



## Section E – Financial Reports

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**Treasurer’s Annual Report  
For the Fiscal Year Ended January 31, 2025**

*Submitted by Karen S. Bird, Treasurer*

As we explore and reflect upon *Living a Life Worthy of Our Calling* during this year’s Synod Assembly, we can do so with the understanding that the North/West Lower Michigan Synod continues in excellent financial condition.

Through the outstanding work of our staff and auditors, our fiscal management, oversight, and reporting system consistently improves. As in previous years, the auditors provided a clean, unmodified opinion—finding no internal control issues and no material weaknesses or deficiencies. The Report on Financial Statements for the year ended January 31, 2025, is published on the synod website along with other annual reports. Please review the audited financial statements.

Highlights of key financial information include:

**Condensed Financial Profile  
For the Fiscal Years Ended January 31, 2025, and 2024**

<u>Description</u>	<u>2024-25</u>	<u>2023-24</u>	<u>Variance</u>
<b>Total Operating Revenue &amp; Support</b>	<b>\$1,682,064</b>	<b>\$1,634,583</b>	<b>\$ 47,481</b>
<b>Total Operating Expenditures</b>	<b>\$1,505,951</b>	<b>\$1,481,711</b>	<b>\$ 24,240</b>
<b>Change in Net Assets</b>	<b>\$ 176,113</b>	<b>\$ 152,872</b>	<b>\$ 23,241</b>
<b>Investment Return – Net</b>	<b>\$ 352,468</b>	<b>\$ 199,915</b>	<b>\$152,553</b>

- Despite financial stresses of their own, our congregations continue to support the larger church’s ministries more than what might otherwise be expected in uncertain times. We continue to share 50% of our Mission Support with ELCA Churchwide to support the ministries of the larger Church. This proportionate share totaled approximately \$602,000 for the year.
- Our auditors used the word “consistent” to favorably describe our financial statements from last year to this year. There were no large fluctuations in our operating revenue & support and operating expenditures.
- Net assets, revenues, gains and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions.

- The returns on our investments—interest, dividends, realized and unrealized gains—totaling \$352,468 did have a significant impact on our bottom line thus contributing to the increase in our net assets or reserves. While we are not anticipating that same level of performance this year, we are not concerned. As described in last year’s treasurer’s report, we have been budgeting or planning to use some of the reserves over the next few years yet still maintain a sufficient financial cushion for tougher times.
- The Statement of Functional Expenses, on page 7, illustrates that 84% of our resources during 2024-25 were used to fund Program Services. Last year, that number was 86%. Our auditors point to this ratio and congratulate us on our strong financial position and generous contribution of time to programs in relation to administration.
- Note 1 includes not only our significant accounting policies but also an excellent summary describing the Synod’s many programs supporting the mission.
- Note 10 lists the various endowments and funds held by Synod and whether those endowments are subject to restrictions.

We continue to monitor and adjust the 2025-26 fiscal year budget and to propose a 2026-27 budget that reflects the realities and uncertainties of our current economy. We deeply appreciate and respect the mission support our congregations send throughout the year.

Let us move together into the world remembering we are called by God, united in Christ, and given to one another by the Spirit.

Respectfully submitted,  
Karen Bird

## Financial Stewardship Highlights 2024-25

- ❖ As of January 31, 2025, the North/West Lower Michigan Synod held \$1,155,332 in unrestricted net assets. Of this total, \$645,421 is invested in the ELCA Foundation Ministry Growth Fund (formerly Pooled Trust Fund A.) Some of these funds are designated by Synod Council, i.e., Synod Staff Support Fund and Cash Flow Reserve, while others support the synod’s general operations.
- ❖ Other net assets held in the ELCA Foundation Ministry Growth Fund total \$2,056,921 and are bound by donor restrictions. These are categorized as temporarily-restricted, endowment-related temporarily restricted, and permanently-restricted. The Ministry Growth Fund’s 2024Q2 report follows later in this publication.

North/West Lower Michigan Synod Donor Restricted Fund Summary as of January 31, 2025	Temporarily-restricted	Endowment-related Temporarily-restricted	Permanently-restricted	TOTAL
Established by the synod				
Honduras Education Fund	1,639	62,176		63,815
New and Renewing Congregations	8,327	124,360	153,997	286,685
Seminary Education Assistance	13,245	74,913	154,216	242,374
Established by others				
Paul E Trapp Memorial		215,003	279,545	494,549
Grace Mission		144,215	447,788	592,003
Bertha Wilson Trust		400,706		400,706
Others combined	287,900			287,900
<b>TOTAL</b>	<b>311,111</b>	<b>1,021,374</b>	<b>1,035,547</b>	<b>2,368,032</b>

- ❖ Congregations gave \$1,204,176 in undesignated **Mission Support** to the synod. We continue to be a “50% synod” and thus forwarded \$602,088 to churchwide to support our ministry domestically and internationally.
- ❖ **Fund Balance** is the difference between cumulative revenue and expenses and is an indicator of financial health. Our unrestricted-undesignated (aka General Operating) Fund Balance at the end of 2024-25 was \$98,941. We also hold 15% of subsequent year expenses in our Cash Flow Reserve Fund to support operations.
- ❖ We created the **Synod Disaster Relief Fund** from offerings at the 2017 Synod Assembly. In 2024 we were able to provide aid those affected by tornadoes and hurricanes.
- ❖ Our **Living Stones** program is an invitation for those individuals who wish to give to the work of the church beyond their local congregation and support the work of our synod. Living Stones members gave \$7,895 in 2024. So far in its history it has generated over \$67,000 to support our ministry together.
- ❖ Recent reports on future trends demonstrate that **Campus Ministry** and Outdoor Ministry were the two places where we made the greatest impact on youth and young adults. With an annual churchwide grant of \$13,730 and synod funds of \$43,882, we supported four Lutheran Campus Ministries in our synod.

**North/West Lower Michigan Synod-ELCA - Dewitt MI  
Consolidated Fund Activity Report as of 01/31/2025**

<b>Account Name</b>	<b>Beg Balance</b>	<b>Receipts</b>	<b>s</b>	<b>s</b>	<b>End Balance</b>	<b>Net Change</b>
Unrestricted - Undesignated Fund	146,740.40	1,319,424.97	1,372,525.85	14,957.00	108,596.52	(38,143.88)
Unrestricted - Designated Funds						
Synod-designated Endowment Fund	589,992.50	55,428.40	0.00	0.00	645,420.90	55,428.40
Synod Staff Support Fund Balance	176,344.80	6,585.80	0.00	(36,418.00)	146,512.60	(29,832.20)
Cash Flow Reserve Balance	200,710.00	0.00	0.00	21,461.00	222,171.00	21,461.00
Automobile Purchases Balance	7,500.00	0.00	0.00	0.00	7,500.00	0.00
Severance Pay - Called Staff Balance	20,000.00	0.00	0.00	0.00	20,000.00	0.00
Shared Risk Deductible Balance	5,000.00	0.00	0.00	0.00	5,000.00	0.00
<b>TOTAL FUNDS WITH NO DONOR RESTRICTIONS</b>	<b>1,146,287.70</b>	<b>1,381,439.17</b>	<b>1,372,525.85</b>	<b>0.00</b>	<b>1,155,201.02</b>	<b>8,913.32</b>
Endowment-related Temporarily-restricted Funds						
Paul E Trapp Endowment Balance	171,656.24	58,347.19	15,000.00	0.00	215,003.43	43,347.19
Honduran Education Endowment Balance	59,319.73	5,339.76	0.00	(2,483.00)	62,176.49	2,856.76
New and Renewing Congregations Endowment TR	100,455.21	23,905.19	0.00	0.00	124,360.40	23,905.19
Seminary Education Assistance Endowment Fund TF	51,211.35	23,701.61	0.00	0.00	74,912.96	23,701.61
Grace Mission Endowment Fund TR Balance	96,788.69	68,686.25	21,260.33	0.00	144,214.61	47,425.92
Wilson Trust Endowment Fund TR Balance	366,686.76	46,068.93	12,050.00	0.00	400,705.69	34,018.93
Temporarily-Restricted Funds						
Bishop's Fund Balance	6,705.19	0.00	0.00	0.00	6,705.19	0.00
Bishop's Teaching Fund Balance	5,141.87	1,750.00	5,431.00	0.00	1,460.87	(3,681.00)
Closed Congregations Balance	46,045.88	0.00	0.00	0.00	46,045.88	0.00
Connect Grants Balance	2,579.99	0.00	2,100.00	0.00	479.99	(2,100.00)
James 3:17 Fund Balance	34,165.59	0.00	0.00	0.00	34,165.59	0.00
Outreach Balance	29,262.37	6,736.12	2,800.00	0.00	33,198.49	3,936.12
Synod Disaster Relief Fund Balance	31,967.55	4,625.36	20,816.75	0.00	15,776.16	(16,191.39)
Bertina W Helmers Trust Balance	3,677.00	0.00	3,677.00	0.00	0.00	(3,677.00)
Adult Theological Education Fund Balance	18,076.00	100.00	2,500.00	0.00	15,676.00	(2,400.00)
Coalitions / Multicultural Ministry Fund Balance	32,653.63	0.00	1,000.00	0.00	31,653.63	(1,000.00)
Papua New Guinea Balance	3,152.25	940.00	4,092.25	0.00	0.00	(3,152.25)
Honduras Church Leaders Education Balance	0.00	2,258.40	2,102.00	1,483.00	1,639.40	1,639.40
Honduras Health Team Salud Para la Vida Balance	6,909.75	3,017.00	13,238.31	3,999.95	688.39	(6,221.36)
Honduras Companion Balance	6,398.37	2,500.00	8,371.13	0.00	527.24	(5,871.13)
New and Renewing Congregations T-R Balance	4,217.02	10,110.40	6,000.00	0.00	8,327.42	4,110.40
Seminary Education Assistance T-R Balance	61,417.73	5,081.12	0.00	(53,254.32)	13,244.53	(48,173.20)
2020 Women's Jubilee Scholarship Balance	1,785.00	0.00	0.00	0.00	1,785.00	0.00
Portico Benefits Support Balance	10,000.00	1,000.00	5,058.59	0.00	5,941.41	(4,058.59)
Youth Gathering Fund Balance	2,250.00	7,682.17	1,500.00	0.00	8,432.17	6,182.17
Seminary Debt Reduction Bal	12,788.57	20,606.03	8,000.00	0.00	25,394.60	12,606.03
Pastor Sabbatical Support Fund Balance	0.00	0.00	0.00	60,000.00	60,000.00	60,000.00
Permanently-Restricted Funds						
Paul E Trapp Endowment Fund P-R Balance	279,545.28	0.00	0.00	0.00	279,545.28	0.00
New and Renewing Congregations P-R Balance	153,997.07	0.00	0.00	0.00	153,997.07	0.00
Seminary Education Assistance P-R Balance	154,216.33	0.00	0.00	0.00	154,216.33	0.00
Grace Mission Endowment Fund P-R Balance	447,788.45	0.00	0.00	0.00	447,788.45	0.00
<b>TOTAL FUNDS WITH DONOR RESTRICTIONS</b>	<b>2,200,858.87</b>	<b>292,455.53</b>	<b>134,997.36</b>	<b>9,745.63</b>	<b>2,368,062.67</b>	<b>167,203.80</b>
<b>TOTAL ALL FUNDS</b>	<b>3,347,146.57</b>	<b>1,673,894.70</b>	<b>1,507,523.21</b>	<b>9,745.63</b>	<b>3,523,263.69</b>	<b>176,117.12</b>

