

Alaska Synod, ELCA

**CLERGY COMPENSATION AND BENEFITS
GUIDELINES**

**Adopted by Alaska Synod Council March 2004, October 2012
Revised June 13, 2007
Revised July 2012**

The Alaska Synod of the Evangelical Lutheran Church in America

God's Work. Our Hands.

October 27, 2012

To the Congregations, Congregation Councils and Rostered Leaders of the Alaska Synod-ELCA

Dear friends in Christ:

Thank you for your partnership in the Gospel and through this synod. Enclosed are the Clergy Compensation and Benefits Guidelines established in 2004 and revised this year. Each year reflects a slight cost of living increase as well as a slight step increase per years of service.

Remember that these are guidelines to be used in setting all salary and benefits for your pastor. Later in 2013, guidelines will be adopted for lay members of the roster. As you can see, these guidelines are based on the pastor's years of service since ordination, not the years served in his or her current parish. For some pastors it could mean a significant increase. If that is the case you will want to set up a process to increase each year until your pastor's salary meets the guidelines. Others may be at or above the guidelines. Merit increases may also be given.

The committee used guidelines from several other synods of the ELCA, especially from Region I, as a check and balance in setting up these guidelines.

We encourage conversation between the rostered persons and their ministry context. Be flexible while seeking solutions that both honor the congregation and support the rostered leader. Conversation with the synod office staff can help you explore ways to address personnel concerns.

Should you have questions or concerns, please feel free to call the synod office (907) 272-8899. I will be pleased to help in any way that I can.

In Christ's service,

Pastor Shelley Wickstrom

Bishop-Alaska Synod

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Alaska Synod, ELCA Clergy Compensation and Benefits Guidelines **Adopted by Synod Council in 2004/Last Revised July 2012**

Preface and Gratitude

In early 2004 a Clergy Compensation Sub-Committee, appointed by the Synod Council and serving under the Synod Personnel Committee, met to develop the following recommended Clergy Compensation and Benefits package for submission to the Alaska Synod Council. Members of that sub-committee included Dana Handeland, Nome; Jay Sweeney, Sitka; Pastor Martin Eldred, Eagle River, Mickey Knapp, Anchorage, and was chaired by synod vice president Larry Graham, Anchorage. These guidelines were revised, slightly, in 2007 and by Larry Graham in 2012. The intent is to “tweak” the guidelines on an annual basis or as often as necessary and to add to the guidelines as requested by the congregations. The Subcommittee considered, and in many cases borrowed heavily from, other Region 1 synod guidelines to word the narratives in this document. We acknowledge and thank, particularly, the help from Northwest Washington Synod, Southwestern Washington Synod, Oregon Synod, and Montana Synod.

Rationale and Considerations

These guidelines are intended to assist congregations and congregational councils as they consider providing adequate compensation to their ordained staff members. In most congregations the funds allocated to staff compensation represent a significant portion of their budget. Many congregations in the Alaska Synod are small enough that their pastor may be the only paid staff member, and his or her compensation package may still represent a large part of the budget. Congregation councils, however, must also take care that adequate consideration is also given to the maintenance of programs, benevolences, church partnerships, and facilities, which include utilities and upkeep in harsh climatic conditions. Balancing compensation and other program and ministry needs is a difficult responsibility, and it is impossible to develop guidelines applicable to all situations. The ultimate decision in each case rests with the congregation, based upon careful analyses of the ministry and mission of the church and the needs and concerns of its staff, ordained and non-ordained.

Fair compensation should be determined out of a mutual trust between pastors and the congregation. This process should involve a forum in which mutual concerns and expectations relating to compensation can be discussed with understanding and confidence. We strongly urge congregations to plan ahead for this dialogue and to set procedures in advance for determining compensation levels in order to avoid last-minute decision-making. While congregations must consider their other needs and costs, and while there is probably no pastor who entered the clergy because of the high pay, it is also necessary to consider not only the present, but also the future of both the pastor and the congregation. Attempts have been made in this document to provide guidelines for congregations that provide parsonages for their pastors and for those that do not.

These compensation guidelines apply to lead pastors, co-pastors, assistant and associate pastors, and interim pastors serving full time in congregations under call. The guidelines will need to be adjusted for part-time clergy and other rostered leaders. The congregation is responsible for the pension and health insurance benefits for all pastors, and the Alaska Synod and the ELCA have long had recommendations for other benefits that continue to be a part of these recommendations.

In considering compensation, a congregation council is likely to consider such issues as

these: “What we can afford?” which anticipates income and the multiple demands on that income; “We’re just a small congregation;” “We have a huge building debt we have to face or are about to face;” and “We are a subsistence economy with very few people in the community having much income.” While all these factors are real, so are others. Should not a pastor in a small congregation who has to “do it all” be compensated as well as one in a church with two pastors and a support staff? Should a pastor’s compensation be kept equal to or less than the income of those in the congregation? Should a pastor’s compensation depend on the debt payments of a congregation? Should not a pastor in a village be able to earn at least as much as the school teachers in that village? We must keep in mind that a pastor’s retirement pension level is based upon the pre-retirement salary level, so if a pastor is paid at a “below average” level, he or she will receive a “below average” pension income at retirement.

