SOUTH WISCONSIN DISTRICT

The Lutheran Church—Missouri Synod

2027

Salary & Benefits

Guidelines & Considerations

Pastors, Teachers, and Professional Church Workers

For implementation during the 2027 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 2027

Each year, the District reviews its salary guidelines to help congregations and schools make thoughtful and responsible compensation decisions. For calendar year 2027, the District recommends a 4.0% increase in the salary guideline base. This recommendation is intended to reflect the current employment market rather than simply matching a single inflation or cost-of-living statistic.

Current wage data indicate that professional compensation continues to increase at approximately the mid-3% level. The U.S. Bureau of Labor Statistics reports that wages for state and local elementary and secondary school employees increased 3.6% during the 12 months ending June 2026.[1] Employer compensation surveys are producing similar results, with 2027 salary-increase budgets generally projected between 3.3% and 3.6%.[2] Wisconsin's Consumer Price Index calculation (which measures price changes for everyday items like food, housing, clothing, transportation, healthcare, and education) beginning January 1, 2027 is 3.13%, providing another useful point of comparison.[3]

We also continue to consider the salaries paid to beginning public-school teachers in Southern Wisconsin as an important benchmark. These comparisons reinforce the importance of periodically adjusting the entire salary guideline so that it does not gradually fall behind the local employment market.

The District made no base salary guideline adjustment for 2026. The 4.0% recommendation for 2027 is not intended to make up the entire forgone increase. Instead, it represents an intentional approach: roughly 3.5% reflects current wage-market conditions, with an additional one-half percentage point helping restore some of the market position lost during the year in which the base remained unchanged.

As always, the District salary guidelines are intended to be a resource for local decision-making, not a mandate that every employee automatically receive the same percentage increase. Congregations and schools should consider their financial circumstances, employee responsibilities and experience, recruitment and retention needs, benefits provided, and any existing step or salary structure.

Experience or step increases serve a different purpose from the annual base adjustment: steps recognize an individual's increasing experience, while the annual adjustment helps keep the salary structure itself reasonably aligned with the external labor market.

Paul Reske, Business Manager

[October 2026]

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[1] *U.S. Bureau of Labor Statistics, Employment Cost Index, Table 11.* BLS Employment Cost Index data

[2] *WorldatWork, Employers' 2027 Pay Budget Projections Point to Stability.* WorldatWork 2027 salary projections

[3] *Wisconsin Employment Relations Commission, CPI-U Calculation Chart.* Wisconsin WERC CPI-U data

1. Contents

2. 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, along with 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 time to their personal lives, lest in tending the household of God they neglect their own families (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).

3. 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 wages 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 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 Tool**
- 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, the Concordia Plans tools, 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, 90% in the second year and 95% 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.

4. 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 anchored to the starting salary of a bachelor's-degree public-school teacher in Southern Wisconsin. We also review actual starting-salary movement in comparable school districts, Bureau of Labor Statistics Employment Cost Index (ECI) wage growth for elementary and secondary education, inflation measures such as the Wisconsin Consumer Price Index for All Urban Consumers (CPI-U), broader employer salary-budget trends, and our own suggested benefit levels.

Option B: The base salary is the current 60th 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, for example, a 10% base increase.

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.

5. 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.

6. 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.

7. 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.

8. 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)	$125
Preaching (One service)	$175
Presiding & Preaching	$225
Additional Services	$75
Bible Study/Presentation	$75

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)	$150
Additional Services	$75
Soloist/Musician (One service)	$75
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
	Childcare & Assistant Teacher		*Lead Childcare*	*Lead Preschool Teacher*		
0	$14.07	$15.25	$16.42	$18.77	$21.11	$23.46
1	$14.22	$15.40	$16.58	$18.95	$21.32	$23.69
2	$14.36	$15.55	$16.75	$19.14	$21.53	$23.93
3	$14.50	$15.70	$16.91	$19.33	$21.74	$24.16
4	$14.64	$15.86	$17.08	$19.52	$21.96	$24.40
5	$14.78	$16.01	$17.24	$19.70	$22.17	$24.63
6		$16.16	$17.41	$19.89	$22.38	$24.86
7		$16.31	$17.57	$20.08	$22.59	$25.10
8		$16.47	$17.73	$20.27	$22.80	$25.33
9		$16.62	$17.90	$20.45	$23.01	$25.57
10		$16.77	$18.06	$20.64	$23.22	$25.80
11				$20.83	$23.43	$26.04
12				$21.02	$23.64	$26.27
13				$21.21	$23.86	$26.51
14				$21.39	$24.07	$26.74
15				$21.58	$24.28	$26.98

9. Salary Worksheet Instructions

STEP 1: The District's guidelines include two options for setting a base salary.

