

Salary Guidelines & Considerations

Pastors, Teachers, and Professional Church Workers

for

January 1 – December 31, 2021

South Wisconsin District

The Lutheran Church—Missouri Synod

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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.

Paul Reske

New for 2021

Human Resources in the Age of COVID-19

In these now too familiar times, employers and employees alike have been forced to consider situations and scenarios for which there was little guidance, precedent, or legal advice. The South Wisconsin District staff has worked 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 employees alike. Concordia Plan Services (CPS) has been a wonderful partner to ministries throughout all of this.

If you need detailed explanations or executive summaries, CPS has assembled in one place legislative updates, leadership updates, FAQs for members (employees), FAQs for ministries, and other additional resources related to COVID-19. Visit the CPS web site (concordiaplans.org) and explore the resources under *COVID-19*.

HR Support Center with HR On Demand

Concordia Plan Services also provides access (through a paid monthly subscription) to an *HR Support Center*, an easy, efficient solution to help you manage your HR compliance and employee relations issues. With *HR Support Center* you will be able to read articles, download forms and job descriptions, research laws, and access an extensive HR knowledgebase that has answers to your employment and relationship questions. Personalized HR support is available from competent, experienced professionals at the Concordia Plan Services HR Support Center. Learn more by emailing MinistrySolutions@concordiaplans.org or contacting your account manager directly.

Payroll Services

In 2020, Concordia Plan Services added a new payroll provider to their list of service providers. With nearly 30 years of experience serving those in the education, nonprofit and faith-based industries, **Paycor** helps LCMS ministries overcome HR and Payroll challenges. The service is perfect for smaller ministries that may still be handling payroll internally. Visit go.paycor.com/concordia.html to request more information.

Soldiers of the Cross Amplified

In response to the COVID-19 global pandemic, The Lutheran Church—Missouri Synod (LCMS), Lutheran Church Extension Fund (LCEF), the 35 districts of the LCMS, and other entities are helping those serving full- or part-time in LCMS congregations, schools, universities, and other organizations who have been confronted with ministry-disrupting personal crises. Unlike traditional *Soldiers of the Cross* grants, this initiative isn't just about taking care of pastors and rostered teachers. Other church workers—such as church and school secretaries, administrators, bookkeepers and janitors—can apply for a *Soldiers of the Cross Amplified* grant to get through this crisis. Workers in crisis are encouraged to contact the District office for an application and guidance.

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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 Plan Services *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 Plan Services' 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 Social Security Administration's Cost of Living Adjustment (COLA) from the previous October.

Option B: The base salary is the starting salary in the local public school (by County Seat) for a teacher with a bachelor's degree and no 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 actually 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 an assumed 12-month work year. When appropriate, prorations of the base salary may be made.

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 (<i>No sermon</i>)	\$100
Preaching (<i>One service</i>)	\$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 (<i>One service</i>)	\$100
Additional Services	\$60
Soloist/Musician (<i>One Service</i>)	\$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	\$11.15	\$12.52	\$13.31	\$14.29	\$17.03	\$19.57
1	\$11.38	\$12.78	\$13.57	\$14.57	\$17.37	\$19.96
2	\$11.60	\$13.03	\$13.84	\$14.86	\$17.71	\$20.35
3		\$13.28	\$14.11	\$15.14	\$18.05	\$20.74
4		\$13.53	\$14.37	\$15.43	\$18.39	\$21.14
5		\$13.78	\$14.64	\$15.71	\$18.73	\$21.53
6		\$14.03	\$14.90	\$16.00	\$19.07	\$21.92
7		\$14.28	\$15.17	\$16.29	\$19.41	\$22.31
8		\$14.53	\$15.44	\$16.57	\$19.75	\$22.70
9		\$14.78	\$15.70	\$16.86	\$20.09	\$23.09
10		\$15.03	\$15.97	\$17.14	\$20.43	\$23.48
11		\$15.16	\$16.10	\$17.29	\$20.60	\$23.68
12		\$15.28	\$16.24	\$17.43	\$20.77	\$23.88
13		\$15.41	\$16.37	\$17.57	\$20.94	\$24.07
14		\$15.53	\$16.50	\$17.71	\$21.11	\$24.27
15		\$15.66	\$16.63	\$17.86	\$21.28	\$24.46

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 Social Security Administration’s Cost of Living Adjustment (COLA) from the previous October. (Assumes SECA offset is *not* already included.)

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

- **Option B:** The base salary is the starting salary in the local public school (by County Seat) for a teacher with a bachelor’s degree and no experience. (Assumes SECA offset is already included.)

