



EASTERN SYNOD

Evangelical Lutheran Church in Canada

COMPENSATION SCHEDULE FOR PASTORS, DIACONAL MINISTERS & PASTORAL SUPPLY 2009 – 2010

* Updated at the request of Group Services as of March 2009

I. SCHEDULE FOR PASTORS

The total compensation for a pastor is a combination of three different components: salary and housing, professional expenses, and benefits.

A. SALARY AND HOUSING

1. Minimum base salary

When computing a pastor's salary, the mutual ministry committee or congregational council begins by reviewing the minimum salary schedule as set by the Eastern Synod of the Evangelical Lutheran Church in Canada. Consult the table below to find this schedule. Note that the years in ordained ministry are based on the pastor's years serving under call, not just the anniversary of ordination.

PASTOR'S MINIMUM BASE SALARY SCHEDULE¹		
YEARS ORDAINED	YEAR 2009	YEAR 2010
Newly Ordained	28,000	28,800
1st year after ordination *	28,600	29,400
2nd year after ordination	29,200	30,000
3rd year after ordination	29,800	30,600
4th year after ordination	30,400	31,200
5th year after ordination	31,000	31,800
6th year after ordination	31,600	32,400
7th year after ordination	32,200	33,000
8th year after ordination	32,800	33,600
9th year after ordination	33,400	34,200
10th year after ordination	34,000	34,800
11th year after ordination	34,600	35,400
12th year after ordination	35,200	36,000
13th year after ordination	35,800	36,600
14th year after ordination	36,400	37,200
15th year after ordination	37,000	37,800

The minimum increase after 15 years of service is calculated at the rate of inflation added. This is based on the previous year's salary. Beyond this minimum figure, congregations are encouraged to consider an additional amount (*salary beyond base*), reflecting a decision to affirm the pastor's ministry.

***Note:** "1st year after ordination" is defined as the first new fiscal year following ordination and that subsequent years of ordination are also defined on a fiscal year basis.

2. *Salary beyond base*

To the base salary figure should be added a figure, determined by the council, which reflects a decision to affirm the pastor's ministry.

The key ingredient to determining an appropriate figure is people in dialogue. It is best if these people represent a cross-section of the congregation and are a group committed to mutual ministry.

It is recommended that each congregation have a Mutual Ministry Committee. Resources for this committee are available from the Synod Office. Of particular value in this instance would be the resource *Time, Mission & Compensation*. A workshop on mutual ministry can be conducted by synod staff if requested by your mutual ministry committee or your congregational council.

When the salary beyond base figure is added to the base salary, the council has the total salary figure.

3. *Pro-rated expenses*

All salary and benefits are pro-rated to a pastor's call with a given congregation. Should the pastor accept a call to another congregation, the calling congregation will reimburse any expenses paid in full to the congregation which the pastor formerly served.

4. *Housing*

Adequate housing is provided as part of the compensation package either in the form of congregation-owned housing (parsonage) or a housing allowance. Synod policy states that this housing allowance should be equal to the cost of renting similar accommodations, including utilities, in that area.

When the congregation provides a housing allowance, the actual amount the pastor may claim as a **tax free benefit** is determined by Canada Revenue Agency (CRA).

To request an exemption from withholding income tax deductions on the housing allowance, the pastor should submit a Letter of Authority to CRA in September of the previous year, using the calculation from form T1223E part C to determine the exempt amount for the following year. CRA will confirm with the employing congregation via a Reduction of Income Tax Deduction at Source letter.

Each congregation is encouraged to offer the housing allowance in lieu of congregation-owned housing. Congregations where the pastor has served for ten or more years and still lives in congregation-owned housing, should consider re-evaluating their present housing arrangements.

An **equity allowance** should be provided if the pastor lives in a congregation-owned house. Each year the congregation should provide a determined amount, which is not below \$1,200.00, as a housing equity allowance. This amount shall be added to the total compensation for pension calculation.

B. PROFESSIONAL EXPENSES

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

1. Car allowance²

For the years 2009, the car allowance rate is 49¢ per km. For the year 2010, the car allowance rate is 51¢ per km. Congregations may provide the pastor with an annual car allowance. If such an allowance is provided, it is added as a taxable benefit.

2. Book Allowance

A book allowance of \$500 per year shall be provided. This is a taxable benefit.

3. Continuing Education Allowance³

A continuing education allowance of \$600 per year, based on actual expenses, shall be provided. This is a taxable benefit unless supported by receipts.

