



# EASTERN SYNOD

## Evangelical Lutheran Church in Canada

### COMPENSATION SCHEDULE FOR PASTORS, DIACONAL MINISTERS & PASTORAL SUPPLY 2011 – 2012

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#### ASSUMPTIONS BEHIND THE GUIDELINES

In preparing the Compensation Schedule for 2011-2012, the Professional Leadership Committee began by clarifying the assumptions which would guide their drafting of the minimum, base salary recommendations. After a thorough review of the salary grids which have been employed in the Eastern Synod for the last ten years and comparison to the minimum, base salary schedules which have been endorsed by the other synods of the ELCIC, the committee endorsed two primary assumptions which informed their calculations:

1. The Compensation Schedule for 2011 and 2012 will take seriously year-over-year cost-of-living adjustments which reflect the actual increases in cost of living expenses. Using the 2010 grid as a starting point, year-over-year increases will reflect cost-of-living adjustments (COLA) as determined by Statistics Canada for January of the previous year. <<http://www40.statcan.ca/101/cst01/cpis01a-eng.htm>>.

*Rationale: The year-over-year increases which have been reflected in the minimum, base salary grid, over the past ten years, have been round dollar figures (eg. \$ 200, 300, 400, or 700). However, these sums have consistently been less than the rate of inflation. Consequently, those compensated solely according to the minimum, base salary guidelines have been making less each year, in real dollar-value, than they were in the previous year.*

2. The Compensation Schedule for 2011-2012 will provide year-over-year increases which, by the end of the year 2014, will have raised the minimum, base salaries in the Eastern Synod to have reached the average, minimum, base salaries of the other synods of the ELCIC.

*Rationale: When compared with the other four synods, the Eastern Synod has fallen significantly behind the compensation levels of the other regions of the ELCIC. For example, in 2009, the minimum, base salary for a pastor with an M.Div. degree and one year of experience was as follows: BC Synod - \$34,300; Alberta Synod - \$32,275, Saskatchewan Synod - \$30,450, Manitoba Synod - \$30,773, Eastern Synod - \$28,000. In order to raise the minimum, base salary guidelines to the average of the other synods, by 2014, a \$900 catch-up fee will be added to the year-over-year salaries for the next 4 years. The result will be that, by 2014, our guidelines will – on average – be on par with those of the other synods.*

## 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.

<b>PASTOR'S MINIMUM BASE SALARY SCHEDULE</b>			
<b>YEARS ORDAINED</b>	<b>YEAR 2010</b>	<b>YEAR 2011 \$900 + COLA<sup>1</sup></b>	<b>YEAR 2012 \$900 + COLA<sup>2</sup></b>
Newly Ordained	28,800	30,107	31,720
1st year after ordination <sup>3</sup>	29,400	30,715	32,342
2nd year after ordination	30,000	31,323	32,964
3rd year after ordination	30,600	31,932	33,587
4th year after ordination	31,200	32,540	34,209
5th year after ordination	31,800	33,148	34,831
6th year after ordination	32,400	33,756	35,453
7th year after ordination	33,000	34,364	36,075
8th year after ordination	33,600	34,973	36,698
9th year after ordination	34,200	35,581	37,320
10th year after ordination	34,800	36,189	37,942
11th year after ordination	35,400	36,797	38,564
12th year after ordination	36,000	37,406	39,187
13th year after ordination	36,600	38,014	39,809
14th year after ordination	37,200	38,622	40,431
15th year after ordination	37,800	39,230	41,053

The minimum increase after 15 years of service is calculated as the total previous year's salary plus \$900 (catch-up fee) plus COLA. Beyond this minimum figure, congregations may consider an additional amount (*salary beyond base*), reflecting a decision to affirm the pastor's ministry.

<sup>1</sup> COLA for 2011 (as based on the figures for January 2010) was set at 1.37%.

<sup>2</sup> COLA for 2012 (as based on the figures for January 2011) was set at 2.3%.

<sup>3</sup> "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.

- “the costs of renting similar accommodations” can best be determined through consultation with a local real estate agent.
- “utilities” is considered to include heat, electricity, water and sewage, and basic phone and internet service.

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 \$1,600.00, 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 Allowance**

For the years 2011 and 2012, the per/km travel reimbursement rate will be based on the Canada Revenue Agency's most current figure for "Automobile allowance rates". This figure can be found at <<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/tmbl/llwnc/rts-eng.html>>.