County	Base Salary
Adams	\$47,506
Calumet	\$48,459
Columbia	\$49,653
Dane	\$50,060
Dodge	\$49,726
Fond Du Lac	\$48,407
Grant	\$47,506
Green Lake	\$48,407
Iowa	\$49,653
Jefferson	\$49,702
Juneau	\$47,506
Kenosha	\$49,877
La Crosse	\$45,767
Lafayette	\$49,653
Manitowoc	\$48,401

County	Base Salary
Marquette	\$49,653
Milwaukee	\$50,350
Monroe	\$45,414
Ozaukee	\$49,934
Racine	\$49,877
Richland	\$47,506
Rock	\$49,884
Sauk	\$49,653
Sheboygan	\$49,943
Vernon	\$45,386
Walworth	\$49,790
Washington	\$49,943
Waukesha	\$50,160
Waushara	\$48,407
Winnebago	\$48,498

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 twelve-month position, a proration must be made to properly reflect the actual months of service required for any position less than twelve months.

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, 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				
	<i>(Assumes SECA offset is not included)</i>				45,231
	<i>or</i>				
	Option B - Base Salary for Public School Teachers by County Seat				
	<i>(Assumes SECA offset is included)</i>				
	% to Scale			%	=
Step 2	Determine Pro-rated Base Salary <i>(if necessary)</i>				
	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 or email reske@swd.lcms.org for the self-calculating version of this worksheet.)

10. Salary Table

South Wisconsin District Suggested Salary Schedule
January 1, 2021 -- December 31, 2021

Base 12-Month Salary:
\$45,231

Year	Certificate 1 Factor	Salary	BA (Non-Roster Eligible) Factor	Salary	BA (Rostered) Factor	Salary	Certificate 2 Factor	Salary	M/A Factor	Salary	MDiv/EAD Factor	Salary	STM/DMIn Factor	Salary	PMD/THD Factor	Salary
0	90.0	40,708	90.0	40,708	100.0	45,231	105.0	47,493	110.0	49,754	125.0	56,539	130.0	58,800	135.0	61,062
1	94.0	42,517	94.0	42,517	104.0	47,040	109.0	49,302	114.0	51,563	129.0	58,348	134.0	60,610	139.0	62,871
2	98.0	44,326	98.0	44,326	108.0	48,849	113.0	51,111	118.0	53,373	133.0	60,157	138.0	62,419	143.0	64,680
3	102.0	46,136	102.0	46,136	112.0	50,659	117.0	52,920	122.0	55,182	137.0	61,966	142.0	64,228	147.0	66,490
4	106.0	47,945	106.0	47,945	116.0	52,468	121.0	54,730	126.0	56,991	141.0	63,776	146.0	65,991	151.0	68,299
5	110.0	49,754	110.0	49,754	120.0	54,277	125.0	56,539	130.0	58,800	145.0	65,585	150.0	67,847	155.0	70,108
6	113.0	51,111	113.0	51,111	123.0	55,634	129.0	58,348	134.0	60,610	149.0	67,394	154.0	69,656	159.0	71,917
7	116.0	52,468	116.0	52,468	126.0	56,991	133.0	60,157	138.0	62,419	153.0	69,203	158.0	71,465	163.0	73,727
8	119.0	53,825	119.0	53,825	129.0	58,348	137.0	61,966	142.0	64,228	157.0	71,013	162.0	73,274	167.0	75,536
9	122.0	55,182	122.0	55,182	132.0	59,705	141.0	63,776	146.0	66,037	161.0	72,822	166.0	75,083	171.0	77,345
10	125.0	56,539	125.0	56,539	135.0	61,062	145.0	65,585	150.0	67,847	165.0	74,631	170.0	76,893	175.0	79,154
11	127.0	57,443			137.0	61,966	148.0	66,942	153.0	69,203	168.0	75,988	173.0	78,250	178.0	80,511
12	129.0	58,348			139.0	62,871	151.0	68,299	156.0	70,560	171.0	77,345	176.0	79,607	181.0	81,868
13	131.0	59,253			141.0	63,776	154.0	69,656	159.0	71,917	174.0	78,702	179.0	80,963	184.0	83,225
14	133.0	60,157			143.0	64,680	157.0	71,013	162.0	73,274	177.0	80,059	182.0	82,320	187.0	84,582
15	135.0	61,062			145.0	65,585	160.0	72,370	165.0	74,631	180.0	81,416	185.0	83,677	190.0	85,939
16	136.2	61,333			145.6	65,856	160.6	72,641	165.6	74,903	180.6	81,687	185.6	83,949	190.6	86,210
17	136.8	61,605			146.2	66,128	161.2	72,912	166.2	75,174	181.2	81,959	186.2	84,220	191.2	86,482
18	136.8	61,876			146.8	66,399	161.8	73,184	166.8	75,445	181.8	82,230	186.8	84,492	191.8	86,753
19	137.4	62,147			147.4	66,670	162.4	73,455	167.4	75,717	182.4	82,501	187.4	84,763	192.4	87,024
20	138.0	62,419			148.0	66,942	163.0	73,727	168.0	75,988	183.0	82,773	188.0	85,034	193.0	87,296
21	138.6	62,690			148.6	67,213	163.6	73,998	168.6	76,259	183.6	83,044	188.6	85,306	193.6	87,567
22	139.2	62,962			149.2	67,485	164.2	74,269	169.2	76,531	184.2	83,316	189.2	85,577	194.2	87,839
23	139.8	63,233			149.8	67,756	164.8	74,541	169.8	76,802	184.8	83,587	189.8	85,848	194.8	88,110
24	140.4	63,504			150.4	68,027	165.4	74,812	170.4	77,074	185.4	83,858	190.4	86,120	195.4	88,381
25	141.0	63,776			151.0	68,299	166.0	75,083	171.0	77,345	186.0	84,130	191.0	86,391	196.0	88,653
26	141.6	64,047					166.6	75,355	171.6	77,616	186.6	84,401	191.6	86,663	196.6	88,924
27	142.2	64,318					167.2	75,626	172.2	77,888	187.2	84,672	192.2	86,934	197.2	89,196
28	142.8	64,590					167.8	75,898	172.8	78,159	187.8	84,944	192.8	87,205	197.8	89,467
29	143.4	64,861					168.4	76,169	173.4	78,431	188.4	85,215	193.4	87,477	198.4	89,738
30	144.0	65,133					169.0	76,440	174.0	78,702	189.0	85,487	194.0	87,748	199.0	90,010
31	Certificate 1 -- Intended for alternate route pastors <i>without</i> a new existing college degree.															
32	Routes often include:															
33	Specific/Ministry Pastor (SMP) Ethnic Immigrant Institute of Theology															
34	(EIT) Dear Institute of Theology (DIT) Center for Hispanic Studies (CHS)															
35	BA (Non-Roster Eligible) -- Bachelor of Arts															
36	BA (Rostered) -- Bachelor of Arts or colloquy from a Synodical Institution															
37	Certificate 2 -- Intended for any of the alternate route pastors listed above															
38	<i>with</i> an existing college degree.															
39	MA -- Master of Arts															
40	MDiv/EAD -- Master of Divinity or Doctor of Education															
41	STM/DMIn -- Master of Sacred Theology or Doctor of Ministry															
42	PMD/THD -- Doctor of Philosophy or Doctor of Theology															
43																
44																
45																