Professional and congregation leaders are encouraged to initiate compensation discussions if the compensation package for the current pastor is under the adopted synod guidelines. Congregation leaders should consider making a three-year commitment to raise their pastor’s compensation to meet or exceed synod guidelines. This commitment should be accompanied by a process of informing and educating the congregation so that all members of the congregation know the intent and can help make it happen.

An Important Comment to Pastors

One important comment, which has come up repeatedly in some congregations and which is a concern to the Synod Council, needs to be stated. Pastors are often gone from daily congregational service for various reasons including conferences, workshops, retreats, clergy collegium, synod assemblies, continuing education, illness, and vacations. Many of these days are part of the job; some are personal days and time off. In all cases, pastors should take every opportunity to keep the congregational members and the council informed as to when the pastor is going to be absent and why. Too many people in the congregation may believe that the pastor is not doing his or her job and is gone too much until those people understand why. In some cases congregational council approval should be sought to prevent this concern within the congregation.

Please Note: In some cases the text will read, “The Alaska Synod recommends . . .” and in others it will read, “We recommend . . .” In either case, the recommendations are those of the Alaska Synod Council, which approved these guidelines on behalf of the Alaska Synod.

Alaska Synod, ELCA Clergy Compensation and Benefits Guidelines

Adopted by Synod Council in 2004/**Last Revised July 2012**

I. Introduction

The Alaska Synod “Clergy Compensation and Benefits Guidelines” attempts to offer congregations the help many have requested in either the calling process for a new pastor or in considering their present ordained personnel in terms of budget setting and appropriate financial support. We anticipate that these guidelines may be considered annually for updating. In future years, if there is sufficient interest from the congregations, the guidelines may be expanded to non-ordained staff members. The Alaska Synod Council would appreciate any comments or suggestions on this document in order to improve future editions. Please send your thoughts to the Alaska Synod Office.

II. Salary, Housing, and SECA Offset

ELCA “Defined Compensation” includes the categories of monetary salary, housing (or parsonage), and social security offset. The total of these figures is the basis for applying the percentages that determine some of the other benefits:

Salary: As a starting point, please use the appropriate salary grid found in either Appendix A on page 12 or Appendix B on page 13. *Please note that Appendix A applies to those congregations that provide a parsonage for their pastor. Appendix B applies to those congregations that do not provide a parsonage and the totals include a housing allowance paid to the pastor.*

The step increases in either appendix start with the first call or no experience as a pastor, anywhere. Each step increase going down the column is based on another year of experience as a pastor, no matter where.

These guidelines have attempted to keep three things in mind in developing the rationale for the step increases. First, while a pastor could probably never be paid enough, we know that the congregations must be able to afford their pastor’s salary. Second, a pastor’s effectiveness and value to the congregation should grow with each year of experience. While that growth continues, it may not be as rapid with increasing experience, hence the steps for the years 11-20 are smaller and for 21-30 even smaller. Third, the cost of living increase over the past 10 years has averaged approximately 2.3 percent per year. (Please note that the cost of living is actually based on the CPI or Consumer Price Index, which is actually not a cost of living but a measure of the rate of inflation.) By projecting that same increase over the next ten years, both the First Call step and each yearly step increase in the salary schedule has been increased by approximately 2.3 percent. Should there be a sudden and dramatic change in the CPI growth, up or down, these salary and step increases will also need to change, but it is hoped that by publishing the projected changes over the next ten years, congregations will be able to do some advanced planning.

Please note also that the CPI is based on Anchorage and that the latest study done for the State of Alaska by the McDowell Group to determine the cost of living in other areas of the state compared to Anchorage was done in 2008 (the previous study was done in 1985). As the base community, Anchorage is assigned a cost differential of 1.00.

Differentials for other areas or communities provide a measure of the cost of living relative to Anchorage. For example, Kodiak’s differential of 1.12 means that the cost of living in Kodiak is about 12 percent higher than in Anchorage. Similarly, the Palmer/Wasilla differential of 0.95 means the cost of living there is about 5 percent lower than in Anchorage. Please find below

those comparisons for your city or area of the state as compared to Anchorage, which is “1” and consider adaptations for your congregation as appropriate.

In addition to the grid with salary step increases, we encourage congregations to also consider other factors when determining the base figure for salary and housing. Possible variables should include:

1. Merit increases
2. Additional education and/or credentials
3. Special skills
4. Marketplace experience
5. Ability of the congregation to pay the pastor
6. Responsibilities and conditions of service (Each situation is unique. Some variable might be parish size, staff size, and the implications for responsibility, *i.e.*, working alone in a parish, lack of support staff, or increased workload.

