0	103,546		
43					175.5	88,645	180.5	91,171	185.5	93,695	195.5	98,747	200.5	101,273	205.5	103,798		
44					176.0	88,898	181.0	91,423	186.0	93,945	196.0	99,000	201.0	101,525	206.0	104,051		
45					176.5	89,150	181.5	91,676	186.5	94,197	196.5	99,252	201.5	101,778	206.5	104,303		

11. Resources for LCMS Congregations & Schools

Financial Matters

The *Congregational Treasurer's Manual* is published annually by The Lutheran Church—Missouri Synod and provides invaluable information on:

- Federal and State Taxes
- Accounting and Finance
- Insurance

This resource as well as guidance on taxes and ministers, mileage rates, overtime laws, and estimated taxes are also available through the LCMS web site ([lcms.org](https://www.lcms.org)) under *Resources → Church and School Administration → Financial Matters*.

Legal Resources

Various guidelines, updates, and policy templates are available on the LCMS web site ([lcms.org](https://www.lcms.org)) under *Resources → Church and School Administration → Legal Resources*.

- Church Administration
- Facility Usage
- Schools and Education
- Sexual Misconduct
- Other Topics

Personnel Matters

Sample job descriptions for a variety of staff and officer positions and other relevant forms are available on the LCMS web site ([lcms.org](https://www.lcms.org)) under *Resources → Church and School Administration → Personnel Matters*.

- Ministry Staff Positions
- Congregational Officers
- Administrative Staff Positions
- Facilities Staff Positions

12. Concordia Plans Compensation Tools

Concordia Plans has a *Compensation Decision Support Tools* developed to assist all LCMS ministries in the process of determining salaries for various staff positions. Concordia Plans, along with CBIZ (a financial services and business consulting firm), analyzed LCMS data. They then paired that data, along with additional information from external resources, to create comprehensive salary benchmarks. It takes into consideration location, rostered status, education level and other factors to provide suggested compensations for workers.

Overview: <https://www.concordiaplans.org/employers/resources/compensation-decision-support-tool>

The tools provide compensation suggestions for:

Pastors & Parish Professionals: <https://tc.cbiz.com/CompToolCPS/Login.aspx>

- **Pastors:** Senior Administrative, Associate, and Sole Pastors
- **Parish Professionals:** Director of Christian Education, Director of Parish Music, Director of Family Life Ministry, Director of Christian Outreach, Deaconess, Director of Church Ministries, Business Manager I, Business Manager II

Teachers & Administrators: <https://tc.cbiz.com/CompToolCPSEd/Login.aspx>

- **Childcare:** Assistant Teacher, Teacher, and Director
- **Preschool:** Assistant Teacher, Teacher, and Director
- **Elementary School:** Teacher, Head Administrator/Principal, and Assistant Administrator/Principal, Director of Finance, Athletic Director, Director of Admissions, Director of Development/Advancement
- **Middle School:** Teacher, Head Administrator/Principal, and Assistant Administrator/Principal, Director of Finance, Athletic Director, Director of Admissions, Director of Development/Advancement
- **High School:** Teacher, Head Administrator/Principal, and Assistant Administrator/Principal, Director of Finance, Athletic Director, Director of Admissions, Director of Development/Advancement

Salaries generated by the *Compensation Decision Support Tools* are only suggestions. Congregations are not instructed or required to use the figures generated by the tool.

13. Appendix A:

Housing Allowance Worksheet and Request Form

In compliance with the IRS ruling for housing allowance, that provides for advance declaration of the amount of housing allowance before receipt of payment, I/(we) make the following declarations:

ITEM	AMOUNT
Housing Payments (principal/interest or rent)	\$ _____
Real Estate Taxes	\$ _____
Property Insurance (homeowner's or renter's)	\$ _____
Utilities:	
Gas	\$ _____
Electricity	\$ _____
Water	\$ _____
Telephone (basic service)	\$ _____
Other: _____	\$ _____
Maintenance (household cleaners, light bulbs, pest control)	\$ _____
Furnishing and Appliances (purchase and repair)	\$ _____
Repairs	\$ _____
Other Allowable Expenses: _____	\$ _____
TOTAL	\$ _____

I/(we) request that (Name and location of Congregation and Governing Body), take formal action to designate \$ _____ (or ____%) of my 20__ remuneration as "Housing Allowance" and record same into the minutes of the Voter's Assembly of (Title of Responsible Body) meeting to be held (insert date). I also understand that it is my/(our) declaration and the "Burden of Proof" is mine/(ours) in the event I/(we) would be challenged and had to prove the amounts indicated above.

(Signature)

(Signature)

(Date)

[If you file a joint return, both husband and wife should sign.]

14. Appendix B:

Sample Housing Allowance Resolutions

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 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 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, here 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 authorizes 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

BE IT RESOLVED that the dollar amounts noted adjacent to the names of those individuals listed below, be stipulated as rental allowance for the year 20__ in accordance with the regulations of the Internal Revenue Service. It should be noted also, that each of those individuals fully understands that the "Burden of Proof" is upon them to substantiate those amounts.

[List professional workers and amounts.]

15. Appendix C:

Sample Salary and Benefits Letter

John Smith
123 Home Address
City, State 12345

Confidential Information

John,

Your total compensation consists of so much more than just your paycheck. In addition to your cash compensation, which includes salary (with a portion designated for your housing expenses) and SECA offset, we also invest a significant amount of money toward your benefits, such as retirement plans, health and wellness, and more.

The Board of Directors of Trinity Lutheran Church met on May 15 and adopted the operating budget for 2024-25 which goes into effect on July 1. Your total compensation package for the upcoming fiscal year is detailed below.

Wages:	Salary & Housing Designation	\$50,000
	SECA Offset (7.65%)	\$3,825
	Total Wages	\$53,825
Benefits:	Employer Provided Housing (rental value)	\$12,000
	Concordia Health Plan	\$11,280
	Health Premiums Withheld (7.5%)	-\$846
	Concordia Disability and Survivor Plan (1.2%)	\$600
	Concordia Retirement Plan (8.7%)	\$4,350
	Employer HSA Contribution	\$800
	Employer 403b Match (up to 2%)	\$1,077
	Holiday, Vacation, and Paid Time Off	\$4,347
	Total Employer Provided Benefits	\$33,609

Based on current policy, you are also entitled to 80 hours of paid vacation and 40 hours of paid time off (PTO) as well as the following paid holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Please sign and return this letter to confirm that you have received, read, and understand it.

If you have any questions, please don’t hesitate to contact me.

Mary Jones

Mrs. Mary Jones, Treasurer

(Signature)

(Date)

This statement is not a contract of employment.