11. Resources for LCMS Congregations & Schools

Congregational Treasurer's Manual

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

Each congregation and school is provided one copy of this manual by the District. This resource is available through the LCMS web site ([lcms.org](https://www.lcms.org)) under *Resources* → *Church and School Administration*.

Employment Resource Manual

The *Employment Resource Manual* published by the LCMS provides helpful information for assisting congregations and schools of the Synod in understanding and applying sound employment principles and establishing a written personnel manual.

A copy of the manual is available on the LCMS web site ([lcms.org](https://www.lcms.org)) under *Resources* → *Church and School Administration*.

Job Descriptions

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

- Ministry Staff
- Congregation Officers
- Administrative Staff
- Facilities Staff

Sample Performance Review Worksheets

The LCMS also offers resources that contains guidelines for conducting reviews including an employee self-appraisal section, supervisor's appraisal section, and summary of evaluation on the LCMS web site ([lcms.org](https://www.lcms.org)) under *Resources* → *Church and School Administration*.

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 Issues*.

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

12. Concordia Plan Services Compensation Tools

Concordia Plan Services (concordiaplans.org) has developed two *Compensation Decision Support Tools* to assist LCMS churches and schools in the process of determining salaries for certain staff positions. The tools provide compensation suggestions for:

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

- **Pastors:** Sole Pastor, Senior Pastor, Associate Pastor
- **Parish Professionals:** Director of Christian Education, Director of Christian Outreach, Deaconess, Director of Family Life Ministry, Director of Parish Music, and Lay Minister

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

- **Childcare:** Assistant Teacher, Teacher and Early Childhood Director
- **Preschool:** Assistant Teacher, Teacher and Early Childhood Director
- **Elementary School:** Teacher, Head Administrator/Principal, and Assistant Administrator/Principal
- **Middle School:** Teacher, Head Administrator/Principal, and Assistant Administrator/Principal
- **High School:** Teacher, Head Administrator/Principal, and Assistant Administrator/Principal

Synopsis

The tools offer a base salary range calculated using salaries for the position from other denominations (*Market Range*), the LCMS national average pay for the position is used as a baseline (*LCMS Range*), and actual salaries for the position from LCMS congregations in each District (*District Range*). Where available, local data is used and adjusted for education and experience. If not, national data is used as a baseline and the factors (e.g., size, geography, education, experience and additional factors) are applied.