Alaska State Department of Administration, Division of Personnel 2008 Study
Table I-1: Geographic Cost Differentials, 2008 Sample Blocks

1	Anchorage	1.00	10	Southeast Small Communities	1.02
2	Fairbanks	1.03	11	Mat-Su	0.95
3	Parks/Elliott/Steese Highways	1.00	12	Kenai Peninsula	1.01
4	Glennallen Region	0.97	13	Prince William Sound	1.08
5	Delta Junction/Tok Region	1.04	14	Bethel/Dillingham	1.49
6	Roadless Interior	1.31	15	Arctic Region	1.48
7	Juneau	1.11	16	Southwest Small Communities	1.44
8	Ketchikan/Sitka	1.09	17	Aleutian Region	1.50
9	Southeast Mid-Size Communities	1.05			

In addition to the 17 sample blocks identified in Table 1-1, differentials were also calculated for 12 individual communities. Each of these communities is included in one of the 17 sample blocks, but in combination with one or more other communities. Household Consumption Survey (HCS) sample sizes in these communities were large enough to allow for meaningful community-level cost of living analysis.

Table I-2: Geographic Cost Differentials, 2008 Selected Communities

Bethel	1.53	Kotzebue	1.61
Nome	1.39	Cordova	1.13
Petersburg	1.05	Dillingham	1.37
Sitka	1.17	Homer	1.01
Unalaska/Dutch Harbor	1.58	Ketchikan	1.04
Valdez	1.08		

Housing: Housing for pastors is not subject to Federal Income Tax as long as it is either provided in the form of a parsonage or a housing allowance. However, federal law does limit the amount of housing allowance that can be claimed. It is always the lowest of the following:

1. Fair rental value of the home, including furnishings and utilities.
2. The amount spent for the home, including down payment, mortgage payments, utilities, property taxes, property insurance, furnishings and appliances (purchase and repair), remodeling and repairs, and yard maintenance and improvements; or
3. The amount designated in advance by the congregation.

To be excluded from taxable income, housing allowance needs to be officially designated in a congregational resolution, meeting minutes or budget before payment is made in the new calendar year; i.e. in advance of the calendar year or in advance of a new pastor starting employment. (If a congregation fails to designate an allowance in advance of a calendar year, it should do so as soon as possible in the New Year. The allowance will operate prospectively, but never retroactively.)

Pastors do pay social security taxes on housing allowance, but not on pension plan withdrawals or housing equity. It is important for a pastor utilizing the housing allowance privilege to keep records of housing expenses for purposes of justifying the non-tax income to the IRS. Questions concerning the housing allowance exclusion or the completion of IRS Form 1040 should be addressed to a qualified tax adviser who is knowledgeable about the unique tax situations for ordained clergy.

If a parsonage is provided, 30 percent of the pastor's salary is presumed to be housing. That is the difference between the amounts found in Appendix A and B. If one adds 30 percent of the amount in Appendix A — those pastors with a parsonage — one will find that amount on the same step in Appendix B. The 30 percent is used by ELCA to figure pensions, etc., which results in equity at retirement.

Housing Equity for Pastor in Parsonages

If a parsonage is provided, we recommend the congregation provide a housing equity allowance for the pastor. This benefit assists pastors to gain equity for future housing needs either in other parishes that do not provide a parsonage or at retirement. Without this benefit, pastors who live in a parsonage may be unable to accumulate enough money at retirement to provide for their housing needs. Pastors who purchase homes with a housing allowance from a congregation build equity in that home which may help them later in retirement.

The Alaska Synod recommends the housing equity allowance begin with \$500 per year minimum and be increased \$100 annually to a maximum of \$1,500 per year. Further, we recommend that the amount of the housing equity be contributed to a housing equity account maintained in the name of the pastor either in the ELCA Optional Pension Fund or in other appropriate investments which will be available for the use of the pastor when purchase of a home becomes necessary.

Utilities Paid for Parsonages

The Alaska Synod is aware that in some cases the congregation pays for the utilities for parsonages and in some cases they may not. Utilities include heat, electricity, water and sewer (or equal) and telephone. We recommend that if a parsonage is provided, congregations provide for the payment of utilities either through direct payment or through adequate allowance. Be aware, however, that part of the CIP is the cost of utilities. This may make a difference in the final compensation package. Due to the high costs of utilities in remote villages, payment of utilities may help equalize the package for those pastors.