- *For example, for 2010 these rates were set at 52¢ per kilometer for the first 5,000 kilometers; and 46¢ per kilometer thereafter.*

Alternatively, congregations may provide an annual flat-rate car allowance, which is considered a taxable benefit.

### **2. Book Allowance**

A book allowance of \$500 per year shall be provided. This is a taxable benefit and is based on actual expenses.

### **3. Continuing Education Allowance**

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<sup>1</sup>**

- a) All congregations contribute 5%, on behalf of the employee (member), plus 6%, (of the total base salary plus housing allowance or, if a parsonage is provided, of the total base salary plus 30% of the total salary), on behalf of the unfunded pension liability,
- b) The pastor is required to pay 5% of the sum of his/her total salary plus housing allowance, or 5% of the sum of the total salary plus housing equity allowance plus 30% of the total salary, if a parsonage is provided.

### **2. Health and Dental Benefits Plan of the ELCIC<sup>2</sup>**

- a) The appropriate provincial health plan, if required, as well as the ELCIC health plan shall be required. The employer is responsible for 100% of the premiums for extended health (including travel health).
- b) The employer is responsible for a minimum of 50 % of the yearly premiums for the ELCIC Dental Plan.
- c) If coverage is waived, due to spousal coverage, the pastor shall not receive cash compensation in lieu of the premiums of these health benefits

### ***3. Life, Disability, and Counseling***<sup>3</sup>

The employer pays the annual premium for death, disability, and survivor income based on 3.25% of the pastor's total base salary plus housing allowance, or if a parsonage is provided, 3.25 % of the sum of the total base salary plus housing equity allowance plus 30% of the total base salary.

### ***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***

Rostered ministers are entitled to 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. Maternal and Parental Leave***

See GSI Guidelines: <<http://www.elcicgsi.ca/Employers/TIB.html>>

### ***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 full weeks annual vacation, for the 1st through 19th years, and five full weeks for the 20<sup>th</sup> year onward.
- b) For the 5<sup>th</sup>, 10<sup>th</sup>, and 15<sup>th</sup> years after ordination, the pastor shall receive an additional week of vacation 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.

#### **D. OTHER EXPENSES**

##### ***1. Convention expenses***

###### ***a. Synod Convention:***

Congregations or employing agencies will cover the expenses for rostered pastors to attend synod conventions.

###### ***b. National Conventions:***

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 2011 and 2012 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 SUPPLY**

1 service – \$135 plus mileage plus pension contribution, if applicable. Check with GSI.

(For the years 2011 and 2012, the car allowance rate will use the Canada Revenue Agency's most current figure for "Automobile allowance rates." This figure can be found at <<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/tmbl/llwnc/rts-eng.html>>.)

2 services in the same congregation – \$160 plus mileage plus pension contribution if applicable. Check with GSI.

2 services in the same parish – \$160 plus mileage plus pension contribution if applicable. Check with GSI. This will be divided between the two congregations, as they determine.

#### **IV. SCHEDULE FOR PERMANENT PART-TIME PASTORS**

Congregations which are employing pastors on a permanent part-time basis are required to negotiate a compensation package which clearly includes consideration of those elements (Salary and Housing, Professional Expenses, Benefits, and Other Expenses) which are considered in a full time call.

#### **V. SCHEDULE FOR INTERIM PASTORS**

Congregations which are employing pastors on a full-time, interim basis will provide remuneration (salary, housing, and benefits) as per the *Schedule for Pastors* (Part I)

Congregations which are employing pastors on a part-time, interim basis will provide remuneration on the following terms:

- 1) **Sunday Supply** will be according to the *Schedule for Pastoral Supply* (Section III).
- 2) **The Hourly rate** will be \$30/hr, beginning the time that the pastor leaves his/her home.
- 3) **Source deductions, Group Services Inc. deductions, taxes, CPP, and EI** will be deducted and a T-4 will be provided for the aforementioned remuneration.
- 4) **Mileage** will be according to the Canada Revenue Agency's most current figure for "Automobile allowance rates." This figure can be found at <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/tmbll/wnc/rts-eng.html>.
- 5) **Continuing education and book allowances and a pro-rated paid vacation** (based on an average of the previous 12 months' earning) will be given to those serving on a long-term (12 months or more) part-time interim basis.

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<sup>1</sup> ***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*

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*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.*

<sup>2</sup> **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 counseling). 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 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.*

<sup>3</sup> **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 included in the Treasurer’s Handbook (GSI website) which lists what the requirements are for each portion of a disability leave and also for other types of leaves.*