<b>North/West Lower Michigan Synod Unrestricted-Undesignated Fund Draft Proposed Budget 2026-27 Fiscal Year End 01/31/27</b>		<b>AQUA</b>	<b>TAUPE</b>	<b>CREAM</b>	<b>GREY</b>	<b>ORANGE</b>	<b>BLUE</b>	<b>GREEN</b>	
		<b>FYE 01/31/24</b>	<b>FYE 01/31/24</b>	<b>FYE 01/31/25</b>	<b>FYE 01/31/25</b>	<b>FYE 01/31/26</b>	<b>FYE 01/31/26</b>	<b>FYE 01/31/27</b>	
		<b>2023-24</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2025-26</b>	<b>2026-27</b>	
		<b>Two years ago</b>	<b>Two years ago</b>	<b>Last year</b>	<b>Last year</b>	<b>This year</b>	<b>This year</b>	<b>Next year</b>	
		<b>ADOPTED</b>	<b>ACTUAL</b>	<b>ADOPTED</b>	<b>ACTUAL</b>	<b>ADOPTED</b>	<b>REVISED</b>	<b>PROPOSED</b>	
1	Unrestricted - Undesignated Fund Revenue								1
2	Mission Support	1,320,000	1,215,497	1,212,950	1,204,176	1,200,000	1,200,000	1,200,000	2
3	Leadership Events Revenue	5,000	575	2,000	950	600	600	1,000	3
4	Synod Assembly Revenue	60,000	40,550	5,000	4,920	49,700	49,700	35,600	4
5	Synod Events Revenue	500	5,660	1,000	10,580	5,600	5,600	8,800	5
6	Pulpit supply, travel reimbursement, other	5,000	9,311	5,000	10,143	7,500	7,500	9,000	6
7	Living Stones Current Year Revenue	12,000	5,085	12,000	7,895	4,200	4,200	5,000	7
8	Interest	400	11,344	1,500	28,407	7,500	7,500	12,000	8
9	ELCA Foundation Ministry Growth Fund Distributions	25,000	26,048	25,000	27,027	25,000	25,000	25,000	9
10	Grants (churchwide for DEM)	10,000	10,000	10,000	10,000	10,000	111,500	127,834	10
11	Campus Ministry (churchwide grant)	13,728	13,730	13,728	13,730	13,728	13,728	0	11
12	Mission Support Table		1,530		0	0	0	0	12
13	New and Renewing Mission Table	3,000	1,049	0	3,915	0	0	0	13
14	Candidacy	7,200	1,200	1,000	0	1,200	1,200	600	14
15	Gain/(Loss) on Disposal of Assets	0	6,407	0	(2,318)	0	0	0	15
16	<b>Total Unrestricted - Undesignated Fund Revenue</b>	<b>1,461,828</b>	<b>1,347,987</b>	<b>1,289,178</b>	<b>1,319,425</b>	<b>1,325,028</b>	<b>1,426,528</b>	<b>1,424,834</b>	<b>16</b>
<i>Line 2 - Congregations are holding steady with their support of synod and churchwide ministry</i>									
<i>Line 3 - Based on current year actual</i>									
<i>Line 4 - Two-day event with Prince of Peace, Portage as venue; two meals catered, room block with release date, NO hotel contract with penalty clause</i>									
<i>Line 5 - Based on current year actual for Preaching Retreat, Witnesses Retreat, Disability Learning Day, etc.</i>									
<i>Line 6 - Based on current year actual</i>									
<i>Line 7 - Based on current year actual</i>									
<i>Line 8 - Expect CD rates to decrease</i>									
<i>Line 9 - Based on current year actual</i>									
<i>Line 10 - Pay-for-service agreement with churchwide for Director for Evangelical Mission</i>									
<i>Line 11 - Churchwide will disburse funds directly to campus ministry sites rather than via synods</i>									
<i>Line 12 - No longer active</i>									
<i>Line 13 - No longer active</i>									
<i>Line 14 - Applications fees and contributions toward background checks and psychological evaluations</i>									
18	Agency-Organization Ministry Support								18
19	Churchwide proportionate share	660,000	607,774	606,475	602,088	600,000	600,000	600,000	19
20	Living Water Ministries	25,000	25,000	25,000	25,000	20,000	20,000	16,000	20
21	Samaritas	3,000	2,400	2,400	2,400	1,920	1,920	1,440	21
22	Region 6 Archives	7,500	7,500	4,800	4,514	4,800	4,800	4,800	22
23	Trinity Lutheran Seminary	18,000	18,000	16,000	16,000	12,800	12,800	9,600	23
24	<b>Total Agency-Organization Ministry Support</b>	<b>713,500</b>	<b>660,674</b>	<b>654,675</b>	<b>650,002</b>	<b>639,520</b>	<b>639,520</b>	<b>631,840</b>	<b>24</b>
<i>Line 19 - We continue to send 50% of mission support revenue to churchwide</i>									
<i>Line 20 - Living Water Ministries is doing well with their own direct fundraising</i>									
<i>Line 21 - Synod Council recently approved sending \$5,200 from another fund to help Samaritas with Refugee Resettlement</i>									
<i>Line 22 - Based on current actual with room for anticipated increase</i>									
<i>Line 23 - Currently Trinity has 2 ELCA students</i>									

<b>North/West Lower Michigan Synod</b> <b>Unrestricted-Undesignated Fund</b> <b>Draft Proposed Budget 2026-27</b> <b>Fiscal Year End 01/31/27</b>		AQUA	TAUPE	CREAM	GREY	ORANGE	BLUE	GREEN	
		FYE 01/31/24	FYE 01/31/24	FYE 01/31/25	FYE 01/31/25	FYE 01/31/26	FYE 01/31/26	FYE 01/31/27	
		2023-24	2023-24	2024-25	2024-25	2025-26	2025-26	2026-27	
		Two years ago	Two years ago	Last year	Last year	This year	This year	Next year	
		ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	REVISED	PROPOSED	
25	Synod Ministries							25	
26	Leadership Events Exp	5,000	1,461	2,000	704	2,500	2,500	2,000	26
27	Synod Assembly Exp	60,000	54,655	5,000	5,642	61,123	61,123	41,708	27
28	Synod Council Exp	2,000	0	2,000	1,991	600	600	600	28
29	Synod Events Exp	500	4,773	1,000	11,494	4,800	4,800	8,800	29
30	<b>Total Synod Ministries</b>	<b>67,500</b>	<b>60,889</b>	<b>10,000</b>	<b>19,832</b>	<b>69,023</b>	<b>69,023</b>	<b>53,108</b>	30
<i>Line 26 - In prior years we have recorded this event as budget neutral (rev = exp) and then recorded overspends in other funds</i> <i>Line 27 - Two-day event with Prince of Peace, Portage as venue; two meals catered, room block with release date, NO hotel contract with penalty clause</i> <i>Line 28 - Mileage, lodging, meals for one in-person meeting; churchwide gathering for synod legal counsel expenses</i> <i>Line 29 - In prior years we have recorded this event as budget neutral (rev = exp) and then recorded overspends in other funds</i>									
31	Committee Expenses							31	
32	Campus Ministry	57,000	50,263	57,000	57,612	54,000	54,000	32,000	32
33	Equipping Leaders for Mission and Ministry	3,000	0	0	0	0	0	0	33
34	Global Mission	8,000	5,263	8,000	7,715	6,000	6,000	4,800	34
35	Mission Support Table	0	1,530	0	0	0	0	0	35
36	New and Renewing Mission Table	38,400	30,058	38,400	33,478	36,000	36,000	28,000	36
37	Publicly Engaged Church	12,000	8,272	9,000	5,000	6,750	6,750	4,800	37
38	Worship	2,500	349	350	359	1,000	1,000	1,000	38
39	Youth	750	750	400	400	5,000	5,000	4,000	39
40	Candidacy	11,200	2,100	2,000	800	1,200	1,200	960	40
41	<b>Total Committee Expenses</b>	<b>132,850</b>	<b>98,584</b>	<b>115,150</b>	<b>105,364</b>	<b>109,950</b>	<b>109,950</b>	<b>75,560</b>	41
<i>Line 32 - \$40K requested by committee; proposing a fiscally-responsible 20% decrease to reduce impact on fund balance</i> <i>Line 33 - No longer active</i> <i>Line 34 - \$6,000 requested; proposing a fiscally-responsible 20% decrease to reduce impact on fund balance</i> <i>Line 35 - No longer active</i> <i>Line 36 - \$35K requested by committee; proposing a fiscally-responsible 20% decrease to reduce impact on fund balance</i> <i>Line 37 - No written request received; proposing a fiscally-responsible 20% decrease to reduce impact on fund balance</i> <i>Line 38 - Reflects need for in-person assembly worship</i> <i>Line 39 - No written request received; proposing a fiscally-responsible 20% decrease to reduce impact on fund balance</i> <i>Line 40 - No written request received; proposing a fiscally-responsible 20% decrease to reduce impact on fund balance</i>									
42	Staff Salaries and Benefits							42	
43	Salary - Directors and Administrative Support Staff	132,215	119,337	111,404	141,027	143,940	149,349	155,323	43
44	Salary and Housing - Called Staff	202,594	190,862	217,060	210,933	214,933	271,955	290,634	44
45	Social Security Allowance - Called Staff	18,023	18,516	16,796	21,125	23,585	20,805	22,234	45
46	Payroll Taxes (ER FICA)	10,114	9,787	8,522	10,892	11,011	11,425	11,882	46
47	Health Insurance, HRA, Retirement	96,961	85,733	75,886	100,106	104,421	96,179	103,392	47
48	Continuing Education	4,000	4,000	4,000	3,833	4,000	4,000	4,000	48
49	Workers Compensation Insurance	1,700	1,598	1,200	1,521	1,560	1,560	1,560	49
50	<b>Total Staff Salaries and Benefits</b>	<b>465,607</b>	<b>429,833</b>	<b>434,868</b>	<b>489,437</b>	<b>503,450</b>	<b>555,273</b>	<b>589,025</b>	50
<i>Line 43 - Based on 4% increases to align with compensation guidelines</i> <i>Line 44 - Based on 4% increases to align with compensation guidelines and full year with DEM arrangement (FYE013126 is prorated--DEM began 3/10/25)</i> <i>Line 45 - Social Security Allowance at 7.65%</i> <i>Line 46 - FICA @ 7.65%</i> <i>Line 47 - Allows for 7.5% increase in premiums</i> <i>Line 48 - \$1000/ea for called staff and \$500/each for directors</i> <i>Line 49 - Based on current year actual</i>									
51	Administration							51	
52	Bishop's Discretionary Fund	2,500	96	2,500	199	2,500	2,500	2,500	52
53	Insurance - Prof. Liability, General Liability, Auto	12,000	10,386	9,000	8,876	9,800	9,800	9,800	53

**North/West Lower Michigan Synod**  
**Unrestricted-Undesignated Fund**  
**Draft Proposed Budget 2026-27**  
**Fiscal Year End 01/31/27**

	AQUA	TAUPE	CREAM	GREY	ORANGE	BLUE	GREEN	
	FYE 01/31/24	FYE 01/31/24	FYE 01/31/25	FYE 01/31/25	FYE 01/31/26	FYE 01/31/26	FYE 01/31/27	
	2023-24	2023-24	2024-25	2024-25	2025-26	2025-26	2026-27	
	Two years ago	Two years ago	Last year	Last year	This year	This year	Next year	
	ADOPTED	ACTUAL	ADOPTED	ACTUAL	ADOPTED	REVISED	PROPOSED	
54 Lease	17,250	14,109	14,076	14,439	14,076	14,076	14,500	54
55 Office equipment - maintenance	3,000	3,408	3,000	0	1,000	1,000	0	55
56 Office Supplies	8,400	11,601	9,000	9,469	12,000	12,000	9,000	56
57 Postage	1,000	1,262	1,800	1,430	1,200	1,200	1,400	57
58 Professional Fees (legal, audit)	28,000	16,067	28,000	19,100	18,000	18,000	21,000	58
59 Telephone and ISP	11,000	10,516	12,000	9,531	10,800	10,800	9,900	59
60 Travel	30,000	14,173	25,000	17,532	20,000	20,000	20,000	60
61 Website and network (server mgt & cloud back-up)	6,500	2,331	4,000	4,925	3,000	3,000	3,200	61
62 Depreciation	20,000	21,460	15,000	22,391	15,000	15,000	21,000	62
63 <b>Total Administration</b>	<b>139,650</b>	<b>105,408</b>	<b>123,376</b>	<b>107,891</b>	<b>107,376</b>	<b>107,376</b>	<b>112,300</b>	<b>63</b>
<i>Line 52 - Maintaining amount for use by Bishop beginning term 9/1/25</i> <i>Line 53 - Based on actual with room for increase</i> <i>Line 54 - Based on actual; may change with Bishop beginning term 9/1/25</i> <i>Line 55 - No longer lease copier</i> <i>Line 56 - Based on actual</i> <i>Line 57 - Based on actual</i> <i>Line 58 - Anticipate auditor fees increasing</i> <i>Line 59 - Based on actual with room for increase</i> <i>Line 60 - Based on actual with room for increase</i> <i>Line 61 - Based on actual; firewall subscription renewed every three years--next time will be FYE 013128</i> <i>Line 62 - Based on actual</i>								
64								64
65 Total Expenses	1,519,107	1,355,388	1,338,069	1,372,526	1,429,319	1,481,142	1,461,833	65
66								66
67 Net Change to Fund Balance (Revenues less Expenses)	(57,279)	(7,402)	(48,891)	(53,101)	(104,291)	(54,614)	(36,999)	67
68								68
69								69