Walk-through

Position

To get started, choose a position and enter your ministry's zip code. Select the job title that best matches the position for which you are calculating compensation. After choosing a position, you will be able to view a sample position description for that role.

Hover over any item that is underlined to read additional information about that item. This guidance may help you determine what to enter into the corresponding field.

Congregation Size (Pastors only)

A salary adjustment is made based on the congregation's weekly worship attendance. Average size congregations (.95) are defined as having 100 or fewer in weekly worship attendance. Medium sized congregations (.98) have a weekly worship attendance between 101 and 300. Large congregations (1.0) have a weekly worship attendance between 301 and 500. Extra-large congregations (1.02) have a weekly worship attendance between 501 and 749. Mega size congregations (1.05) have 750 or more in weekly worship attendance.

School Size (Administrators only)

A salary adjustment is made for head and assistant administrators based on a school's enrollment. Small schools (.85) are defined as having 50 or fewer students. Medium schools (.90) have between 51 and 150 students. Large schools (1.0) have between 151 and 500 students. Extra-large schools (1.15) have over 500 students.

Commissioned Status

A compensation premium of 7.65 percent is built into salaries generated for commissioned educators to compensate those employees who pay their own self-employment tax.

Years of Experience

For pastors, experience level is factored into the salary calculation using a scale of .95 to 1.05. For all other workers, experience level is factored into the salary calculation using scale of .85 to 1.15. Read the compensation guidelines for special considerations for second career pastors.

Education Level

The base education level for *pastors* is the Master of Divinity. The salaries generated will reflect a 10 percent increase if Doctorate is selected. *Honorary degrees, including doctorates, should not be figured into the salary calculation.*

The base education level for professional church worker positions is a bachelor's degree. If you would like to calculate a higher compensation for a candidate with an advance degree, you can enter that factor into the additional factor field.

The base education level for an elementary, middle, or high school educator is a bachelor's degree. Salary recommendations for teachers or administrators with a master's degree will include an eight percent premium, and salary recommendations for teachers or administrators with a doctorate will include a 16 percent premium. Based on available data, no other premium is recommended for other positions.

The base education level for a childcare teacher or assistant teacher is a high school diploma. The base education level for an early childhood director is a bachelor's degree. Based on available data, no premium is recommended for higher levels of education.

The base education level for a preschool teacher or director is a bachelor's degree. The base education level for a preschool assistant teacher is high school diploma. Based on available data, no premium is recommended for higher levels of education.

Additional Factors (Parishes)

Congregations may enter an additional factor in the salary computation. Additional factors may reflect a congregation's need or willingness to pay below or above the standard suggested salary. For example, adding a positive factor may indicate that the church worker will take on additional duties that fall outside the normal scope of the position. (-15 to +15)

Additional Factors (Schools)

Schools may enter an additional factor in the salary computation. Additional factors may reflect a school's need or willingness to pay below or above the standard suggested salary. To learn more about situations that may warrant an additional positive factor, such as *dual roles* or extracurricular duties, see below. (-50 to +50)

Parsonage Amount

Compensation packages may include a parsonage, a housing allowance, or both. These two terms are different and distinctive. For the Parsonage Amount, enter its annual fair rental value and include the estimated total of its utilities being paid for by the congregation (if any). If the parsonage is provided with furnishings, also add this additional economic benefit within your total Parsonage Amount. The Parsonage Amount can change from year-to-year based on economic conditions in the area and utility rates may change. Therefore, periodic evaluation of this amount is recommended.

Location

As the cost of living varies across our districts and communities, adjustments in the salary calculation are made automatically based on the congregation's zip code. Geographic adjustments in the salary calculation are anywhere from .82 to 1.26 based on zip code.

Summary

As total employee compensation consists of more than salary, there are always other factors to consider when calling a church worker. After using the tool to generate salary suggestions, please consider the other compensation items included in this document.

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 Enclosed

John,

Your total compensation consists of so much more than just your paycheck. In addition to your cash compensation, which includes salary, housing allowance, 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, 2020 and adopted the operating budget for 2020-21 which goes into effect on July 1, 2020. Your total compensation package for the upcoming fiscal year is detailed below.

Wages:	Salary & Housing Allowance	\$50,000
	SECA Offset	\$3,825
	Total Wages	\$53,825
Benefits:	Employer Provided Insurance	\$10,150
	Life and Disability Insurance	\$600
	Pension Plan Contribution	\$4,350
	Employer HSA Contribution	\$1,000
	Total Employer Provided Benefits	\$16,100

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.