Social Security (SECA Offset)

For income tax purposes, pastors are considered employees of the congregation. However, for social security tax purposes, pastors are considered self-employed. While non-ordained employees pay a percentage of the Social Security and Medicare taxes, that percentage has changed often recently, but at this time it is 5.65 percent, imposed upon an employee's earnings. The employer currently pays 7.65 percent. Because pastors are treated as self-employed for Social Security tax purposes, their Social Security (Self-Employed Contributions Act or SECA)

tax is the full 13.3 percent, which they must pay on both salary and housing allowance. In order to offset this added tax burden required of pastors, the Alaska Synod strongly recommends and encourages all congregations to pay pastors the same percentage of the SECA tax that they do for other non-ordained employees on FICA. This SECA offset is considered taxable salary when reporting income to the IRS on W-2 forms and is considered part of “defined compensation” when computing payments to the PORTICO Benefit Services (*Note: Portico Benefit Services was formerly called the ELCA Board of Pensions program with the change in name coming in November 2011*). Pastors pay social security taxes on salary, housing allowance, and SECA offset, but not on housing equity allowance.

III. Monetary Benefits

PORTICO Benefit Services Pension and Other Benefits

Congregations are expected to enroll ordained persons in the ELCA Pension and Other Benefits Program, now called PORTICO Benefit Services. This one enrollment provides for a retirement account, for health insurance (medical, dental and disability coverages), and for a survivor’s benefit plan. The rates are calculated on the basis of “defined compensation” which includes salary, housing, and social security offset. The contribution rates — a percentage of “defined compensation” — are set annually. See *Appendix C* on page 14 for the 2013 rates. As changes in these contribution amounts are announced by the ELCA, congregations will be advised.

For those pastors who live in the congregation’s parsonage, calculation for the Pension Plan and Benefits will be based on the salary plus 30 percent of the salary.

Note: if both spouses are enrolled in the ELCA Pension Plan because they are working with two different congregations, each congregation will be billed for the medical and dental plan, rather than the entire amount for the couple being billed to the employer paying the higher salary.

Questions regarding pensions, health insurance, and other ELCA benefits should be addressed to the PORTICO Benefit Services, 800 Marquette Avenue, Suite 1050, Minneapolis, MN 55402; (800) 352-2867; www.elcabop.org.

Pensions

The ELCA’s overall pension range of 10 to 12 percent still reflects the compromise between predecessor church bodies from our merger back in 1988. Since the congregation may contribute amounts to the pension fund on behalf of the pastor in excess of the prescribed contribution, the Alaska Synod recommends that this be seriously considered for pastors.

Medical and Dental Plan

Participants in the ELCA Pension Plan normally participate in the medical and dental coverage. Individual pastors may waive medical and dental coverage; however, congregations are expected to offer all ELCA coverages. Congregations are also expected to provide coverage for the spouse and children if other coverage is not available. If a pastor elects to waive the medical and dental coverage through the PORTICO Benefit Services, the pastor may negotiate with the congregation to allocate those dollars to another portion of the total compensation package or to establishing a flexible spending account for out of pocket health expenses. Clergy couples CANNOT opt out of the medical plan.

Medical Expense Reimbursements

A congregation may reimburse its pastor for deductible medical charges not covered by the

PORTICO Benefit Services Medical/Dental Plan. The synod encourages the congregation and the pastor to share the cost of regular health physical examinations that may not be covered by ELCA or other health insurance plans.

We suggest that at the beginning of the calendar year, an account be established with a maximum amount that will be reimbursed for medical expenses not covered by insurance. The reimbursements are tax free in all respects, should not appear on W-2 form, and are not considered part of Defined Compensation when calculating medical/dental contributions to the ELCA plan. Congregations offering such a program must make them available to all full-time employees and the appropriate motions must be passed by the church council at its first meeting after the church's budget is passed. An accounting system must be established to which the church employee submits vouchers and receipts for reimbursement

Disability, Survivor, Administration

The cost of these benefits is a set percentage of "Defined Compensation" for all members of the PORTICO Benefit Services Plan. Members may not "opt out" of this portion.

Professional Allowances and Expenses

The Alaska Synod recommends that congregations consider several other areas of support for pastors that may make a difference in congregational budgets.

Vehicle Expenses

Transportation is an essential ministry tool for pastors. Auto expenses and other work-related travel are considered a business expense for the congregation and not salary. This line item might appropriately be placed in the church budget under church operating expenses, not under pastor's salary and benefits.

Recent revisions in the Internal Revenue Code would discourage use of the "auto allowance." Though still possible, it means the pastor owns or leases his or her car and the congregation pays a determined car allowance as detailed in the church budget. This auto allowance is considered taxable income and should appear as part of wages on Form W-2. Actual expenses, if documented, can be deducted by the pastor on his or her on IRS Form 2106 (Employee Business Expense). It also leaves exposure to an IRS audit.