**NWLMS PROPOSED 26-27 BUDGET SUMMARY**

	2023-2024		2024-2025		2025-2026	2025-2026	2026-2027
	Adopted	Actual	Adopted	Actual	Adopted	Revised	Proposed
	<b>Beginning Fund Balance</b>	<b>509,326</b>	<b>509,326</b>	<b>146,741</b>	<b>146,741</b>	<b>108,597</b>	<b>108,597</b>
Activity							
Revenue	1,461,828	1,347,987	1,289,178	1,319,425	1,325,028	1,426,528	1,424,834
Expenses	(1,519,107)	(1,355,388)	(1,338,069)	(1,372,526)	(1,429,319)	(1,481,142)	(1,461,833)
Net Change to Fund Balance(Rev - Exp)	(57,279)	(7,402)	(48,891)	(53,101)	(104,291)	(54,614)	(36,999)
<b>Ending Fund Balance before transfers to/from other funds</b>	<b>452,047</b>	<b>501,924</b>	<b>97,850</b>	<b>93,640</b>	<b>4,306</b>	<b>53,983</b>	<b>30,586</b>
Transfers							
Transfer to/from Synod Staff Support Fund*	0	(169,093)	0	36,418			
Transfers to/from Cash Flow Reserve Fund (15% of exp)**	0	(186,090)	2,598	(21,461)	13,601	13,601	
Total Transfers to/from other funds	0	(355,183)	2,598	14,957	13,601	13,601	0
<b>Ending Fund Balance after transfers to/from other funds</b>	<b>452,047</b>	<b>146,741</b>	<b>100,448</b>	<b>108,597</b>	<b>17,907</b>	<b>67,585</b>	<b>30,586</b>
Adjustments							
Capital purchases (affects balance sheet accounts)	(18,000)	(17,291)	0	2,318	0	0	0
Add back depreciation (non-cash)	20,000	21,460	15,000	22,391	15,000	15,000	21,000
Total Adjustments	2,000	4,169	15,000	24,709	15,000	15,000	21,000
<b>Modified Ending Fund Balance (cash based)</b>	<b>454,047</b>	<b>150,911</b>	<b>115,448</b>	<b>133,306</b>	<b>32,907</b>	<b>82,585</b>	<b>51,586</b>

\* Synod Council renamed this fund in December 2023 by redesignating the balance of \$1,835 from the former Synod Staff Growth Fund (35070). Synod Council also approved the transfer of \$169,093 (total of forgiven Paycheck Protection Plan loans) from the General Fund to this fund based on alignment with the purpose of the PPP loans. Executive Committee acted in December 2023 to approve the transfer of \$5,417 to this fund (unused Continuing Education balance as of 06/30/2023 from a former Assistant to the Bishop). Moving forward, this fund will be used to support staffing costs as needed, including but not limited to, transitional costs related to Bishop elections, training and development, sabbatical support, and salary support

The transfers on line 82 for this and subsequent years reflect current year less prior year staff salaries and benefits expense. The projected balance in the Synod Staff Support fund at 1/31/26 is \$109K. Synod Council would need to adopt a motion to approve these transfers.

\*\* This fund is required by our constitution to provide a cushion against tight cash flow and may be no more than 16% of the synod's annual budget. S15.14. *Except when such procedure would jeopardize current operations, a reserve amounting to no more than 16 percent of the sum of the amounts scheduled in the next year's budget for regular distribution to synodical causes shall be carried forward annually for disbursement in the following year in the interest of making possible a more even flow of income to such causes. The exact number of dollars to be held in reserve shall be determined by the Synod Council.*

In December 2023, Synod Council adopted a motion to increase the amount in this fund from 1% to 15% of subsequent year's budgeted expenses.

## Synod Staff Compensation Overview

*(status as of March 2025)*

### Called Staff Resources

Position	Status
Bishop	Full time
Assistant to the Bishop for Congregational & Leadership Excellence	Full time
Assistant to the Bishop & Director for Evangelical Mission (DEM)	Full time
<b>Total Annual Called Staff Salaries</b> (Salary + Housing + Soc. Sec. Allowance)	<b>\$300,835</b>

### Directors and Administrative Support Staff Resources

Position	Status *
Director of Finance (20 hours per week)	Part time
Office Manager (20 hours per week)	Part time
Driver for the Bishop (20 hours per week)	Part time
Synod Communications Director	Full time
<b>Total Annual Administrative Support Staff Salaries</b> <i>(Does <u>not</u> include Benefits)</i>	<b>\$149,349</b>

---

\* Weekly hours for part-time positions are estimated average values on an annual basis.

# North/West Lower Michigan Synod

## **2026 Compensation Guidelines for Ministers of Word and Sacrament (Pastors), Ministers of Word and Service (Deacons), Synodically Authorized Ministers, and Other Staff**



**NOTE from NWLM Synod Council:** This draft document is forwarded to the 2025 Synod Assembly for approval. All changes made within the document (compared to the previous year) are highlighted in **red font**.

**North/West Lower Michigan Synod  
240 South Bridge St., Suite 120  
Dewitt, MI 48820**

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## Preface

The ELCA recognizes two categories for Rostered Ministers: Ministers of Word and Sacrament (Pastors) and Ministers of Word and Service (Deacons). Each rostered minister has been fully approved by their Candidacy Committee and called to serve in their respective ministry field.

- **Pastors** have received theological and practical training for the **ministry of Word and Sacrament** that is carried out in a variety of settings in congregations and institutions of the ELCA. They typically have a 4-year Master of Divinity degree and are ordained by the ELCA.
- **Deacons (formerly Associates in Ministry, Deaconesses, or Diaconal Ministers)** have received theological and practical training for the **ministry of Word and Service**. **Deacons** go through the candidacy process of the ELCA before they are ordained for **ministry of Word and Service**. They may be called by a congregation, a synod or the churchwide expression. They serve within congregations as well as outside of congregations in schools, agencies and institutions. They strive to be witnesses to this church and the world. They represent the church in settings and positions other than the traditional role of pastor.

Enclosed are the **2026 North/West Lower Michigan Synod Compensation Guidelines** for these rostered ministers (see Sections I-III). Also included are guidelines for Synodically Authorized Ministers and other congregation staff members (see Section IV). These guidelines are offered as input for congregation councils and other leadership teams to determine just and honorable salary, benefits, allowances, and reimbursements for those in ministry across our synod.

Congregations are expected to use the synod guidelines as a resource – a starting point in establishing compensation for pastors, deacons, and lay staff. However, these are only guidelines. They cannot possibly speak to all congregations with varying financial and personnel resources and expectations. They are also not intended to provide U.S. Internal Revenue Service (IRS) federal tax advice. Employees and congregations are encouraged to consult with a tax expert as needed to ensure compliance with applicable IRS rules and regulations. If there are any discrepancies in information between what is contained in these guidelines related to housing, social security allowance, etc. and what is provided by the IRS, information provided by the IRS is controlling and should be used. Further, if there are any discrepancies between what is contained in these guidelines related to pension, insurance benefits, etc. and what is provided by Portico Benefit Services, information provided by Portico Benefit Services and the applicable summary plan descriptions are controlling and should be used.

These annual guidelines include recommended increases to base salaries based on cost of living and other strategic inputs along with changes to general guidelines for reimbursements and time off to ensure consistency with other synods in our region. Merit based increases also continue to be encouraged where appropriate based on an individual congregation's overall compensation package and a pastor's role and responsibilities within the congregation.

80 For 2026, these items should be noted:

81 • **2026 ELCA Pension and other Benefits:**

82 ○ The standard expectation of this synod is that any congregation or eligible ministry setting  
83 will provide health coverage for the rostered minister and their family, unless the rostered  
84 minister’s family is covered elsewhere or chooses to waive coverage.

85 ○ To maintain the current level of benefits for rostered leaders and “at will” employees, it  
86 is recommended that congregations of the North/West Lower Michigan Synod (or other  
87 eligible ministry settings) continue to offer the ELCA **Gold+** Pension and other Benefits  
88 plan option in for their employees. The Gold+ plan option most closely resembles  
89 historical ELCA Primary health coverage (prior to moving to the different levels in 2014 –  
90 Gold+, Silver+, etc.). Having all congregations choose the Gold+ plan option will both  
91 continue to care for the health and well-being of all who serve under call or terms of  
92 employment and eliminate many of the variables facing congregations and employees in  
93 the midst of change.

94 ○ In some cases, it may benefit the **organization (congregation)** to select the Silver+ plan **for**  
95 **their employees** which allows a Health Savings Account (HSA) option. **Note that each**  
96 **organization is required to select a single level of coverage for all employees. It is possible**  
97 **for employees to “buy up” (pay the difference in premium costs) from a lower level to a**  
98 **higher level of coverage (i.e., from Silver+ to Gold+) – but they cannot select a lower level**  
99 **of coverage (i.e., from Gold+ to Silver+). If one or more employees are interested in**  
100 **contributing to an HSA, the organization should consider standardizing on the Silver+**  
101 **option, allowing those who wish to do so “buy up” to the Gold+ plan. Coverage of the**  
102 **premium difference is negotiable based on the organization’s policies.**

103 ○ The Portico benefit program is designed to align with the ELCA Philosophy of Benefits. As  
104 such, it is a bundled (“all or nothing”) benefit program that combines five benefit plans  
105 together to align with ELCA values and affirm the importance of benefits for the health  
106 and wellness of this church.

107 ○ ELCA congregations and other eligible sponsoring employers can participate in the ELCA  
108 Pension and Other Benefits Program, which includes:

109 1. ELCA Health Benefits Plan — Health benefits including medical and mental health,  
110 dental, prescription drugs, support services, and wellness programs.

111 2. ELCA Flexible Benefits Plan — Health flexible spending accounts (FSA), dependent  
112 (day) care flexible spending accounts (FSA), health savings accounts (HSA), limited-  
113 purpose flexible spending accounts (FSA), and personal wellness accounts, which can  
114 be used to pay for eligible expenses.

115 3. ELCA Retirement Plan — Sponsoring employers and eligible plan members contribute  
116 to save money for plan members’ retirement.

117 4. ELCA Disability Benefits Plan — Provides eligible disabled plan members a monthly  
118 income, health benefits, life insurance, and retirement account contributions.

- 119 5. ELCA Survivor Benefits Plan — Life insurance to help plan members’ beneficiaries with  
120 financial obligations in the event of a death.
- 121 ○ **Health Coverage Offset:** In some situations, a rostered minister is covered under the  
122 health insurance of a spouse, which makes the rostered minister eligible to waive the  
123 Portico medical/dental health coverage and still participate in the other Portico benefits.  
124 In these situations, at least 50% of what the Portico medical/dental costs to the  
125 congregation would have been can, through conversation with the rostered minister (in  
126 consultation with their tax advisor as needed) and the Bishop’s office, be applied to other  
127 benefits, i.e., a medical deductible allowance, HSA/FSA, or pension (as examples). The  
128 remaining money is a savings to the congregation.
- 129 ○ The Synod recommends that congregations contribute the **12%** retirement rate for  
130 rostered ministers (Pastors and Deacons). This 12% rate should be used whether the  
131 pastor is called full-time or part-time, as this percentage is calculated on their defined  
132 compensation and will therefore reflect a reduced amount if the pastor is not full-time.  
133 Additional retirement contributions can be made by the employee (member pretax). If  
134 the employer chooses to make additional contributions from time to time, they can be  
135 included when paying the regular monthly bill by using the *Explanation of Payment*  
136 included in the monthly billing statement.
- 137 ● **Increases to Base Salaries for Pastors, Deacons, and Other Staff:** Based on salaries offered  
138 by other synods in our region (ELCA Region 6), the current economic climate, and economic  
139 indicators such as the U.S. Department of Labor Consumer Price Index and Social Security  
140 Administration’s Cost of Living Adjustment (COLA), **an increase of 4.0% has been**  
141 **incorporated into the Base Salary Model used by the North/West Lower MI Synod for both**  
142 **pastors and deacons** to set minimum compensation recommendations for **2026**. In addition,  
143 each year a staff person has an additional year of experience that adds value to the shared  
144 ministry. This added experience needs to be considered in providing fair compensation for  
145 employees.
- 146 ● **Bringing Compensation up to Guidelines:**
- 147 ● If your congregation’s pastor or other employees have compensation packages that are  
148 below guidelines in terms of applicable base salary, housing, benefits, etc., a strong, good-  
149 faith effort should be made to increase their compensation to meet synod guidelines. The  
150 bishop is available for consultation as a plan to achieve a fair and competitive  
151 compensation package is developed.
- 152 ● A congregation that ultimately cannot meet the recommended compensation amount  
153 within these guidelines within a reasonable time period and, therefore, cannot  
154 compensate its rostered minister fairly and adequately, should consider alternatives such  
155 as merging with another congregation, a shared rostered minister, a part-time rostered  
156 minister, etc. Cutting back a full-time rostered minister’s hours to part-time hours  
157 invalidates the original letter of call and requires negotiating a new call. Congregations  
158 facing any of these situations should contact the Office of the Bishop for advice and  
159 assistance.

160 These synod guidelines are maintained and updated annually by the Executive Committee of  
161 Synod Council. Changes to the annual guidelines are forwarded by Synod Council for approval at  
162 Synod Assembly. Upon adoption by the Synod Assembly, the final document is publicized on the  
163 synod website ([www.mittensynod.org](http://www.mittensynod.org)) for reference and use in current call processes and for  
164 use in planning for annual compensation changes for a rostered minister currently under call. As  
165 appropriate, Synod Council has the authority to approve changes to these guidelines between  
166 Synod Assemblies.