Each parish shall contribute a minimum of \$600.00 yearly to the ELCIC Continuing Education Plan, and each pastor shall contribute at least \$300.00 yearly to the plan. A larger amount may be contributed on the basis of 1/3 being paid by the professional leader and 2/3 being paid by the parish/employer. The CEP of the ELCIC contains provisions for short and long-term study leaves. Two paid weeks shall be allowed for continuing education, to a maximum of six weeks in any given year. The use of this time and these funds and/or the need for additional time shall be negotiated with the congregation. Pastors are not eligible to receive unused continuing education leave benefits upon termination of a call.

C. BENEFITS

1. Pension Plan of the ELCIC

***Pension Plan Explanation:** The pension plan is a Defined Contribution plan, where contributions are remitted monthly and accumulated with investment returns to retirement, at which time a member's accumulation is used to purchase a retirement income. The pension plan is administered by ELCIC Group Services Inc ("GSI"). Contribution rates are available on the GSI website.*

All congregations, Synod offices, and other organizations of the ELCIC participate in the pension plan. Anglican dioceses employing ELCIC Rostered ministers also participate through a special agreement. Other organizations not affiliated directly with the ELCIC but employing ELCIC Rostered ministers may also participate through a special agreement if all parties desire.

- a) All congregations contribute 5%, on behalf of the employee (member), plus 6%, on behalf of the unfunded pension liability, of the base salary plus housing allowance or, if a parsonage is provided, of the base salary plus 30% of the total base salary.

- b) The pastor is required to pay 5% of the sum of his/her total base salary plus housing allowance, or 5% of the sum of the total base salary plus 30% of the base salary if a parsonage is provided.

2. Group Benefits Plan of the ELCIC

Group Benefits Plan Explanation: *The group benefits plan includes: extended health (including travel health), dental, life insurance (basic, dependent and optional), long term disability insurance (“LTD”), accidental death, disease and dismemberment insurance (“ADD&D”), and employee and family assistance plan (short term counselling). The group benefits plan is administered by GSI and underwritten by insurance companies. A detailed description of the benefits provided is available on the GSI website.*

All congregations, Synod offices, and other organizations of the ELCIC subscribe to the group benefits plan. Anglican dioceses employing ELCIC Rostered ministers also subscribe through a special agreement. Other organizations not affiliated directly with the ELCIC but employing ELCIC Rostered ministers may also subscribe through a special agreement if all parties desire.

Employees of subscribing employers enroll when they satisfy the eligibility requirements.

Health and dental premiums are a fixed dollar amount differing by single or family status. The employer pays 100% of the health and dental premiums. The other benefits are combined into a single premium calculated as a per cent of the member’s Salary (defined as cash salary plus housing) and paid by the employer. Rates are subject to change at the annual renewal with the carriers and GSI notifies all employers and members in advance of changes to the rates. All rates are available on the GSI website.

3. Sick Leave & Disability

Disability Benefits Explanation: *The Disability Policy provided by the National Church Council is available on the ELCIC website. This policy outlines the responsibilities of the congregation and the member when a disability occurs. If the member qualifies, the congregation continues salary up to nine weeks and all pension and benefit remittances continue as before. In weeks 10 to 26 the member must apply for Employment Insurance. The congregation is obligated to continue pension and benefit remittances while the member is receiving disability employment insurance, at the option of the member where costs are shared, and required for the portion where the congregation pays 100% of the premium (i.e. the life and LTD premium must be maintained in order for the member to apply for LTD benefits later). After the elimination period of 180 days, the member may qualify for LTD benefits. The application process for LTD should be started two months in advance by contacting the GSI office.*

A detailed table is available on the GSI website which lists what the requirements are for each portion of a disability leave and also for other types of leaves.

4. Sabbatical Leave

As per Eastern Synod Sabbatical Guidelines for Pastors Serving under Call.

5. *Days Off*

Rostered ministers are entitled to two days off per week, plus days in lieu of Statutory Holidays taken within 14 days of the actual holiday.

6. *Compassionate Leave*

Compassionate leave with pay for seven days plus necessary travel days for death or catastrophic illness of an immediate family member (spouse, parent, grandparent, sibling, child or grandchild) of the rostered minister or spouse. Congregational Council may allow additional days with or without pay.

7. *Parental Leave*

Provided in accordance with Provincial regulations and the Employment Insurance Commission.