- **Option A:** The base salary is anchored to the starting salary of a bachelor's-degree public-school teacher in Southern Wisconsin. We also review actual starting-salary movement in comparable school districts, Bureau of Labor Statistics Employment Cost Index (ECI) wage growth for elementary and secondary education, inflation measures such as the Wisconsin Consumer Price Index for All Urban Consumers (CPI-U), broader employer salary-budget trends, and our own suggested benefit levels.

Year	Base Salary
2018	$42,457
2019	$43,306
2020	$44,519
2021	$45,231
2022	$46,588

Year	Base Salary
2023	$48,521
2024	$50,510
2025	$52,127
2026	$52,127
2027	$54,212

- **Option B:** The base salary is the current ***60th*** percentile salary in the local public school (by County Seat) for a teacher with a bachelor's degree and less than one year experience.

  But you have the flexibility to adjust the percentile to compete with the local market.

County	Base Salary
Adams	$53,430
Calumet	$54,037
Columbia	$54,450
Dane	$55,413
Dodge	$54,324
Fond Du Lac	$54,239
Grant	$53,374
Green	$54,105
Green Lake	$53,819
Iowa	$54,177
Jefferson	$54,537
Juneau	$53,578
Kenosha	$54,380
La Crosse	$52,915
Lafayette	$53,904
Manitowoc	$53,691

County	Base Salary
Marquette	$53,852
Milwaukee	$56,307
Monroe	$53,132
Ozaukee	$55,377
Racine	$54,367
Richland	$53,597
Rock	$54,358
Sauk	$54,454
Sheboygan	$54,266
Vernon	$53,090
Walworth	$54,425
Washington	$55,011
Waukesha	$55,845
Waushara	$53,644
Winnebago	$54,104

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) / Sole 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.

10. 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					54,212
or						
	Option B - Base Salary for Public School Teachers by…					
		County				
		&				
		Percentile				-
	% 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/Sole Pastor		+		
		Associate Pastor		+		
		Dual-Point Parish?		+		
		Principal		+		
		Asst. Principal		+		
	C. Resonsibility:			+		
	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*** *for the self-calculating version of this worksheet under "Financial Resources".)*

11. Salary Table

South Wisconsin District Suggested Salary Schedule
January 1, 2027--December 31, 2027