167

168 The following references are provided for additional consideration:

- 169 • General link to IRS On-Line Publications [<http://www.irs.gov/publications/>]
- 170 • IRS Topic 417 – Earnings for Clergy [<http://www.irs.gov/taxtopics/tc417.html>]
- 171 • IRS Publication 517 - Social Security and Other Information for Members of the Clergy and  
172 Religious Workers [<http://www.irs.gov/publications/p517/>]
- 173 • With regard to Cost-of-Living Allowance (COLA), visit the Social Security website at  
174 [www.ssa.gov](http://www.ssa.gov) (see Frequently Asked Questions) or contact your local Chamber of Commerce.  
175 These are very helpful in finding the actual cost of living variances in your specific county.
- 176 • Since there are many factors in figuring health benefits rates, contact the Portico Benefit  
177 Services by phone (800-352-2876) or e-mail ([mail@porticobenefits.org](mailto:mail@porticobenefits.org)) for assistance.  
178 Additional information, including on-line calculators and forms are also available:
- 179 ○ Portico Benefit Services Employer Page: <https://employerlink.porticobenefits.org>
- 180 ○ Portico Benefits Cost Calculator Tool:  
181 <https://employerlink.porticobenefits.org/Resources/Calculators/BenefitsCostCalculator.aspx>
- 182 • The ELCA website ([www.elca.org](http://www.elca.org)) also contains further compensatory information.
- 183 • “The Need for Clergy Renewal”, posted in December 2006 by Alban at Duke Divinity School  
184 (<https://alban.org/archive/the-need-for-clergy-renewal/>)
- 185 • Clergy Renewal: The Alban Guide to Sabbatical Planning by A. Richard Bullock and Richard J.  
186 Bruesehoff (available at [www.amazon.com](http://www.amazon.com))
- 187 • Journeying toward Renewal: A Spiritual Companion for Pastoral Sabbaticals by Melissa Bane  
188 Sevier (available at [www.amazon.com](http://www.amazon.com))
- 189 • Pastor and People: Making Mutual Ministry Work (available at [www.augsburgfortress.org](http://www.augsburgfortress.org))
- 190 • Our Staff: Building Our Human Resources (available at [www.augsburgfortress.org](http://www.augsburgfortress.org))
- 191 • ELCA Synodically Authorized Ministry Guidelines: see the following [www.elca.org](http://www.elca.org) link:
- 192 • [https://download.elca.org/ELCA Resource Repository/Synod Authorized Ministry Guidelines.pdf](https://download.elca.org/ELCA%20Resource%20Repository/Synod%20Authorized%20Ministry%20Guidelines.pdf)



193 **I. Compensation for Full-Time and Part-Time Ministers of Word**  
194 **and Sacrament (Pastors) under Call**

195  
196 These guidelines are applicable to ministers of Word and Sacrament (pastors), who are in  
197 positions designated as full-time and part-time (benefit eligible) under Letter of Call. The ELCA  
198 defines a part-time (benefit eligible) call as less than full time but not less than, on average, 15  
199 hours per week. Work that is less than 15 hours a week (on average) is not benefit eligible and is  
200 arranged by contract rather than via a Letter of Call. Guidelines for pastors in contracted, supply,  
201 or part time interim positions are provided in Section II.

202  
203 A pastor assumes many responsibilities – they are preachers, evangelists, administrators,  
204 teachers, counselors and leaders. The ELCA requires eight years of study (including a Bachelor  
205 and Master of Divinity degrees) as a part of the preparation for ordained ministry. Compensation  
206 for pastors should be comparable to professional positions of equal responsibility, education, and  
207 time commitment.

208  
209 Adequate compensation enables a pastor to fulfill responsibilities and obligations, encourages  
210 vocational satisfaction, and encourages a pastor’s best efforts and gifts. Congregations and our  
211 synod have an obligation to review compensation plans annually. We also expect pastors to take  
212 initiatives in seeking annual reviews of compensation.

213  
214 Inadequate compensation may result in discouragement and dissatisfaction. This sometimes  
215 occurs as a pastor’s family cannot maintain financial stability, as negative attitudes toward the  
216 congregation and church begin, or as an inability to participate in continuing education programs.  
217 Inadequate compensation means low contributions to retirement plans, which leads to  
218 inadequate retirement income. All of these realities increase the occurrence of resignations from  
219 ordained ministry, make it more challenging to recruit able candidates to our synod, and can  
220 create a poor image of the church in our communities.

221  
222 Our synod recognizes there are pastors and congregations who, for a variety of reasons, move  
223 forward with salaries that are below the synod’s recommended minimum guidelines. As an  
224 example, healthcare costs through Portico increase each year – typically between 2-5%. These  
225 increasing costs may make it difficult for congregations to maintain health coverage for their  
226 rostered minister and family AND offer an increase in base salary. We caution these pastors and  
227 congregations, however, that they are doing disservice to the congregation, other pastors, and  
228 pastoral successors by allowing the compensation package to remain below recommended  
229 minimum guidelines for an extended period. In such situations, the congregation, pastor, and  
230 bishop’s office should work together to develop a short-term (2-3 year) plan to move toward  
231 minimum guidelines and implement other ways to compensate and care for the pastor in the  
232 interim period. Ideas include:

- 233 • An extra week of vacation per year.
- 234 • An extra week of continuing education or study time.

- 235
- 236
- 237
- 238
- 239
- A monthly study day, during which the pastor would be unavailable and would use that time to pray, read scripture, explore a topic that would benefit ministry, etc. This would NOT be a vacation day, but it would be a valuable time of renewal for the pastor.
  - Ask your pastor what would be most helpful in her/his ministry and how the congregation can help.

240

241 A Statement of Compensation, Benefits and Responsibilities form (Appendix A) should be  
242 completed and submitted to the bishop’s office annually. Links to information from the IRS and  
243 Portico Benefits Services are provided in the Preface section of this document for reference.

244

## 245 **A. Base Compensation**

246

### 247 **Base Salary (Appendix A, Section A-1)**

248 The base salary for ministers of Word and Sacrament (clergy) is determined using the following  
249 considerations:

- 250
- The **2026** Yearly Minimum Base Salary Grid for Pastors (see below)
  - Performance evaluation to include an overview of duties performed during the year, scope of responsibility, any expanded ministries, meeting the objectives of the Call, etc.
    - [Pastor and People: Making Mutual Ministry Work](#) (available from [www.augsburgfortress.org](http://www.augsburgfortress.org)) has a section on Performance Reviews that may be helpful.
  - Other factors to be considered include items such as:
    - education (either advanced or specialized)
    - educational debt
    - prior experience of second career candidates
    - length of time in the call
    - breadth and complexity of on-going and/or future responsibilities
    - salaries of similar professionals in the current job market/local area
    - cost of living in the local area
    - financial ability of the congregation
    - other factors identified by the congregation/pastor
    - housing allowance (changes up or down can impact base salary; see below)
  - Base salary does not include:
    - Housing, utilities, car allowance, or other such items
    - continuing education allowance
    - pension and insurance benefits
    - fees received for weddings, funerals, and outside speaking engagements
  - Income received by a spouse is not a consideration when establishing base salary

271

272

273

274 **Changes to Recommended Base Salaries for Pastors:**

- 275 • A **4.0% increase to the Base Salary Model for 2026** is recommended based on the following:
- 276 ○ **Cost of Living Allowance (COLA):** The most recent COLA increases were **2.5% (2025)**,
- 277 **3.2% (2024)**, **8.7% (2023)**, **5.9% (2022)**, **1.3% (2021)**, and **1.6% (2020)** (see
- 278 <http://www.socialsecurity.gov/news/cola/> (keyword COLA).
- 279 • **ELCA Region 6 Assessment:** An assessment of **2025** Compensation Guidelines across all
- 280 synods in Region 6 was conducted – comparing Pastor base salaries only. For **2026**, the
- 281 recommended % increase to the base salary model provides continued consistency and
- 282 competitiveness between our synod’s base salaries and those of other synods in our
- 283 region to ensure fair compensation for rostered leaders and to support congregations in
- 284 attracting new and/or keeping experienced rostered leaders to our synod within
- 285 competitive Call processes.
- 286 • It is recognized that some congregations may not be able to fully include this strategic
- 287 increase in their pastor’s compensation package in a single calendar year. If this is the case,
- 288 it is recommended that congregations develop a multi-year plan (in consultation with the
- 289 bishop as needed) to gradually bring a pastor’s compensation package in line with the
- 290 minimum base salary recommendations.

291

292 **2026 Minimum Base Salary Recommendations for Ministers of Word and Sacrament (Pastors)**

293 These figures are minimum base salaries based on a full-time call and assume the pastor will

294 receive a housing allowance or parsonage in addition to the base salary. Salaries for part-time

295 calls should be based on a corresponding percentage of these guidelines. A full-time call is based

296 on 50 hours/week (on average). Congregations cannot change a pastor’s call more than 10%

297 without consulting the bishop and issuing a new Letter of Call.

298

Years of Service *	Recommended Minimum Base Salary (\$) **
0-1	48,247
2	48,747
3	49,247
4	49,747
5	50,247
6	50,747
7	51,247
8	51,747
9	52,247
10	52,747
11	53,247
12	53,747
13	54,247
14	54,747
15	55,247
16+	55,747 **

299 \* For pastors, “Years of Service” equals “Years of Experience” as a minister of Word and Sacrament  
300 (with credit given for prior employment experience as appropriate).

301 \*\* NWLM Salary Model for Pastors: An increase of **4.0%** was applied to the base salary for 0 Years of  
302 Service; add \$500 for each Year of Service through 16 years; add \$700 for each Year of Service for 17  
303 years and beyond.

304

### 305 **Merit Based Raise (Appendix A, Section A-2)**

306 In consideration of pastors whose work meets or exceed expectations and the congregation’s  
307 goals for ministry, congregations are encouraged to consider appropriate merit increases  
308 (typically 1-3%) in addition to the base salary increase each year.

309

### 310 **Housing (Appendix A, Section A-3)**

311 Housing provided for a Minister of Word & Service (Pastor) should be comparable to at least the  
312 average home in the congregation and community. The congregation should provide either a  
313 suitable parsonage or a housing allowance.

314

#### 315 • Parsonage

316 ○ A pastor may prefer to live in a parsonage rather than owning a home. If a parsonage is  
317 provided, the congregation should assume all costs for maintenance and utilities (except  
318 for personal long-distance phone charges).

319 ○ It is important that parsonages be sufficiently maintained. An annual walk-through of the  
320 parsonage by the council or delegate team is advised to note the general condition of the  
321 home and plan for regular maintenance or other improvements.

322 ○ Equity Allowance Plan (Housing Equity Allowance)

323 ■ This plan is intended to provide for the needs of pastors who live in parsonages and  
324 therefore cannot build equity in a home. Pastors in this situation often come to  
325 retirement with limited savings and have difficulty providing housing for themselves  
326 and their spouses on limited retirement income once a parsonage is no longer  
327 available.

328 ■ When a pastor lives in a parsonage provided by the congregation, the congregation  
329 should increase its contribution to the pastor’s pension plan by at least **an additional**  
330 **3%** of the base salary.

331

#### 332 • Housing Allowance

333 ○ If a parsonage is not provided or a pastor prefers to own their own home, he or she may  
334 request that a portion of his or her total annual compensation be designated as a housing  
335 allowance, in accordance with Internal Revenue Service (IRS) regulations (see IRS  
336 Publication 517, “Social Security and Other Information for Members of the Clergy and  
337 Religious Workers”). The employee assumes full responsibility for compliance with IRS  
338 definitions of “costs to provide a home”.

339 ○ The housing allowance is recommended to be equivalent to **at least 30%** of the minimum  
340 base salary to cover “costs to provide a home” including mortgage payments (interest  
341 and principal) or rental payments, related taxes, fire and home liability insurance  
342 premiums, utility costs, repairs, and other expenses directly relating to providing a home.

343 The only expenses specifically excluded by the regulations are those for food and cleaning  
344 service. The housing allowance is not part of the base salary – the base salary plus the  
345 housing allowance are two separate parts of the overall Base Compensation (see  
346 Appendix A, Section A).

- 347 ○ Once the Base Salary and Housing Allowance are set, pastors can choose to adjust  
348 (increase or decrease) the Housing Allowance with accompanying increase or decrease to  
349 the Base Salary. The total sum of Base Salary + Housing Allowance should remain constant  
350 if adjustment to the Housing Allowance is made. It is suggested that congregations keep  
351 detailed documentation of any adjustments made to ensure future increases or changes  
352 are made with knowledge of the actual Base Salary amount.
- 353 ○ Payments officially designated as a housing allowance must be used in the year received.
- 354 ○ When a housing allowance is requested by the pastor, the congregation council (or  
355 equivalent leadership team) must designate it (approve it) prior to January 1 of the year  
356 it is to be received. There must be written documentation and it must be provided in the  
357 congregation council (or equivalent) minutes.

358

### 359 **Parsonage vs. Housing Allowance**

360 Many parishes have defined housing provisions for the pastor. However, some might  
361 encounter a change from parsonage to housing allowance, which enables a pastor to  
362 purchase his or her own home. Congregations may also have a pastor who prefers living  
363 in a parsonage to owning a home. There are advantages in either decision, only a few of  
364 which are listed here:

365

- 366 ● Parsonage
  - 367 ○ The pastor could be more mobile and would not have to give thought to the direct  
368 responsibilities of personal home ownership (e.g., mortgage payments,  
369 maintenance, taxes, insurances, etc.)
  - 370 ○ The congregation will have housing available immediately for a new pastor and  
371 will have the advantage of equity.
- 372 ● Home Ownership
  - 373 ○ Allows the pastor to select a location and build equity, providing a hedge against  
374 inflation.
  - 375 ○ The congregation does not have the responsibility of maintenance, taxes,  
376 insurance, etc.