8. *Worker's Compensation*

Worker's compensation is **not** mandatory for pastors. However, if a congregation chooses to take out this coverage, it cannot be done selectively (i.e., either **all** employees are covered, or none are).

9. *Vacation*

It is recommended that the vacation period for pastors be as follows:

- a) A minimum of four weeks annual vacation, including a minimum of four Sundays, and
- b) An additional week, at the end of each five years of service in ordained ministry, for that year.

If the pastor does not take his/her vacation time, this cannot be accumulated unless it is officially approved by the congregational council prior to year-end in the year in which the vacation was not taken.

The vacation period shall be based on the fiscal year January 1 to December 31.

D. OTHER EXPENSES

1. *Convention expenses*

a. Synod Convention:

It is expected that congregations or employing agencies will cover the expenses for rostered pastors to attend synod conventions.

b. National Conventions:

It is expected that congregations or employing agencies will cover the expenses for rostered pastors who are elected to serve as a clergy delegate to national conventions. When more than one pastor from the same congregation is elected as a delegate to the national convention, payment for more than one clergy delegate is to be negotiated with the congregation.

2. *Moving expenses*

When an official call is extended to a pastor, the pastor and congregation negotiate what professional moving service will be used. The moving contract should include minimum safeguards for the pastor's furniture and personal belongings against loss or damage.

II. SCHEDULE FOR DIACONAL MINISTERS

Recommended salaries for diaconal ministers employed by congregations and/or church agencies are determined as follows:

Salary schedule (as per pastor's base salary schedule) for 2009 and 2010 including years of experience.

Multiply 1.30 times the appropriate base salary. This then equals a salary figure which includes a value for housing.

For a person with a BA - 70% to 80% of the above figure.

For a person with an MA - 80% to 90% of the above figure.

Congregations should provide a housing equalization premium for diaconal ministers to equal the tax-free benefit of clergy housing allowance.

III. SCHEDULE FOR PASTORAL SUPPLY⁴

1 service – \$125 plus mileage (49¢ per km for 2009 and 51¢ per km 2010) plus pension contribution of applicable. Check with GSI.

2 services in the same congregation – \$150 plus mileage (49¢ per km for 2009 and 51¢ per km 2010) plus pension contribution of applicable. Check with GSI.

2 services in the same parish – \$150 plus mileage (49¢ per km for 2009 and 51¢ per km 2010) plus pension contribution of applicable. Check with GSI. This will be divided between the two congregations, as they determine.

End Notes

¹ There may be some question as to the rationale for the year-over-year increase as suggested in the 2009-2010 compensation schedule.

In comparing the 2008 Compensation Schedules from the five synods of the ELCIC, it was discovered that the Eastern Synod has fallen behind the compensation levels of other synods. For example, in 2008, the synods compensation schedules indicated that the minimum salary for a pastor with an M.Div. degree and one year of experience would have been as follows: BC Synod - \$34,200; Alberta Synod - \$31,535, Saskatchewan Synod - \$31,047, Manitoba Synod - \$30,770, Eastern Synod - \$27,800. This indicates a substantial difference between the Eastern Synod's schedule and that of the other synods.

While the year-over-year increase from 2008 to 2009 is only \$100 more than the increases of the previous two years (2006-2007 and 2007-2008), this is an intentional step toward beginning to bring the Eastern Synod's Compensation Schedule closer to those of the other synods while not over-taxing the resources of congregations.

² It does not take intensive research to recognize that transportation expenses, especially as related to the climbing cost of fuel, continues to increase. (For a summary of the fluctuation in prices see

http://www.ontariogasprices.com/retail_price_chart.aspx). At the time that the 2006 Synod Assembly affirmed the Compensation Schedule for 2007-2008, the cost of gasoline was 10¢ a liter less than it is today (March 13, 2008). While it is difficult to forecast where prices will go, we are recommending a graduated increase from 2009 to 2010, anticipating that prices will continue to escalate.

- ³ In *A Renewed Vision for Mission in the Eastern Synod 2006-2008*, our synod identified 6 mission priorities. Among those priorities was the need to nurture leaders and encourage them to improve their skill levels, such that these gifts can be shared with others.

It was felt that, by increasing the Continuing Education allowance for pastors, however marginally, we would be providing additional resources to support this priority.

- ⁴ It has been ten years since the last increase for pastoral supply. The current figures, (\$100 for 1 service and \$120 for two services) were established in the compensation schedules for 1999-2000. It is felt that a moderate increase is due.