Base 12-Month Salary: <u>$54,212</u>

Year	Certificate 1		BA (Non-Roster Eligible)		BA (Rostered)		Certificate 2		MA / MS		MDiv / EdD		STM / DMin		PhD / ThD	
	Factor	Salary	Factor	Salary	Factor	Salary	Factor	Salary	Factor	Salary	Factor	Salary	Factor	Salary	Factor	Salary
0	90.0	48,791	90.0	48,791	100.0	54,212	105.0	56,923	110.0	59,633	125.0	67,765	130.0	70,476	135.0	73,186
1	94.0	50,959	94.0	50,959	104.0	56,380	109.0	59,091	114.0	61,802	129.0	69,933	134.0	72,644	139.0	75,355
2	98.0	53,128	98.0	53,128	108.0	58,549	113.0	61,260	118.0	63,970	133.0	72,102	138.0	74,813	143.0	77,523
3	102.0	55,296	102.0	55,296	112.0	60,717	117.0	63,428	122.0	66,139	137.0	74,270	142.0	76,981	147.0	79,692
4	106.0	57,465	106.0	57,465	116.0	62,886	121.0	65,597	126.0	68,307	141.0	76,439	146.0	79,150	151.0	81,860
5	110.0	59,633	110.0	59,633	120.0	65,054	125.0	67,765	130.0	70,476	145.0	78,607	150.0	81,318	155.0	84,029
6	113.0	61,260	113.0	61,260	123.0	66,681	129.0	69,933	134.0	72,644	149.0	80,776	154.0	83,486	159.0	86,197
7	116.0	62,886	116.0	62,886	126.0	68,307	133.0	72,102	138.0	74,813	153.0	82,944	158.0	85,655	163.0	88,366
8	119.0	64,512	119.0	64,512	129.0	69,933	137.0	74,270	142.0	76,981	157.0	85,113	162.0	87,823	167.0	90,534
9	122.0	66,139	122.0	66,139	132.0	71,560	141.0	76,439	146.0	79,150	161.0	87,281	166.0	89,992	171.0	92,703
10	125.0	67,765	125.0	67,765	135.0	73,186	145.0	78,607	150.0	81,318	165.0	89,450	170.0	92,160	175.0	94,871
11	127.0	68,849			137.0	74,270	148.0	80,234	153.0	82,944	168.0	91,076	173.0	93,787	178.0	96,497
12	129.0	69,933			139.0	75,355	151.0	81,860	156.0	84,571	171.0	92,703	176.0	95,413	181.0	98,124
13	131.0	71,018			141.0	76,439	154.0	83,486	159.0	86,197	174.0	94,329	179.0	97,039	184.0	99,750
14	133.0	72,102			143.0	77,523	157.0	85,113	162.0	87,823	177.0	95,955	182.0	98,666	187.0	101,376
15	135.0	73,186			145.0	78,607	160.0	86,739	165.0	89,450	180.0	97,582	185.0	100,292	190.0	103,003
16	135.6	73,511			145.6	78,933	160.6	87,064	165.6	89,775	180.6	97,907	185.6	100,617	190.6	103,328
17	136.2	73,837			146.2	79,258	161.2	87,390	166.2	90,100	181.2	98,232	186.2	100,943	191.2	103,653
18	136.8	74,162			146.8	79,583	161.8	87,715	166.8	90,426	181.8	98,557	186.8	101,268	191.8	103,979
19	137.4	74,487			147.4	79,908	162.4	88,040	167.4	90,751	182.4	98,883	187.4	101,593	192.4	104,304
20	138.0	74,813			148.0	80,234	163.0	88,366	168.0	91,076	183.0	99,208	188.0	101,919	193.0	104,629
21	138.6	75,138			148.6	80,559	163.6	88,691	168.6	91,401	183.6	99,533	188.6	102,244	193.6	104,954
22	139.2	75,463			149.2	80,884	164.2	89,016	169.2	91,727	184.2	99,859	189.2	102,569	194.2	105,280
23	139.8	75,788			149.8	81,210	164.8	89,341	169.8	92,052	184.8	100,184	189.8	102,894	194.8	105,605
24	140.4	76,114			150.4	81,535	165.4	89,667	170.4	92,377	185.4	100,509	190.4	103,220	195.4	105,930
25	141.0	76,439			151.0	81,860	166.0	89,992	171.0	92,703	186.0	100,834	191.0	103,545	196.0	106,256
26	141.6	76,764					166.6	90,317	171.6	93,028	186.6	101,160	191.6	103,870	196.6	106,581
27	142.2	77,089					167.2	90,642	172.2	93,353	187.2	101,485	192.2	104,195	197.2	106,906
28	142.8	77,415					167.8	90,968	172.8	93,678	187.8	101,810	192.8	104,521	197.8	107,231
29	143.4	77,740					168.4	91,293	173.4	94,004	188.4	102,135	193.4	104,846	198.4	107,557
30	144.0	78,065					169.0	91,618	174.0	94,329	189.0	102,461	194.0	105,171	199.0	107,882
31							169.5	91,889	174.5	94,600	189.5	102,732	194.5	105,442	199.5	108,153
32							170.0	92,160	175.0	94,871	190.0	103,003	195.0	105,713	200.0	108,424
33							170.5	92,431	175.5	95,142	190.5	103,274	195.5	105,984	200.5	108,695
34							171.0	92,703	176.0	95,413	191.0	103,545	196.0	106,256	201.0	108,966
35							171.5	92,974	176.5	95,684	191.5	103,816	196.5	106,527	201.5	109,237
36							172.0	93,245	177.0	95,955	192.0	104,087	197.0	106,798	202.0	109,508
37							172.5	93,516	177.5	96,226	192.5	104,358	197.5	107,069	202.5	109,779
38							173.0	93,787	178.0	96,497	193.0	104,629	198.0	107,340	203.0	110,050
39							173.5	94,058	178.5	96,768	193.5	104,900	198.5	107,611	203.5	110,321
40							174.0	94,329	179.0	97,039	194.0	105,171	199.0	107,882	204.0	110,592
41							174.5	94,600	179.5	97,311	194.5	105,442	199.5	108,153	204.5	110,864
42							175.0	94,871	180.0	97,582	195.0	105,713	200.0	108,424	205.0	111,135
43							175.5	95,142	180.5	97,853	195.5	105,984	200.5	108,695	205.5	111,406
44							176.0	95,413	181.0	98,124	196.0	106,256	201.0	108,966	206.0	111,677
45							176.5	95,684	181.5	98,395	196.5	106,527	201.5	109,237	206.5	111,948