377

### 378 **Social Security Allowance (Appendix A, Section A-4)**

379 Currently, Social Security tax and Medicare is 7.65% (6.2% SS and 1.45% Medicare) for employer  
380 and 7.65% for the employee. That means employees pay one half of the total Social Security  
381 assessed tax, and the employer pays the other half. Pastors are in a unique situation in that  
382 according to the Internal Revenue Service, ordained professionals are classified not as  
383 'employees', but as 'self-employed' meaning clergy are expected to pay the entire 15.3% Social  
384 Security tax.

385

386 Under current law, congregations are prohibited from directly paying social security tax for their  
387 pastors. For this reason, throughout the ELCA, synods strongly recommend that all congregations  
388 pay the additional 7.65% as a **Social Security offset/allowance**. This offset/allowance is  
389 calculated based on the total of the Base Salary + Housing Allowance. The allowance must be  
390 considered as salary (i.e., part of the defined compensation) in reporting to the IRS and is also  
391 considered income when computing pension plan contributions.

392

### 393 **Minimum Defined Base Compensation**

394 Minimum defined base compensation is equal to the Base Salary + Housing or Housing Allowance  
395 + Social Security Allowance.

396

397 Example: For a First Call Pastor with 0-1 years of experience as an ordained pastor, the minimum  
398 defined base compensation targeted based on the guidelines would be **\$48,247** (targeted base  
399 salary for a first call pastor) + **\$14,474** (targeted housing allowance at 30% base salary) + **\$4,798**  
400 (Social Security Allowance at 7.65% of base salary + housing) totaling (=) **\$67,519**.

401

402 As stated previously in the Housing Allowance section, once the Total Base Compensation (Base  
403 Salary + Housing Allowance + Social Security Reimbursement) is determined, the amount of this  
404 total that is designated as Housing Allowance can be adjusted to meet the needs of the pastor as  
405 long as the Total Base Compensation remains the same. In other words, the pay designated as  
406 salary on the W2 can decrease (or increase) as the part designated as Housing Allowance can  
407 increase (or decrease). The overall Total Base Compensation should remain the same. Again, it is  
408 suggested that congregations keep detailed documentation of any adjustments made to ensure  
409 future increases or changes are made with knowledge of the actual Base Salary amount.

410

## 411 **B. Pension and Insurance Benefits**

412

### 413 **Pension (Appendix A, Section B-1)**

414 The Pension and Other Benefits Plan of the Portico Benefit Services, includes the pastor's  
415 pension, personal and family health-dental insurance, disability and survivor benefits, and a small  
416 administrative cost. The cost to the congregation is based on the age of the pastor **as of**  
417 **December 31, 1987**, and the pastor's salary, housing, and Social Security Allowance. In addition,  
418 the cost varies if Medical/Dental coverage is for member, member and spouse, member and  
419 children or member, spouse and children.

420

421 Beginning in 1995, members who have medical/dental insurance through another employer-  
422 provided plan (i.e., spouse, or former employer) may waive the medical and dental portion of the  
423 Portico plan. However, the congregation would still be responsible for Disability and Retiree  
424 Support. While not required, congregations may have provisions included in their policies and/or  
425 Employee Handbooks that allow them to consider offering additional compensation if the  
426 medical and dental portion of the Portico plan is waived. This could come in the form of an  
427 increase to base pay (taxable income), an increase to the pension contribution, etc.

428

429 Portico Benefit Services Pension Plan

430 Upon election of participation in the program offered by the Portico Benefit Services, each  
431 congregation's contribution to the program is based on the percentages defined below.

432

433 Predecessor church (ALC, LCA, AELC) plan members with continuous participation since 1987:

434

435 **Age on December 31, 1987:**

436 65 yrs or older: 12%

437 55-64 yrs: 11%

438 All other members: 10%

439

440 Note: Congregations may choose to remit contributions at a higher level by making additional  
441 pension contributions for members. As stated earlier, the Synod recommends that  
442 congregations contribute at a 12% retirement rate for rostered ministers. This 12% rate should  
443 be used whether the pastor is called full-time or part-time, as this percentage is calculated on  
444 their defined compensation and will therefore reflect a reduced amount if the pastor is not full-  
445 time.

446

447 **Pretax Contribution Agreement (Optional Pension Payments)**

448 The pastor and the congregation may elect to enter into an agreement whereby additional  
449 contributions are made to the pastor's pension plan. The Internal Revenue Service sets annual  
450 limits for retirement plan contributions. Contact the Portico Benefit Service Center for more  
451 details [800-352-2876].

452

453 **Medical and Dental Insurance (Appendix A, Section B-2)**

454 Medical and Dental insurance is provided through Portico Benefit Services. The sponsored  
455 member's employer furnishes the required monthly contributions for the member's coverage to  
456 Portico Benefits Services.

457

458 The Affordable Healthcare Act that was adopted by Congress took effect in 2014. Each year, the  
459 congregation and employee will be required to select the level of health care coverage for the  
460 following year. This selection must happen even if the employee waives the Portico coverage.  
461 Portico follows the national standards and has identified the different levels of cost sharing as  
462 platinum, gold, silver and bronze. Both the employer and the insured will need to choose the  
463 same level of coverage in order to make certain that healthcare coverage continues to be  
464 provided or is provided for the first time.

465

466 This new coverage is different than the former coverage offered by Portico in a number of ways,  
467 but much remains the same. Differences include:

468

- The choice of the level of coverage (platinum, gold, silver, or bronze)

469

- Factoring in the age of the insured

470

- The obligation to offer healthcare benefits to all full-time employees (pastors, deacons, and other employees)

471

472

473 What remains the same:

- 474 • ELCA guidelines for historical insurance coverage most closely match the “Gold+” level in the  
475 Portico plan. Since the “Gold+” level most closely matches previous years’ standard  
476 insurance, congregations are strongly encouraged to maintain this level of insurance.  
477 ○ In some cases, it may benefit the rostered minister to select either the Bronze+ or  
478 Silver+ plan which can come with a Health Savings Account (HSA). If this option is  
479 desired by the rostered minister, it should be discussed with the Congregation’s  
480 Executive Committee (or similar) before the time of the annual selection and/or noted  
481 to the Bishop during a call process.  
482 ○ If there is a concern about the congregation’s ability to provide coverage at the Gold+  
483 level, please notify the Bishop’s office as soon as possible.
- 484 • Coverage is “portable” that is, it travels with the insured from call to call and state to state  
485 without beginning from zero in the new place.
- 486 • It is still possible to opt out of Portico Health Coverage, provided there is other employer-  
487 sponsored healthcare available with the congregation determining appropriate adjustments  
488 to the base compensation or other benefits (i.e., pension).
- 489 • Rates are based on the member’s coverage level. There are four coverage levels, and each  
490 level has an established minimum and maximum contribution: Member Only; Member and  
491 Spouse; Member and Children; Member, Spouse, and Children
- 492 • All Portico plans are “bundled” which means coverage is required on an “all or nothing” basis  
493 (i.e., a member cannot “opt” out of disability coverage, dental coverage, etc.).  
494

495 Contribution rates are aligned to individual synods and geographical areas within synods because  
496 medical and dental expenses vary according to area. Contact Portico for your area’s rate  
497 (<https://www.porticobenefits.org/>).

498

#### 499 **Sponsored Couples**

500 If both spouses are sponsored in the Portico Benefits Services, contact Portico for more  
501 information and guidance.

502

#### 503 **Portico Benefit Services**

504 Contact Portico Benefits Services for information about Pension and Insurance. There are forms  
505 available online. To report new contact information, change of salary, or end of call, contact a  
506 Portico representative directly at <https://porticobenefits.org/>.

507

#### 508 **Disability**

509 Disability benefits are included in the Portico Gold+ In the event of a pastor’s disability, it is  
510 recommended that the congregation continue to pay the full salary for the first sixty (60) days of  
511 disability, until the disability benefits of the ELCA Pension Plan take effect.

- 512 • This plan pays 2/3 percent (66.6%) of “Monthly Defined Compensation” beginning with the  
513 third month of disability.
- 514 • It is recommended that the congregation continue to provide housing or housing allowance  
515 during temporary disability or until termination of Call.



- 516 • If the disability continues for six (6) months, the congregation council in consultation with the  
517 bishop shall recommend a course of action to the congregation and the pastor.  
518

### 519 **C. Expenses**

#### 520 **Automobile (Appendix A, Section C-1)**

521 Congregations should provide an adequate car allowance in one of the following ways:

- 522
- 523 • Reimburse the pastor for actual miles driven in service of the congregation (up to an annual  
524 designated amount set by the congregation).
    - 525 ○ This can be done on a cents per mile basis. Such reimbursement should be consistent  
526 with the current IRS rate (i.e., 70 cents/mile in 2025; [Standard Mileage Rates | Internal  
527 Revenue Service \(irs.gov\)](#))
  - 528 • Pay the pastor a fixed amount in equal monthly installments for the year.
    - 529 ○ This is generally the least complicated way to handle the matter, but not the most  
530 favorable way when dealing with taxes.
    - 531 ○ If used, income per month needs to be added to salary at year-end.
  - 532 • A congregation may also buy or lease a vehicle and assume the total cost of operation.  
533 Experience indicates that unless the vehicle is driven more than 30,000 miles annually,  
534 ownership is not the most cost-efficient option.  
535

#### 536 **Continuing Education (Appendix A, Sections C-2; D-2; D-3)**

537 It is recommended that each congregation annually budget a **minimum of \$1000** and **two weeks**  
538 **per year** for a pastor's continuing education. This should include a maximum of two Sundays if  
539 required for travel or conference time.  
540

- 541 • Accumulation of time and funds to permit flexibility may be negotiated between the pastor  
542 and congregation council. Accumulation over a 5-year period is suggested **to allow use in  
543 support of a sabbatical (as an option)**.
- 544 • Further information about continuing education is provided in Section D (Paid Time Off)  
545

#### 546 **Professional Expenses (Appendix A, Section C-3)**

547 The congregation and the pastor should share professional expenses such as theological books,  
548 periodicals, program materials, and other educational materials. Coverage of expenses for official  
549 meetings of the synod is required.  
550

#### 551 **Computer and Cell Phone (Appendix A, Section C-4)**

552 It is recommended that the congregation provide the pastor with a computer (laptop and/or  
553 desktop with monitor, keyboard, etc.) and a cell phone to facilitate ministry. Items to note:  
554

##### 555 Computers

- 556 • A computer system provided by the congregation for the pastor's use remains the property  
557 of the congregation (including all information stored on the computer) and is to be treated  
558 as a business expense that is not taxable to the pastor.

- 559 • A computer system purchased by the pastor is NOT a deductible business expense, even  
560 when used for business purposes.

561  
562 Cell Phones

- 563 • A cell phone provided by the congregation for the pastor’s use remains the property of the  
564 congregation and is a non-taxable business expense if the council minutes state it is primarily  
565 provided for non-compensatory business reasons (such as the need to be accessible at all  
566 time for work-related emergencies).
- 567 • The pastor may be provided with a non-taxable cell phone reimbursement if council minutes  
568 state that the pastor is required to maintain a personal cell phone for non-compensatory  
569 business reasons and the reimbursement amount does not exceed reasonable business  
570 needs (i.e., reimbursement covers the basic monthly plan, not the family plan for extra  
571 minutes).

572  
573 **Moving Expenses (Appendix A, Section C-5)**

- 574 • Moving expenses normally are paid in full by the calling congregation. This one-time cost can  
575 be significant - recent experience indicates that costs can range from \$8,000 to \$15,000.  
576 Some congregations work to set aside a sufficient amount in anticipation of an upcoming  
577 pastoral transition. Others have had a special offering to assist with this expense.
- 578 • It is recommended that the pastor submit two to three estimates to the congregation.  
579

580 **D. Paid Time Off**

581  
582 **Weekly Time Off**

- 583 • Pastors are responsible for setting their schedules to meet the needs and expectations of  
584 their call. Pastors, like anyone else, need time off from work to replenish and re-energize.  
585 Congregations should ensure that each pastor has the equivalent of **two full days off** per  
586 week. The pastor’s weekly schedule (days/hours) may be negotiated as necessary.
- 587 • For the well-being of the pastor and health of the congregation, it is suggested that his or her  
588 schedule generally **not exceed 50 hours** in a work week. If longer work weeks are more the  
589 “norm” rather than the exception, congregation councils (or equivalent) are encouraged to  
590 partner with the pastor to assess alternate resource options, including items such as:
- 591 ○ determining if sufficient need and capacity (financial and otherwise) is in place to warrant  
592 calling another rostered leader – clergy or deacon - to serve the congregation
  - 593 ○ identifying possible opportunities for appropriate delegation of responsibility to staff  
594 members or lay leaders
  - 595 ○ ensuring effective time management strategies are being utilized
  - 596 ○ identifying responsibilities that are lower priority and could be done at a reduced  
597 frequency or discontinued
  - 598 ○ review, prioritization, and possible adjustment to expectations set forth within the call  
599 (done in consultation with the synodical bishop)

600  
601

602 **Vacation (Appendix A, Section D-1)**

- 603 • Vacation time is **four weeks** (based on the typical work schedule; including four Sundays)
- 604 • Attendance at official Synod or Churchwide assemblies, conferences, and continuing
- 605 education are not considered vacation time.
- 606 • Additional discussion and clarification should be made regarding days off, provision for
- 607 national holidays, other small blocks of “off” time, whether unused time is carried over to the
- 608 next year, and whether unused time is paid out at the end of the call.
- 609

610 **Continuing Education (Appendix A, Sections C-2; D-2; D-3)**

611 In order to update skills and thereby strengthen ministries, pastors are encouraged to enroll in

612 courses of advanced study as such activities improve and build ministry. The ELCA expects a

613 minimum of 50 contact hours annually in continuing education. A contact hour is defined as a

614 typical 50-minute classroom instructional session or equivalent. These experiences are to be

615 taken with colleagues and under responsible sponsorship, capable directors, and qualified

616 instructors, and should be pre-approved by the congregation council or equivalent.

