

2010 COMPENSATION GUIDELINES FOR ORDAINED MINISTERS OF THE CHURCH OF GOD

Introduction

The pastor must assume many responsibilities. He/She is expected to be a preacher, evangelist, administrator, teacher, counselor, and leader. As a rule, four to eight years of training beyond high school are required for preparation for ordained ministry. Compensation should be comparable to professional positions of equal responsibility and training.

Inadequate compensation may result in discouragement and dissatisfaction. It affects job performance, the perception of others, and one's attitude. It forces ministers to moonlight, and it often forces spouses to work. Low pay affects pensions and often forces a person out of the ministry. Adequate compensation for the pastor, as for anyone else, is necessary to fulfill responsibilities and obligations. Congregations have an obligation to review their compensation plans annually, and pastors are urged to take the initiative in seeking an annual review of their compensation.

What level of pay is sufficient or fair? For some, \$70,000 may be low pay because they have found ways to spend it all. For others, \$40,000 may be good wages because they know how to manage their resources. But inadequate compensation is difficult anytime.

Deciding how much to pay the pastor unsettles many churches, so congregations should develop procedures whereby they may review the pastor's salary and discuss those personal financial concerns which may beset the pastor. There is no practical way in which an entire congregation can get involved, so it is suggested that a *Pastoral Relations Committee* of 5 to 7 members be named to handle this responsibility.

These should be people of influence in decision making, people with positive attitudes about the ministry, people with a working knowledge of clergy compensation, people who are aware of the church's budget, and people who have an unwavering commitment to the gospel and to fair, equitable treatment of all persons.

In establishing the pastor's pay package, the Committee should ask itself: How have things gone this past year? What is the suggested salary range for a church our size and financial strength? What is the inflation rate? The pastor is expected to fulfill what responsibilities? How much are other professionals and clergy in the community paid? Are professional expenses reimbursed in full? Are supplemental benefits properly considered and appropriate? Is housing adequate? Is the salary attractive, fair, reasonable? Will it be an inducement to stay or leave?

Before setting the **base wage**, the Committee should consider **reimbursements, benefits, and housing** arrangements. The base wage or salary will be considered more realistically if left to the end of any discussion on the pastor's pay.

THE COMPENSATION PLAN

Reimbursements (Accountable Reimbursement Plan for Professional Expenses)

These items are considered congregational expenses to provide ministry and are not items to be included within the Pastor's compensation package.

AUTO – Either auto furnished for church use and all expenses paid, ***or* 50 cents per mile** traveled for church business, if pastor owns auto.

OTHER PROFESSIONAL EXPENSES – Books, magazines, convention expenses, hospitality expenses, and other expenses unique to a particular ministry. Pay amounts as they occur with no maximum, or set up a line item in the church budget and pay for these as amounts occur.

Benefits

These are items the pastor may negotiate with his/her Pastoral Relations Committee.

SECA ALLOWANCE (Social Security Tax for the Minister) – is based on base salary, plus housing allowance. Hopefully congregations will provide the full allowance, which is equal to 15.3% of the base salary, plus housing, after 7.65% is first deducted from the total. **Please Note:** For tax purposes the SECA allowance given to the minister is classified as additional salary and is also subject to Federal and Social Security taxation.

PENSION PLAN BENEFITS – 11% of the base salary should be deposited into the Church of God Pension Plan for the minister.

HEALTH INSURANCE BENEFIT – The congregation should make the full premium payment for family coverage.

CONTINUING EDUCATION – The congregation should provide a minimum of \$300 per year to defray the cost of tuition, etc. for the pastor to improve his/her skills and to experience personal growth for a more effective ministry.

DAYS OFF – Since church work requires a great deal of evening and weekend involvement, the pastor should have the equivalent of at least 1 ½ to 2 full days off each week. The congregation should insist such a schedule be conscientiously followed.

SICK LEAVE – At least 3 weeks per year with full salary. The sick leave should accumulate year after year, if not used, so were an extended illness to develop, the congregation would better know how to compensate the pastor and for how long.

VACATION – Four weeks (including four Sundays) regardless of how long the pastor has served.

HOLIDAYS – The pastor should be treated as members of the congregation are treated by their employers.

SABBATICAL LEAVE – The congregation should insist that every 7th year the pastor take an extended period of time (perhaps 8 to 12 weeks) off for personal enrichment, study, spiritual growth, travel, skill development, research, or experimentation. Full pay will continue during this period.

Housing Allowance

An allowance should be given whether the pastor lives in his/her own home or lives in the parsonage. If the pastor owns his/her home, the allowance should be equal to the fair rental value of the home furnished, plus the cost of utilities. If the pastor lives in a parsonage, it is suggested that the church increase the pastor's pension deposit by 4% to accumulate funds for the building or buying of a home in retirement. A pastor living in a parsonage should be given a parsonage allowance for furnishings, which like the housing allowance for the pastor who owns his/her home, can be deducted for federal income tax purposes from the total base salary.

Base Salary (minimum base salary suggestions)

Size of Congregation	Base Salary
0 – 100	\$25,627
100 – 200	\$33,867
200 – 400	\$40,168
400 – 800	\$46,248
800 – 1600	\$52,083

(Note: These figures reflect no cost of living increase over 2009 base salary figures.) \$300 per year additional should be added for each year of ministry since ordination to a maximum of 30 years. Merit increases will also increase the base salary figure.

**2010 – SUGGESTED COMPENSATION
FOR CHURCH OF GOD MINISTERS**

Size of Church	0 - 100	100 - 200	200 - 400	400 - 800	800 - 1600
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Cost of Ministry

(Board or Stewardship
Committee's responsibility)

Accountable Reimbursement Plan (including auto) for professional expenses	\$ 4,604+	\$ 6,431+	\$ 9,086	\$11,185	\$15,079
Sub Total	\$ 4,604+	\$ 6,431+	\$ 9,086	\$11,185	\$15,079

Cost of Minister

(Negotiable with the
church or board)

Pension payment by the church	\$ 4,253	\$ 5,586	\$ 6,879	\$ 8,348	\$ 9,858
Health insurance premium paid by the church	\$12,083	\$12,083	\$12,083	\$12,083	\$ 12,083
Social Security allowance	\$ 5,462	\$ 7,178	\$ 8,839	\$ 10,700	\$ 12,641
Housing Allowance (estimation for home ownership)	\$ 7,576+	\$ 9,741+	\$13,530	\$18,941	\$ 24,894
Wages (base wages)	\$25,627	\$33,867	\$40,168	\$46,248	\$ 52,083
Sub Total	\$55,001	\$68,455	\$81,499	\$96,320	\$111,559
TOTAL SALARY	\$59,605+	\$74,886+	\$90,585	\$107,505	\$126,638

+ Should be increased if amount is not sufficient.

ASSOCIATE PASTORS – 5/8 to 3/4 of Senior Pastor's Salary