The much-preferred method of handling the furnishing of auto expenses for a pastor is an Accountable Plan. Under this method, the pastor turns in expense reimbursement forms for any expenses, whether the car is owned or leased by the pastor. The least complicated Accountable Plan is to use the "standard mileage rate," which for 2012 is 55.5 cents per mile. The rate for the next year is announced each December and is adjusted periodically. The pastor simply keeps track of the miles used for business purposes and is reimbursed by the congregation. More complicated is the plan that reimburses the pastor for his or her actual auto expenses. These expenses can include depreciation, licenses, gas, oil, tools, lease payments, insurance, garage rent, registration fees, repairs, and tires, but must be paid only as they are used for business purposes. Another type of Accountable Plan is to pay an amount to a pastor for this purpose and to have him or her submit expenses, only those which apply to business and return any amount advanced which is not used. Under an Accountable Plan, the amounts do not have to be put on the W-2 and the employees do not have to put the expenses on their tax returns and lose the two-percent under miscellaneous itemized deductions.

Still another method to make transportation available is for the congregation to purchase or lease a car and assume the total auto expenses (insurance, tolls, parking fees, maintenance and repair coverage including a credit card for fuel). The pastor, in order to comply with tax

regulations, would be required to report personal use of the vehicle for tax purposes. The Alaska Synod understands this same plan would apply to those congregations that furnish snow machines and four-wheelers for transportation in rural villages. The pastors would only have to report personal use for tax purposes.

Continuing Education Allowance

All rostered leaders of the ELCA are expected to complete at least 50 contact hours of continuing education annually. Therefore, continuing education time and funding should be provided for pastors for the purpose of updating skills and professional growth in order to strengthen their ministries. The purpose of continuing education is professional growth and self-renewal and is separate from program development, vacation, or synod and regional pastoral leadership retreats.

The Alaska Synod has for years recommended that the congregation provide each pastor a minimum of two weeks, including up to two Sundays, and \$1,000-\$2,000 annually for continuing education. This standard is set out in the Letter of Call for pastors in the Alaska Synod. Further, we recommend that the unused portion of a pastor's continuing education time and allowance be accruable up to no more than three years. In addition, we recommend that the pastor contribute a minimum additional amount of \$500 each year to his or her continuing education.

The Financial Services Office of Region 1 (206-624-0093) can assist the pastor and the congregation in "banking" the accruing continuing education allowances. In all cases, the congregation and the pastor should plan together regarding continuing education programs and areas of study.

The use of continuing education funds is granted by the congregation. We strongly recommend that all congregations establish a policy to determine how accumulated continuing education time and money is to be dealt with when a pastor resigns.

First Call Theological Education

Newly rostered pastors are required to participate in First Call Theological Education during the first three years of rostered service. The congregation should provide time and funds for participation in this program. Each "first call" congregation should set aside \$500 for the cost of participating in this annual training. Participation in the first call program may also extend to a "second call" if the pastor should accept another call during this three-year period.

Sabbatical Leaves

The Alaska Synod recommends all congregations establish a sabbatical leave policy for their pastors and that this policy be part of the Letter of Call so that the congregation and the pastor are both on board with expectations and adequate time for planning established. Sabbatical leaves have been shown to benefit both the pastor and the congregation. Communication with the synod office is required before sabbatical approval can be given.

We recommend that sabbatical leaves be offered after the pastor completes six years of continuous service in one place. The sabbatical may be 60-90 days in length and can be divided into two or three parts. Credit for years served does not pass from one call to another, and we recommend the policy state that the pastor is obligated to stay with the congregation for at least one full year after returning from her/his sabbatical. Sabbaticals should include three parts: (1) re-creation (2) spiritual, educational and pastoral study or projects, and (3) exploring an area of particular interest to the pastor. Pastors should start planning their sabbatical in consultation with the church council one year prior to going on sabbatical. The congregation is expected to pay the

pastor's full salary, housing allowance, and health and pension benefits during the sabbatical, but not a car allowance, mileage reimbursement, or travel costs.

In addition, the congregation will need to provide pulpit supply, and it may need to "purchase" part-time interim pastoral help. In any case, these budget matters should be thought through as early in the budget process as possible so that they can be included in the budget for the sabbatical year.

Professional Expenses of the Pastor

We recommend that congregations consider helping with costs of such professional expenses as books, vestments, spiritual direction, staff consultation expenses, periodicals, professional dues, entertaining and hospitality costs incurred in the performance of the duties of the pastor. A set amount might be placed in the congregational budget for this purpose, and if the pastor is reimbursed from this account, rather than paid as an allowance, it does not need to be reported to the IRS as income. Pastors may also set up a Professional Expenses account by reducing salary by the specific amount for the year. These funds would not be reported to the IRS as income.

Professional Conferences, Assemblies

The congregation should pay for or reimburse the pastor for expenses relating to attendance at the Alaska Synod Assembly and any bishop's convocations or clergy collegia. The congregation may consider reimbursement for the pastor to attend other church related conventions, clusters, convocations, or meetings. We advise clergy and congregation councils to discuss attendance at such meetings in advance so the council knows about and can be supportive of the pastor attending.