- 617 • Pastors are encouraged to work with their congregation council annually in planning,
- 618 reviewing and recording continuing education activities and hours. These continuing
- 619 education endeavors are also to be reported annually to the Synodical Bishop.
- 620 • It is recommended that each congregation annually budget **a minimum of \$1000 and two**
- 621 **weeks per year** for a pastor’s continuing education (this applies to both full- and part-time
- 622 rostered ministers). This should include a maximum of two Sundays if required for travel or
- 623 conference time.
- 624 ○ Accumulation of time and funds to permit flexibility may be negotiated between the
- 625 pastor and congregation council. Accumulation over a **5-year** period is suggested.
- 626 ○ The scheduling of continuing education should be determined by the pastor in
- 627 consultation with the congregation council. As appropriate, the synodical bishop can also
- 628 be consulted.
- 629 ○ Official meetings of the synod such as Synod Assembly, Churchwide Assembly, conference
- 630 meetings, or other leadership events are not included as continuing education.
- 631 • **First Call Pastors** are required to participate in First Call Theological Education (FCTE) for the
- 632 first three years of ministry. FCTE includes but is not limited to a Fall Retreat (2-3 days) and
- 633 a Spring Retreat (2-3 days).
- 634 ○ Congregations should work with first call pastors to determine other continuing
- 635 education experiences for the growth of the pastor and the congregation.
- 636 ○ A First Call Theological Education Covenant shall be discussed and completed by the
- 637 Pastor, Council President, and Assistant to the Bishop.
- 638

639 **Churchwide / Synodical Commitments**

- 640 • There are times when a rostered minister is called upon to serve in ways that take her/him
- 641 beyond the congregation. Examples may include church-related activities such as serving as
- 642 chaplain at a church camp; serving on a synodical or ELCA council, committee or task force;
- 643 or filling a short-term teaching commitment at a college or seminary. Serving beyond one’s
- 644 home congregation in these or other ways is an integral part of public ministry. This

645 “extended ministry” is encouraged at appropriate levels and should be considered in  
646 consultation with the rostered leader’s Congregation Council or equivalent leadership body.  
647 This type of ministry beyond the congregation should not be considered as vacation time for  
648 the rostered minister.

- 649 • As required by the synod constitution and based on the Letter of Call, all rostered ministers  
650 are required to attend the Synod Assembly as voting members. It is the responsibility of the  
651 congregation or sponsoring organization to provide the financial support necessary for the  
652 rostered minister to attend the Synod Assembly each year.

653

#### 654 **Sick Leave (Appendix A, Section D-4)**

- 655 • Sick Leave for the employee should be provided for **up to six weeks per year** (based on the  
656 typical work schedule) with full salary, housing, and benefits.
  - 657 ○ Pay continuation when an employee is ill is a privilege and not a right or entitlement.  
658 Consequently, all employees are expected to work except when actually ill or when their  
659 absence is specifically approved for some other valid reason.
  - 660 ○ This time off is not accumulated (i.e., it is to be used within each calendar year) and should  
661 not be abused.
  - 662 ○ Employees are not paid for unused sick leave upon termination of employment.
  - 663 ○ Provision may be made for further unpaid time for disability recovery as agreed upon by  
664 the Congregation Council or equivalent leadership body.

665

#### 666 **Maternity Leave (Appendix A, Section D-5)**

- 667 • Provisions for maternity leave shall include **up to six consecutive weeks** (including Sundays)  
668 with full salary, housing and benefits.
- 669 • If a longer leave is sought by the pastor but not medically required, additional time may be  
670 negotiated by the pastor with the congregation council and provisions should be made for  
671 appropriate adjustment in salary and other compensation.
- 672 • If a longer leave is medically required, it should be handled as any other disability.

673

#### 674 **Paternity Leave/Adoptive Parental Leave (Appendix A, Section D-5)**

- 675 • Provisions for paternity leave and adoptive parental leave shall include **up to six consecutive**  
676 **weeks** (including Sundays) with full salary, housing and benefits.
- 677 • If there are special needs, additional time may be negotiated by the pastor with the  
678 congregation council and provisions made for appropriate adjustment in salary and other  
679 compensation, with appropriate documentation and approval by the congregation council.

680

#### 681 **Parenting Leave (Appendix A, Section D-6)**

- 682 • Parenting leave is directed towards providing care for a member of the employee’s  
683 immediate family who is ill or injured.
  - 684 • Immediate family members are the employee’s spouse, partner, children, parents and  
685 parents-in-law, siblings, grandparents, grandchildren, and minors for whom the  
686 employee is the legal guardian. The employee’s children include not only the employee’s

687 biological, adopted, or foster children, but also, legal wards, and children and  
688 stepchildren for whom the employee provides care and financial support on a daily basis.

- 689 • Such leave should include **up to six weeks** (based on a typical work week; including Sundays)  
690 full salary, housing, and benefits with appropriate documentation and approval by the  
691 congregation council (or equivalent leadership body).
- 692 • If there are special needs, additional time may be negotiated by the pastor with the  
693 congregation council and provisions made for appropriate adjustment in salary and other  
694 compensation, with appropriate documentation and approval by the congregation council.

695

#### 696 **Leave of Absence**

- 697 • Congregations and pastors are encouraged to formulate a contingency plan in advance for  
698 possible leave of absence. If desired, this may be made with synod staff consultation.

699

#### 700 **Sabbatical Leave (Appendix A, Section D-7; Appendix C)**

- 701 • A sabbatical leave is recommended to provide an opportunity for a full-time rostered minister  
702 to take an extended period of time on sabbatical for renewal, enrichment, study, spiritual  
703 growth, travel, skill development and/or research.
- 704 • A sabbatical is encouraged for full-time rostered ministers who have been in their present  
705 setting five years or more. It is up to the Congregation Council (or equivalent leadership body)  
706 to set the schedule for sabbatical leaves across their organization - includes determining if  
707 staffing adjustments are needed to cover the absence to ensure the needs of the organization  
708 are met.
- 709 • It is recommended that a sabbatical is planned for up to three months or 12 weeks (including  
710 the two continuing education weeks recommended for the year of the sabbatical).
- 711 • See Appendix C (“Sabbatical Policy”) for more details.

712

#### 713 **Separation Guidance (Appendix D)**

- 714 • There are varied circumstances in which a rostered minister’s call with a congregation may  
715 end; for example, due to local difficulties, conflict, vocational changes, continued education,  
716 changes in family, or other unforeseen circumstances. In these situations, rostered ministers  
717 and congregations are encouraged to be in conversation about transition plans and  
718 separation arrangements tailored for the specific circumstances, noting that often there is a  
719 period of unemployment before the rostered minister obtains a new call or other opportunity  
720 which will provide compensation and benefits.
- 721 • The Bishop’s office should be notified and is available to assist whenever the termination of  
722 a call is being considered.
- 723 • As most congregations do not participate in state unemployment insurance, rostered  
724 ministers are not eligible for unemployment compensation from the state. As such,  
725 congregations are strongly recommended to consider whether severance pay is appropriate  
726 to provide care and continued income for the rostered minister during the transition period.
- 727 • It is recommended that a congregation generally provide a severance package with 3 to 6  
728 months’ continuation of salary (including housing allowance if applicable and FICA offset) and  
729 insurance benefits (including pension contributions).

- 730 • See Appendix D (“Separation Guidelines”) for more details.  
731  
732

733 **II. Compensation for Contracted and/or Supply Ministers of Word**  
734 **and Sacrament (Pastors) and Ministers of Word and Service**  
735 **(Deacons)**  
736

737 Ministers of Word and Sacrament (Pastors) in part-time calls should refer to Section I for  
738 compensation guidelines. Ministers of Word and Service (Deacons) in part-time calls should refer  
739 to Section III for compensation guidelines.  
740

741 **Pastors or Deacons Under Contract**

742 In those instances where a congregation contracts for services of a rostered minister on a daily  
743 (8 hr/day) basis, the recommended minimum compensation is:

- 744 • \$225 per day plus expenses  
745     ○ Meals and mileage at the current IRS rate (i.e., 70 cents/mile in 2025).  
746 • If a full day is not required, a congregation may contract based on an hourly rate of \$30 per  
747 hour, with minimum pay of two hours or \$60.  
748

749 **Supply Pastors and Deacons**

750 Compensation for supply preaching (including sermon preparation, travel time, fellowship and  
751 worship time) should be as follows (at a minimum):

- 752 • \$225 for one worship service  
753 • \$50 for each additional worship service  
754 • Mileage at the current IRS rate (i.e., 70 cents/mile in 2025)  
755 • When an additional worship service is scheduled for Saturday or Sunday evening, the  
756 congregation is also responsible for supplying overnight lodging upon the request of the  
757 supply rostered minister.  
758 • The congregation may also compensate the supply rostered minister for meals while in town.  
759 • When services are not held on consecutive days, the supply rostered minister will be  
760 compensated each day as a separate event.  
761

762 • **Base Compensation**

- 763     ○ Whenever possible, the Base Salary will conform to the 2026 Yearly Suggested Base Salary  
764 Grid for Pastors (Section I) or Deacons (Section III), according to the rostered minister’s  
765 years of service.  
766     ○ For Ministers of Word and Sacrament (Pastors): A Housing Allowance equal to 30% of the  
767 Base Salary or as agreed upon with the pastor will be provided (the pastor may allocate  
768 some salary to housing). Alternatively, housing may be provided by the congregation as  
769 negotiated with the interim pastor.  
770     ○ A self-employed Social Security payment allowance will be provided.  
771

- 772 • **Pension and Insurance Benefits**  
773 ○ The congregation will sponsor the rostered minister in the Pension and Other Benefits  
774 Program of the ELCA, including health, retirement, disability, and retiree support (see  
775 Section I or III).  
776 ○ The rostered minister may choose to waive health coverage if he or she has coverage  
777 from another source.  
778
- 779 • **Expenses**  
780 ○ If the rostered minister will be commuting more than forty miles (one way), the  
781 congregation is encouraged to provide additional salary to offset the additional expense  
782 of a lengthy commute. Mileage from home to office is not a reimbursable business  
783 expense.  
784 ○ The congregation will reimburse the rostered minister for miles driven in service to the  
785 congregation in accordance with IRS guidelines (i.e., 70 cents/mile in 2025) up to an  
786 established maximum number of miles.  
787 ○ The congregation will pay for the rostered minister’s attendance at official synod  
788 meetings.  
789 ○ A continuing education allowance shall accrue at the rate of \$83.33 per month for  
790 ministers of Word and Sacrament (pastors) or \$58.34 per month for ministers of Word  
791 and Service (deacons). The rostered minister shall also accrue one day per month paid  
792 leave of absence to attend continuing education. Any unused time and funds will move  
793 with the rostered minister to the next appointment.  
794 ○ If the rostered minister will be lodging overnight in the community served, the  
795 congregation will provide for suitable lodging.  
796
- 797 • **Paid Time Off**  
798 ○ Vacation with pay shall accumulate at the rate of one week (based on a typical work week;  
799 including one Sunday) for every 3 months of service. Some or all of the earned vacation  
800 may be taken at the conclusion of the pastor’s term of service.  
801 ○ Sick leave with pay shall accumulate at the rate of one day for every month served,  
802 cumulative to 30 days of sick leave. Unused accumulated sick leave will not be  
803 compensated at the end of service.  
804 ○ Short-term or long-term disability concerns shall be handled according to Portico  
805 guidelines.  
806  
807  
808

809 **III. Compensation for Full-Time and Part-Time Ministers of Word and**  
810 **Service (Deacons) under Call**

811  
812 These guidelines are applicable to ministers of Word and Service (deacons), who are in positions  
813 designated as full-time and part-time (benefit eligible) under Letter of Call. Deacons come to our  
814 synod and congregations with varied skills and experiences and as a result, may assume many  
815 different responsibilities. Job descriptions vary and are developed by the congregation. The ELCA  
816 requires specialized training for certification as deacon. The ELCA defines a part-time (benefit  
817 eligible) call as less than full time but not less than, on average, 15 hours per week. Work that is  
818 less than 15 hours a week (on average) is not benefit eligible and is arranged by contract rather  
819 than via a Letter of Call.