Certificate 1 -- Intended for alternate route pastors *without* an existing college degree.

Routes often include:
Specific Ministry Pastor (SMP) Ethnic Immigrant Institute of Theology (EIIT)
Deaf Institute of Theology (DIT) Center for Hispanic Studies (CHS)

BA (Non-Roster Eligible) -- Bachelor of Arts

BA (Rostered) -- Bachelor of Arts or colloquy from a Synodical institution

Certificate 2 -- Intended for any of the alternate route pastors listed above *with* an existing college degree.

MA/MS -- Master of Arts or Master of Science

MDiv/EdD -- Master of Divinity or Doctor of Education

STM/DMin -- Master of Sacred Theology or Doctor of Ministry

PhD/ThD -- Doctor of Philosophy or Doctor of Theology

12. Resources for LCMS Congregations & Schools

Financial Matters

The *Congregational Treasurer's Manual* is published annually by The Lutheran Church—Missouri Synod and provide accurate and authoritative information on the duties of congregational treasurer. It is written for every treasurer, no matter what the level of expertise, and is organized into two volumes, containing six major sections:

- Employment Issues
- Federal and State Tax Matters
- Establishing and Administering the Organization
- Supporting Organizations
- Accounting and
- Finance and Insurance

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

Legal Resources

Various guidelines, updates, and policy templates are available on the LCMS web site (**lcms.org**) under *Resources* → *Church & 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**) under *Resources* → *Church & School Administration* → *Personnel Matters*.

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

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

14. 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.]

15. 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.]

16. Appendix C: Sample Salary and Benefits Letter

The Board of Directors of [*Your Ministry*] met on [*Date*] and adopted their operating budget for the coming fiscal year, which goes into effect on [*Date*]. Please know that your total compensation package (detailed below) consists of so much more than just a paycheck.

> [*Your Ministry*] funds 100% of your enrollment in the Concordia Retirement Plan (CRP) Pension, which provides you with lifetime monthly income at retirement when vesting requirement is met. You can see estimates of your pension benefit based on personalized retirement assumptions using the Retirement Connection tool in your member portal at ConcordiaPlans.org.
>
> Because [*Your Ministry*] encourages you to save for retirement, we participate in the Concordia Retirement Savings Plan 403(b). You can contribute on a pre-tax basis, lowering your taxable income now, and/or on an after-tax Roth basis where qualified distributions are tax-free in retirement. [*Your Ministry*] will match contributions by [*your matching policy*].
>
> [*Your Ministry*] provides disability and basic life insurance at no cost to you. For coverage amounts, check your quarterly *Personal Statement of Benefits* in your member portal at ConcordiaPlans.org.

Wages:	Salary & Housing Designation	$54,000
	SECA Offset (7.65%)	$4,131
	Total Wages	**$58,131**
Benefits:	Employer-Provided Housing (rental value)	$12,000
	Concordia Health Plan	$13,152
	Health Premiums Withheld (7.5%)	-$986
	Concordia Disability and Survivor Plan (1.2%)	$648
	Concordia Retirement Plan (11.7%)	$6,318
	Employer HSA Contribution	$1,200
	Employer 403b Match (up to 2%)	$1,163
	Holiday, Vacation, and Paid Time Off (value)	$4,347
	Total Benefits	**$37,841**

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.

____________________________ (Signature)

____________________________ (Date)

This statement is not a contract of employment.