Outside Travel for Families

Very often, pastors who live and serve in remote areas of Alaska have trouble affording travel "outside" for their families for vacations or to accompany the pastor to conferences. We recommend that congregations consider budgeting for the travel of the pastor's family for one trip per year or at least one trip every two years to the other 49 states.

Additional Monetary Benefits

The congregation may wish to consider a number of additional programs currently available as further benefits for the pastor. These include: optional or additional retirement payments to ELCA, supplemental health insurance, tax-sheltered annuities, 403B tax-deferred plans, individual retirement plans, and Keogh retirement plans. In all cases the complexities of these programs require research and assessment of each individual's specific situation. More information can be acquired from professionals trained in these fields.

IV. Non-Monetary Benefits

The provisions in this section deal, primarily, with a pastor being gone from the congregation, and some of the previous monetary benefits also dealt with being gone from the congregation. Therefore, we cannot stress enough the need for a pastor to communicate openly with the Congregation Council and/or congregation on when he or she will be gone and for what purpose. Except in emergency, that communication should take place well in advance of the absence. Most congregations will be very understanding of the need to be gone, but they get very concerned when they realize the pastor is "gone again," and they don't know why because he or she has not let them know. Congregations also believe they

should have some input into how those absences have affected the congregational life.

Vacations

The congregation should grant an annual vacation to the pastor, consistent with the letter of call. The recommended vacation for a pastor is four weeks, including four Sundays. Additional vacation time — based on length of time with the congregation, service in the ministry, and other factors — should be determined by the congregation. Those functions requiring the pastor's attendance, whether church-related or military duties should not be considered vacation.

We strongly recommend that pastors take all their vacation each year for their own health and the ultimate health of congregations. However, we encourage flexibility for unusual circumstances that necessitate carrying over unused vacation days and recommend the following ELCA policy as a guide: "A maximum of 10 days vacation time may be carried over from one year to the next. No more than 10 days of additional vacation time may ever be retained."

Note: Time spent in outdoor ministries, retreats, etc., with congregational members should not be considered as vacation time when it is part of the pastor's job-related activity.

Days Off

The congregation should see that the pastor receives and takes a minimum of one day per week as time off. Meetings and events should not be scheduled on the day off, and the pastor should be available for consultation only in the event of an emergency.

Personal Days Away

Congregations are encouraged to provide up to twelve personal days per year. This time is not an entitlement, but is to be used only as necessary for the following reasons:

Sick Days

Pastors should be allowed to take personal sick days as well as use sick leave to care for immediate family members who are ill. The pastor's vacation or continuing education time should not be jeopardized by illness.

Emergency Family Leave

We recommend that congregational personnel policies allow for negotiation of unpaid leave, after paid leave is used, in the event that pastors require additional time with family during critical times.

Extended Medical Leave and Disability

We recommend that each congregation develop explicit written policy relating to extended medical leave and to short-term disability.

If a pastor becomes disabled as a direct result of injury or physical or mental disorder and is unable to perform the duties of his or her position, the PORTICO Benefit Services expects the employing congregation to pay full salary and benefits during the first two months of disability. Beginning with the third month of disability, the PORTICO Benefit Services picks up two-thirds of pre-disability pay.

Congregations should be aware that if their pastor is working part time or below guidelines and becomes disabled, the disability income will be based on that lower salary figure.

Holidays

Holidays should be granted as days off in addition to vacation days. When the services of the pastor are required on recognized holidays, time off with pay should be granted at another time that will cause minimal disruption to the congregation. According to ELCA churchwide policy,

the following days are traditionally considered paid holidays: New Year's Day, Martin Luther King Day, Good Friday or Easter Monday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. In addition, the congregation may wish to designate other federal or state holidays for this purpose.

Parental Leave

We recommend that congregations develop an explicit written policy relating to parental leave and include parental leave on the Letter of Call. Parental leave with full salary, housing, and benefits for a minimum of six weeks is appropriate when a child is born or adopted. We ask congregations to be creative and flexible in implementing this important coverage.

Appendix A

Congregation With a Parsonage

Note: These figures are for salary and housing allowances only and do not include such things as SECA offset or other benefits a congregation may wish to include in the compensation and benefits package for a pastor.

Annual Salary With Parsonage

Annual Step Raise

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Years 1-10	1,149	1,175	1,202	1,230	1,258	1,287	1,317	1,347	1,378	1,410	1,442
Years 11-20	862	882	902	923	944	966	988	1,011	1,034	1,058	1,082
Years 21-30	574	587	601	615	629	643	658	673	689	704	721