820  
821 Compensation for deacons should be comparable to professional positions of equal responsibility  
822 and training within a congregation's region or within the synod. Adequate compensation enables  
823 deacons to fulfill responsibilities and obligations, encourages vocational satisfaction, and  
824 encourages a deacon's best effort. Congregations and our synod have an obligation to review  
825 compensation plans annually. We also expect deacons to take initiatives in seeking an annual  
826 review of compensation.

827  
828 Inadequate compensation may result in discouragement and dissatisfaction. This sometimes  
829 occurs as a deacon's family cannot maintain financial stability, as negative attitudes toward the  
830 congregation and church begin, or as an inability to participate in continuing education programs.  
831 Inadequate compensation means low contributions to retirement plans, which leads to  
832 inadequate retirement income. All of these realities increase the occurrence of resignations from  
833 ministry, make it more challenging to recruit able candidates to our synod, and can create a poor  
834 image of the church in our communities.

835  
836 Our synod recognizes there are deacons and congregations who, for a variety of reasons, choose  
837 to be content with salaries that are below the synod's recommended minimum guidelines. We  
838 caution these deacons and congregations, however, that they are doing disservice to the  
839 congregation, other deacons, and successors by allowing the compensation package to remain  
840 below recommended minimum guidelines. In such situations, the congregation, deacon, and  
841 bishop's office should work together to develop a short-term (2-3 year) plan to move toward  
842 minimum guidelines and implement other ways to compensate and care for the deacon in the  
843 interim period. Ideas include:

- 844 • An extra week of vacation per year.
- 845 • An extra week of continuing education or study time.
- 846 • A monthly study day, during which the deacon would be unavailable and would use that  
847 time to pray, read scripture, explore a topic that would benefit ministry, etc. This would  
848 NOT be a vacation day, but it would be a valuable time of renewal for the deacon.
- 849 • Ask your deacon what would be most helpful in her/his ministry and how the congregation  
850 can help.

851



852 A Statement of Compensation, Benefits and Responsibilities form for Deacons (Appendix B)  
853 should be completed and submitted to the bishop's office annually. Letters and numbers in this  
854 document correspond to that form. Links to information from the IRS and Portico Benefits  
855 Services are provided in the Preface section of this document for reference.  
856

## 857 **A. Base Compensation**

### 858 **Base Salary (Appendix B, Section A-1)**

859 In establishing the salary package for the deacon, the following criteria are to be considered:  
860  
861

- 862 • The **2026** Yearly Minimum Base Salary Grid for Deacons (see below)
- 863 • Performance evaluation to include an overview of duties performed during the year, scope  
864 of responsibility, any expanded ministries, meeting the objectives of the congregation or  
865 organization, etc.
  - 866 ○ Our Staff: Building Our Human Resources (available from [www.augsburgfortress.org](http://www.augsburgfortress.org)) has a  
867 section on Performance Reviews that may be helpful.
- 868 • Education (degree or non-degree)
- 869 • Length & breadth of experience\*
- 870 • Full-time/Part-time status
- 871 • Certification by ELCA or predecessor church bodies
- 872 • Quality of performance
- 873 • Job description / complexity of responsibilities
- 874 • Involvement in continuing education
- 875 • Cost of living in a particular geographical area
- 876 • Educational debt
- 877 • Compensation for comparable level positions in the community or geographical area

878  
879 \*Appropriate credit should be given for prior employment experience, volunteer ministry  
880 experience, ministry experience in non-Lutheran settings, church agency employment or  
881 volunteer work, and non-ministry experience, particularly of second career candidates.  
882

### 883 **Changes to the Recommended Base Salaries for Deacons:**

- 884 • A **4.0% increase to the Base Salary Model for 2026** is recommended based on the following:
  - 885 ○ **Cost of Living Allowance (COLA):** The most recent COLA increases were **2.5% (2025)**,  
886 **3.2% (2024)**, **8.7% (2023)**, **5.9% (2022)**, **1.3% (2021)**, and **1.6% (2020)** (see  
887 <http://www.socialsecurity.gov/news/cola/> (keyword COLA)).
  - 888 ○ **ELCA Region 6 Assessment:** For **2026**, the recommended % increase to the base salary  
889 model provides continued consistency and competitiveness between our synod's base  
890 salaries and those of other synods in our region to ensure fair compensation for  
891 rostered leaders and to support congregations in attracting new and/or keeping  
892 experienced rostered leaders to our synod within competitive Call processes.
- 893 • It is recognized that some congregations may not be able to fully include this strategic  
894 increase in their deacon's compensation package in a single calendar year. If this is the case,

895 it is recommended that congregations develop a multi-year plan (in consultation with the  
 896 bishop as needed) to bring compensation packages for full-time or part-time deacons in line  
 897 with the minimum base salary recommendations.  
 898

899 **2026 Minimum Base Salary Recommendations for Ministers of Word and Service (Deacons)**

900 The salaries below are the minimum recommended annual salaries based on a full-time position.  
 901 Salaries for less-than-full-time (includes long term part-time) positions should be based on a  
 902 corresponding percentage of these guidelines. A full-time call is based on 50 hours/week (on  
 903 average). Congregations cannot change a deacon’s call more than 10% without consulting the  
 904 bishop and issuing a new Letter of Call.  
 905

Years of Service *	Recommended Base Salary (\$) **
0-1	46,519
2	47,019
3	47,519
4	48,019
5	48,519
6	49,019
7	49,519
8	50,019
9	50,519
10	51,019
11	51,519
12	52,019
13	52,519
14	53,019
15	53,519
16	54,019
17	54,519
18	55,019
19	55,519
20+	56,019 **

906 \* For Deacons, “Years of Service” equals “Years of Experience” as a minister of Word and Service (with  
 907 credit given for prior employment experience as appropriate)

908 \*\* NWLM Salary Model for Deacons: A **4.0%** Increase was applied to the base salary for 0-1 Years of  
 909 Service; add \$500 for each additional Year of Service.  
 910

911 **Merit Based Raise (A-2)**

912 In consideration of deacons whose work meets or exceed expectations and the congregation’s  
 913 goals for ministry, congregations are encouraged to consider appropriate merit increases  
 914 (typically 1-3%) in addition to the base salary increase each year.  
 915

916 **Social Security**

917 Federal Tax Code requires congregations to pay for the employer's portion of the Social Security  
918 for deacons.

919

920 **Housing**

921 Federal Tax Code does not permit a tax-deductible housing allowance for ministers of Word and  
922 Service (deacons).

923

924 **B. Pension and Insurance Benefits**

925

926 **Pension and Health Insurance (Appendix B, Sections B-1; B-2)**

927 Pension and insurance plans are to be provided for all deacons employed by congregations who  
928 are regularly scheduled to work at least 20 hours per week or for at least 6 months per year.

929

930 Medical and Dental insurance is provided through Portico Benefit Services. The sponsored  
931 member's employer furnishes the required monthly contributions for the member's coverage to  
932 Portico Benefits Services.

933

934 The Affordable Healthcare Act that was adopted by Congress took effect in 2014. Each year, the  
935 congregation and deacon will be required to select the level of health care coverage for the  
936 following year. This selection must happen even if the deacon waives the Portico coverage.  
937 Portico follows the national standards and has identified the different levels of cost sharing as  
938 platinum, gold, silver and bronze. Both the employer and the insured will need to choose the  
939 same level of coverage in order to make certain that healthcare coverage continues to be  
940 provided or is provided for the first time.

941

942 This new coverage is different than the former coverage offered by Portico in a number of ways,  
943 but much remains the same. Differences include:

- 944 • The choice of the level of coverage (platinum, gold, silver, or bronze)
- 945 • Factoring in the age of the insured
- 946 • The obligation to offer healthcare benefits to all full-time employees (clergy, deacons, and  
947 other employees)

948

949 What remains the same:

- 950 • ELCA guidelines for historical insurance coverage most closely match the "Gold+" level in the  
951 new Portico plan. Since the "Gold+" level most closely matches previous years' standard  
952 insurance, congregations are strongly encouraged to maintain this level of insurance.
  - 953 ○ In some cases, it may benefit the rostered minister to select either the Bronze+ or  
954 Silver+ plan which can come with a Health Savings Account (HSA).
  - 955 ○ If there is a concern about the congregation's ability to provide coverage at either the  
956 Silver+ or Gold+ level, please notify the Bishop's office as soon as possible.
- 957 • Coverage is "portable;" that is, it travels with the insured from call to call, job to job (within  
958 the ELCA), and state to state without beginning from zero in the new place.

- 959 • It is still possible to opt out of Portico Health Coverage, provided there is other employer-  
960 sponsored healthcare available with the congregation determining appropriate adjustments  
961 to the base compensation or other benefits (i.e., pension).  
962 • Rates are based on the member’s coverage level. There are four coverage levels and each  
963 level has an established minimum and maximum contribution: Member Only; Member and  
964 Spouse; Member and Children; Member, Spouse, and Children  
965 • All Portico plans are “bundled” which means coverage is required on an “all or nothing” basis  
966 (i.e., a member cannot “opt” out of disability coverage, dental coverage, etc.).  
967

968 Contact Portico Benefits Services for information about Pension and Insurance. There are forms  
969 available online at <https://porticobenefits.org/>. To report new contact information, change of  
970 salary, or end of call, contact Portico directly.  
971

## 972 **C. Expenses**

### 973 **Automobile and Travel (Appendix B, Section C-1)**

974 It is recommended that the congregation reimburse deacons for miles driven in service of the  
975 congregation.  
976

- 977 • This can be done on a cents per mile basis. Such reimbursement should be consistent with  
978 the current IRS mileage rate (i.e., **70 cents/mile in 2025**).  
979 • This can also be done on the basis of specific reimbursement costs. In order to claim the IRS  
980 rate the employee must own his or her automobile.  
981

### 982 **Continuing Education (Appendix B, Sections C-2; D-2; D-3)**

983 It is recommended that each congregation annually budget **a minimum of \$700** for deacons along  
984 with two weeks per year (including Sundays) for travel and/or conference time.

- 985 • Accumulation of time and funds to permit flexibility may be negotiated between the pastor  
986 and congregation council. Accumulation over a **5-year** period is suggested **to allow use in**  
987 **support of a sabbatical (as an option)**.  
988 • Further information about continuing education is provided in Section D (Paid Time Off)  
989

### 990 **Professional Expenses (Appendix B, Section C-3)**

991 The congregation and the deacon should share professional expenses such as theological books,  
992 periodicals, program materials, and other educational materials. Coverage of expenses for official  
993 meetings of the synod is required.  
994

### 995 **Computer and Cell Phone (Appendix B, Section C-4)**

996 It is recommended that the congregation provide the deacon with a computer (laptop and/or  
997 desktop with monitor, keyboard, etc.) and a cell phone (as appropriate) to facilitate ministry.  
998 Items to note:  
999

1000

1001 Computer

- 1002 • A computer system provided by the congregation for the deacon’s use remains the property  
1003 of the congregation (including all information stored on the computer) and is to be treated  
1004 as a business expense that is not taxable to the deacon.  
1005 • A computer system purchased by the deacon is NOT a deductible business expense, even  
1006 when used for business purposes.

1007  
1008 Cell Phone

- 1009 • A cell phone provided by the congregation for the deacon’s use remains the property of the  
1010 congregation and is a non-taxable business expense if the council minutes state it is primarily  
1011 provided for non-compensatory business reasons (such as the need to be accessible at all  
1012 time for work-related emergencies).  
1013 • The deacon may be provided with a non-taxable cell phone reimbursement if council minutes  
1014 state that the deacon is required to maintain a personal cell phone for non-compensatory  
1015 business reasons and the reimbursement amount does not exceed reasonable business  
1016 needs (i.e., reimbursement covers the basic monthly plan, not the family plan for extra  
1017 minutes).

1018  
1019 **Moving Expenses (Appendix B, Section C-5)**

- 1020 • Moving expenses normally are paid in full by the calling congregation. This one-time cost can  
1021 be significant - recent experience indicates that costs can range from \$8,000 to \$15,000.  
1022 Some congregations work to set aside a sufficient amount in anticipation of a staffing  
1023 transition. Others have had a special offering to assist with this expense.  
1024 • It is recommended that the employee submit two to three estimates to the congregation.