Experience

First Call	34,018	34,800	35,601	36,420	37,257	38,114	38,991	39,888	40,805	41,744	42,704
1	35,167	35,976	36,803	37,650	38,516	39,402	40,308	41,235	42,183	43,153	44,146
2	36,316	37,151	38,006	38,880	39,774	40,689	41,625	42,582	43,562	44,563	45,588
3	37,464	38,326	39,207	40,109	41,031	41,975	42,941	43,928	44,939	45,972	47,030
4	38,613	39,501	40,410	41,339	42,290	43,263	44,258	45,275	46,317	47,382	48,472
5	39,762	40,677	41,612	42,569	43,548	44,550	45,575	46,623	47,695	48,792	49,914
6	40,910	41,851	42,814	43,798	44,806	45,836	46,890	47,969	49,072	50,201	51,355
7	42,059	43,026	44,016	45,028	46,064	47,123	48,207	49,316	50,450	51,611	52,798
8	43,208	44,202	45,218	46,258	47,322	48,411	49,524	50,663	51,829	53,021	54,240
9	44,356	45,376	46,420	47,487	48,580	49,697	50,840	52,009	53,206	54,429	55,681
10	45,505	46,552	47,622	48,718	49,838	50,984	52,157	53,357	54,584	55,839	57,124
11	46,657	47,733	48,834	49,960	51,112	52,290	53,495	54,727	55,986	57,273	58,586
12	47,812	48,914	49,945	51,006	52,097	53,218	54,369	55,550	56,761	57,993	59,256
13	48,969	49,996	51,048	52,125	53,227	54,354	55,506	56,683	57,885	59,112	60,365
14	49,127	50,077	51,149	52,246	53,368	54,515	55,687	56,884	58,106	59,353	60,635
15	49,287	50,159	51,251	52,368	53,510	54,677	55,869	57,086	58,328	59,605	60,917
16	49,448	50,241	51,363	52,506	53,678	54,879	56,109	57,368	58,656	59,974	61,322
17	49,610	50,324	51,476	52,649	53,841	55,062	56,312	57,590	58,897	60,234	61,601
18	49,773	50,409	51,591	52,784	54,006	55,257	56,546	57,874	59,231	60,617	62,032
19	49,937	50,495	51,707	52,930	54,181	55,461	56,779	58,136	59,532	60,957	62,412
20	50,102	50,581	51,823	53,086	54,387	55,726	57,103	58,518	59,971	61,462	62,991
21	50,268	50,669	51,941	53,234	54,574	55,951	57,365	58,816	60,304	61,827	63,385
22	50,435	50,757	52,059	53,382	54,762	56,177	57,627	59,112	60,633	62,189	63,781
23	50,602	50,845	52,177	53,530	54,949	56,413	57,912	59,447	60,997	62,581	64,199
24	50,770	50,934	52,299	53,682	55,131	56,625	58,154	59,718	61,317	62,951	64,620
25	50,938	51,014	52,373	53,786	55,271	56,805	58,378	59,990	61,641	63,331	65,059
26	51,107	51,094	52,493	53,936	55,451	57,000	58,583	60,201	61,859	63,554	65,292
27	51,276	51,174	52,613	54,086	55,635	57,218	58,835	60,487	62,171	63,894	65,650
28	51,445	51,254	52,693	54,189	55,768	57,381	59,023	60,695	62,407	64,156	65,904
29	51,614	51,334	52,813	54,312	55,921	57,563	59,245	60,967	62,729	64,484	66,191
30	51,783	51,414	52,933	54,441	56,080	57,761	59,483	61,245	63,047	64,888	66,669

Appendix B

Congregation Without a Parsonage

Note: These figures are for salary and housing allowances only and do not include such things as SECA offset or other benefits a congregation may wish to include in the compensation and benefits package for a pastor

Annual Salary Without Parsonage

Annual Step Raise

Year:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Years 1-10	1,493	1,527	1,562	1,598	1,635	1,673	1,711	1,751	1,791	1,832	1,874
Years 11-20	1,120	1,146	1,172	1,199	1,226	1,255	1,283	1,313	1,343	1,374	1,406
Years 21-30	747	764	781	799	818	836	856	875	895	916	937

Experience

First Call	44,224	45,241	46,282	47,346	48,435	49,549	50,689	51,855	53,047	54,267	55,516
1	45,717	46,768	47,844	48,945	50,070	51,222	52,400	53,605	54,838	56,099	57,390
2	47,210	48,296	49,407	50,543	51,705	52,895	54,111	55,356	56,629	57,931	59,264
3	48,704	49,824	50,970	52,142	53,342	54,569	55,824	57,108	58,421	59,765	61,139
4	50,197	51,352	52,533	53,741	54,977	56,241	57,535	58,858	60,212	61,597	63,014
5	51,690	52,879	54,095	55,339	56,612	57,914	59,246	60,609	62,003	63,429	64,888
6	53,184	54,407	55,659	56,939	58,248	59,588	60,959	62,361	63,795	65,262	66,763
7	54,677	55,935	57,221	58,537	59,884	61,261	62,670	64,111	65,586	67,094	68,637
8	56,170	57,462	58,784	60,136	61,519	62,934	64,381	65,862	67,377	68,926	70,512
9	57,663	58,989	60,346	61,734	63,154	64,606	66,092	67,612	69,168	70,758	72,386
10	59,157	60,518	61,910	63,333	64,790	66,280	67,805	69,364	70,960	72,592	74,261
11	60,277	61,663	63,082	64,533	66,017	67,535	69,088	70,677	72,303	73,966	75,667
12	61,397	62,809	64,254	65,732	67,243	68,790	70,372	71,991	73,647	75,340	77,073
13	62,517	63,955	65,426	66,931	68,470	70,045	71,656	73,304	74,990	76,715	78,479
14	63,637	65,101	66,598	68,130	69,697	71,300	72,940	74,617	76,333	78,089	79,885
15	64,757	66,246	67,770	69,329	70,923	72,555	74,223	75,930	77,677	79,463	81,291
16	65,877	67,392	68,942	70,528	72,150	73,809	75,507	77,244	79,020	80,838	82,697
17	66,997	68,538	70,114	71,727	73,377	75,064	76,791	78,557	80,364	82,212	84,103
18	68,116	69,683	71,285	72,925	74,602	76,318	78,073	79,869	81,706	83,585	85,508
19	69,236	70,828	72,457	74,124	75,829	77,573	79,357	81,182	83,050	84,960	86,914
20	70,356	71,974	73,630	75,323	77,056	78,828	80,641	82,496	84,393	86,334	88,320
21	71,103	72,738	74,411	76,123	77,874	79,665	81,497	83,371	85,289	87,251	89,257
22	71,850	73,503	75,193	76,923	78,692	80,502	82,353	84,247	86,185	88,167	90,195
23	72,596	74,266	75,974	77,721	79,509	81,338	83,208	85,122	87,080	89,083	91,132
24	73,343	75,030	76,756	78,521	80,327	82,174	84,064	85,998	87,976	89,999	92,069
25	74,090	75,794	77,537	79,321	81,145	83,011	84,921	86,874	88,872	90,916	93,007
26	74,836	76,557	78,318	80,119	81,962	83,847	85,776	87,749	89,767	91,831	93,944
27	75,583	77,321	79,100	80,919	82,780	84,684	86,632	88,624	90,663	92,748	94,881
28	76,330	78,086	79,882	81,719	83,598	85,521	87,488	89,500	91,559	93,665	95,819
29	77,076	78,849	80,662	82,518	84,415	86,357	88,343	90,375	92,454	94,580	96,755
30	77,823	79,613	81,444	83,317	85,234	87,194	89,199	91,251	93,350	95,497	97,693

Appendix C

Alaska Synod Clergy Compensation & Benefits Worksheet Year _____

Congregations and Clergy <i>with a Parsonage</i>	Amount
Base Salary which includes housing in the parsonage (use Appendix A)	
Housing Value — 30% of base salary	
Social Security Offset — 7.65% of base salary and housing	
Utilities Allowance for parsonage if congregation does not pay directly	
Furnishings Allowed if parsonage not furnished by congregation	
Total Defined Compensation for PORTICO Benefit Services Purposes	
Congregations and Clergy <i>without a Parsonage</i>	
Base Salary including Housing Allowance (use Appendix B)	
Social Security Offset — 7.65% of base salary and housing	
Total Defined Compensation for PORTICO Benefit Services Purposes	
Monetary Benefits and Pensions	
PORTICO Benefit Services Plan at _____% of Defined Compensation	
PORTICO Benefit Services Medical/Dental Plan at _____% of Defined Compensation	
PORTICO Benefit Services Disability, Survivor, Admin. at _____% of Defined Compensation	
Housing Equity Account (if parsonage is provided)	
Other insurance _____	
Professional Allowances, Reimbursements, Per Congregation Policy	
Continuing Education (\$1,000-\$2,000 recommended)	
First Call Theological Education (Actual costs up to \$500 Recommended)	
Sabbatical Leave	
Professional Conferences, Synod Assembly, Clergy Collegium	
Vehicle Expenses	
Medical Expenses Reimbursement	
Professional Expenses	
Total Package Monetary Value	

Non-Monetary Benefits Per Congregation Policy	Days Away
Holidays	

Vacations	
Personal Days	
Parental Leave	
Other Benefits Provided	
Continuing Education (Under Section III — Monetary Benefits)	
Total Days Away from the Congregation	

As a result of mutual conversation and an evaluation of the ministry of this congregation, the pastor agrees that during the following year, special attention in ministry will be given to the following areas of congregational life:

- _____
- _____
- _____
- _____
- _____

The congregation will encourage and support the pastor in the following ways:

- _____
- _____
- _____
- _____
- _____

Other issues particular to this situation: (such as accountabilities, service on synodical or churchwide boards and committees, work with agencies and institutions of the church or community, etc.

- _____
- _____

This agreement represents our mutual covenant for the coming year of _____.

Pastor & Date

Congregational Council President & Date