1025  
1026 **D. Paid Time Off**

1027  
1028 **Weekly Time Off**

- 1029 • Deacons are responsible for setting their schedules to meet the needs and expectations of  
1030 their position. They, like anyone else, need time off from work to replenish and re-energize.  
1031 Congregations should ensure that each deacon has the equivalent of **two full days off** per  
1032 week. The deacon’s weekly schedule (days/hours) may be negotiated as necessary.  
1033 • For the well-being of the deacon and health of the congregation, it is suggested that his or  
1034 her schedule generally **not exceed 50 hours** in a work week. If longer work weeks are more  
1035 the “norm” rather than the exception, congregation councils (or equivalent) are encouraged  
1036 to partner with the deacon to assess alternate resource options, including items such as:  
1037 ○ determining if sufficient need and capacity (financial and otherwise) is in place to warrant  
1038 additional staffing  
1039 ○ identifying possible opportunities for appropriate delegation of responsibility to other  
1040 staff members or congregational lay leaders  
1041 ○ ensuring effective time management strategies are being utilized  
1042 ○ identifying responsibilities that are lower priority and could be done at a reduced  
1043 frequency or discontinued

- 1044           ○ review, prioritization, and possible adjustment to expectations set forth within the job  
1045           description (done in consultation with the senior pastor)

1046

1047 **Vacation (Appendix B, Section D-1)**

- 1048           • Vacation time is **four weeks** (based on a typical work schedule; including four Sundays)
- 1049           • Attendance at official Synod or Churchwide assemblies, conferences, and continuing  
1050           education are not considered vacation time.
- 1051           • Additional discussion and clarification should be made regarding days off, provision for  
1052           national holidays, other small blocks of “off” time, whether unused time is carried over to the  
1053           next year, etc.

1054

1055 **Continuing Education (Appendix B, Sections C-2; D-2; D-3)**

1056 In order to update skills and thereby strengthen ministries, full-time deacons are encouraged to  
1057 enroll in courses of advanced study. Such activities improve and build ministry. The ELCA expects  
1058 a minimum of 50 contact hours annually in continuing education. A contact hour is defined as a  
1059 typical 50-minute classroom instructional session or the equivalent. These experiences are to be  
1060 taken with colleagues and under responsible sponsorship, capable directors, and qualified  
1061 instructors, and should be pre-approved by the congregation council.

1062

- 1063           • Deacons are encouraged to work annually with their congregation council in planning,  
1064           reviewing and recording their continuing education activities and hours. These continuing  
1065           education endeavors are also to be reported annually to the synodical bishop.
- 1066           • It is also recommended that each congregation annually budget a **minimum of \$700** for  
1067           deacons along with two weeks per year (including Sundays) for travel and/or conference  
1068           time.
- 1069           • Accumulation of time and funds to permit flexibility may be negotiated between the deacon,  
1070           the pastor, and congregation council. Accumulation over a **5-year period** is suggested.
- 1071           • Official meetings of the synod such as Synod Assembly, Churchwide Assembly, conference  
1072           meetings, or other leadership events are not included as continuing education.
- 1073           • **First Call Deacons** are required to participate in First Call Theological Education (FCTE) for the  
1074           first three years of ministry. FCTE includes but is not limited to a Fall Retreat (2-3 days) and a  
1075           Spring Retreat (2-3 days).
- 1076           ○ Congregations should work with first call deacons to determine other continuing  
1077           education experiences for the growth of the deacon and the congregation.
- 1078           ○ A First Call Theological Education Covenant shall be discussed and completed by the  
1079           Deacon, Council President, and Assistant to the Bishop.

1080

1081

1082 **Churchwide / Synodical Commitments**

- 1083 • There are times when a deacon is called upon to serve beyond the congregation. Examples  
1084 may include church-related activities such as serving as chaplain at a church camp; serving on  
1085 a synodical or ELCA council, committee or task force; or filling a short-term teaching  
1086 commitment at a college or seminary. Serving beyond one’s home congregation in these or  
1087 other ways is an integral part of public ministry. This “extended ministry” is encouraged at  
1088 appropriate levels and should be considered in consultation with the rostered leader’s  
1089 Congregation Council or equivalent leadership body. This type of ministry beyond the  
1090 congregation should not be considered as vacation time for the deacon.
- 1091 • As required by the synod constitution and based on the Letter of Call, all rostered ministers  
1092 are required to attend the Synod Assembly as voting members. It is the responsibility of the  
1093 congregation or sponsoring organization to provide the financial support necessary for the  
1094 rostered minister to attend the Synod Assembly each year.

1095

1096 **Sick Leave (Appendix B, Section D-4)**

- 1097 • Sick Leave for the employee should be provided for **up to six weeks per year** with full salary  
1098 and benefits.
- 1099 ○ Pay continuation when an employee is ill is a privilege and not a right or entitlement.  
1100 Consequently, all employees are expected to work except when actually ill or when their  
1101 absence is specifically approved for some other valid reason.
  - 1102 ○ This time off is not accumulated (i.e., it is to be used within each calendar year) and should  
1103 not be abused.
  - 1104 ○ Employees are not paid for unused sick leave upon termination of employment.
  - 1105 ○ Provision may be made for further unpaid time for disability recovery as agreed upon by  
1106 the Congregation Council or equivalent leadership body.

1107

1108 **Maternity Leave (Appendix B, Section D-5)**

- 1109 • Provisions for maternity leave shall include up to six consecutive weeks (including Sundays)  
1110 with full salary, housing and benefits.
- 1111 • If a longer leave is sought by the pastor but not medically required, additional time may be  
1112 negotiated by the deacon with the pastor and congregation council and provisions should be  
1113 made for appropriate adjustment in salary and other compensation.
- 1114 • If a longer leave is medically required, it should be handled as any other disability.

1115

1116 **Paternity Leave/Adoptive Parental Leave (Appendix B, Section D-5)**

- 1117 • Provisions for paternity leave and adoptive parental leave shall include up to six consecutive  
1118 weeks (including Sundays) with full salary, housing and benefits.
- 1119 • If there are special needs, additional time may be negotiated by the deacon with the pastor  
1120 and congregation council and provisions should be made for appropriate adjustment in salary  
1121 and other compensation, with appropriate documentation and approval by the council.

1124 **Parenting Leave (Appendix B, Section D-6)**

- 1125 • Parenting leave is directed towards providing care for a member of the employee’s immediate  
1126 family who is ill or injured.
- 1127 ○ Immediate family members are the employee’s spouse, partner, children, parents and  
1128 parents-in-law, siblings, grandparents, grandchildren, and minors for whom the  
1129 employee is the legal guardian. The employee’s children include not only the  
1130 employee’s biological, adopted, or foster children, but also, legal wards, and children  
1131 and stepchildren for whom the employee provides care and financial support on a daily  
1132 basis.
- 1133 • Such leave should include **up to six weeks** (based on a typical work week; including Sundays)  
1134 full salary, housing, and benefits with appropriate documentation and approval by the  
1135 congregation council (or equivalent leadership body).
- 1136 • If there are special needs, additional time may be negotiated by the pastor with the  
1137 congregation council and provisions made for appropriate adjustment in salary and other  
1138 compensation, with appropriate documentation and approval by the congregation council.

1139  
1140 **Leave of Absence**

- 1141 • Congregations and deacons are encouraged to formulate a contingency plan in advance for  
1142 possible leave of absence. If desired, this may be made with synod staff consultation.

1143  
1144 **Sabbatical Leave (Appendix B, Section D-7; Appendix C)**

- 1145 • A sabbatical leave is recommended to provide an opportunity for a full-time rostered  
1146 minister to take an extended period of time on sabbatical for renewal, enrichment, study,  
1147 spiritual growth, travel, skill development and/or research.
- 1148 • A sabbatical is encouraged for full-time rostered ministers who have been in their present  
1149 setting five years or more. It is up to the Congregation Council (or equivalent leadership body)  
1150 to set the schedule for sabbatical leaves across their organization - includes determining if  
1151 staffing adjustments are needed to cover the absence to ensure the needs of the organization  
1152 are met.
- 1153 • It is recommended that a sabbatical is planned for up to three months or 12 weeks (including  
1154 the two continuing education weeks recommended for the year of the sabbatical).
- 1155 • See Appendix C (“Sabbatical Policy”) for more details.

1156  
1157 **Separation Guidance (Appendix D)**

- 1158 • There are varied circumstances in which a rostered minister’s call with a congregation may  
1159 end; for example, due to local difficulties, conflict, vocational changes, continued education,  
1160 changes in family, or other unforeseen circumstances. In these situations, rostered ministers  
1161 and congregations are encouraged to be in conversation about transition plans and  
1162 separation arrangements tailored for the specific circumstances, noting that often there is a  
1163 period of unemployment before the rostered minister obtains a new call or other opportunity  
1164 which will provide compensation and benefits.



- 1165 • The Bishop’s office should be notified and is available to assist whenever the termination of  
1166 a call is being considered.
- 1167 • As most congregations do not participate in state unemployment insurance, rostered  
1168 ministers are not eligible for unemployment compensation from the state. As such,  
1169 congregations are strongly recommended to consider whether severance pay is appropriate  
1170 to provide care and continued income for the rostered minister during the transition period.
- 1171 • It is recommended that a congregation generally provide a severance package with 3 to 6  
1172 months’ continuation of salary (including housing allowance if applicable and FICA offset) and  
1173 insurance benefits (including pension contributions).
- 1174 • See Appendix D (“Separation Guidelines”) for more details.

1175

1176

#### 1177 **IV. Compensation for Synodically Authorized Ministers and Other** 1178 **Non-Rostered “At Will” Employees**

1179

##### 1180 **Synodically Authorized Ministers**

1181 Synodically Authorized Ministers (SAMs) are non-rostered lay leaders who have successfully  
1182 completed the synod’s SAM training program and have been approved by the Synod Bishop each  
1183 and every time a congregation requests (through the synod office) that a SAM serves in this  
1184 capacity.

1185

- 1186 • From a salary perspective, it is recommended that Synodically Authorized Ministers be  
1187 compensated using the supply pastor (one-time or short-term assignment), deacon  
1188 guidelines (longer term assignment) or other equivalent employee guidelines used by a  
1189 congregation.
- 1190 • Consideration should be given to education, degree, life and/or parish experience, and the  
1191 distance between the SAM’s home and the congregational site(s).
- 1192 • Note: Any questions on compensation of a Synodically Authorized Minister should be  
1193 directed to the office of the Synod Bishop. Synodically Authorized Ministers do not receive a  
1194 Definition of Compensation. If contracted to serve, a sample contract may be provided by the  
1195 Bishop’s office.
- 1196 • See Synodically Authorized Ministry Guidelines (available at [www.elca.org](http://www.elca.org) using the  
1197 following link:  
1198 • [https://download.elca.org/ELCA Resource Repository/Synod Authorized Ministry Guidelines.pdf](https://download.elca.org/ELCA%20Resource%20Repository/Synod%20Authorized%20Ministry%20Guidelines.pdf)

1199

##### 1200 **Other Non-Rostered (“At Will”) Employees**

- 1201 • Employee guidelines (including compensation, benefits, time off, etc.) should be established  
1202 by the congregation for their non-rostered “at-will” employees. Compensation for these  
1203 employees will be based on many factors, including:
- 1204 ○ Job responsibilities
  - 1205 ○ Employee status (full time; part time)
  - 1206 ○ Compensation for comparable jobs in the local area

- 1207           ▪ The minimum hourly wage as set by the State of Michigan for 2025 is \$12.48/hr.
- 1208 • Specific recommendations for compensation of non-rostered “at will” employees are beyond
- 1209 the scope of this document. Congregations having questions regarding appropriate
- 1210 remuneration for youth leaders, Christian education leaders, choir directors, administrative
- 1211 staff, financial administrators, musicians, custodians, etc., can consult relevant resources
- 1212 such as:
- 1213       ○ American Guild of Organists (AGO)
- 1214       ○ Association of Lutheran Church Musicians (ALCM)
- 1215       ○ International Association of Administrative Professionals (IAAP)
- 1216       ○ Human resources professionals in local congregations or community organizations
- 1217       ○ Our Staff: Building Our Human Resources (available from [www.augsburgfortress.org](http://www.augsburgfortress.org))

Appendix A.

**Statement of Compensation, Benefits, and Responsibilities – Pastors**

North/West Lower Michigan Synod

Prepared by \_\_\_\_\_

For the Reverend \_\_\_\_\_

For the period: \_\_\_\_\_ to \_\_\_\_\_

**A. Base Compensation**

The congregation will provide the following annual compensation:

- 1. Base Salary \$ \_\_\_\_\_
- 2. Merit based increase \$ \_\_\_\_\_
- 3. Housing (complete a or b)
  - a. Parsonage or other housing:
    - i. Utilities allowance \$ \_\_\_\_\_
    - ii. Furnishings allowance \$ \_\_\_\_\_
    - iii. Housing equity allowance \$ \_\_\_\_\_
  - b. Housing Allowance \$ \_\_\_\_\_
- 4. Social Security Allowance \$ \_\_\_\_\_

**B. Pension and Insurance Benefits**

The congregation will sponsor the pastor in the Pension and Other Benefits Program of the ELCA, which provides retirement, disability, survivor, and medical-dental coverage.

- 1. Portico Pension at \_\_\_\_\_% of defined compensation
- 2. Portico Medical and Dental Insurance:
  - Plan Level: \_\_\_\_\_ (Note: The Gold+ Plan is recommended)
  - Plan Member Coverage (select one)
    - Member Only
    - Member, Spouse, and Children
    - Member and Spouse
    - Coverage Waived
    - Member and Children
- 3. Other insurance or benefits:
  - \_\_\_\_\_ \$ \_\_\_\_\_
  - \_\_\_\_\_ \$ \_\_\_\_\_

**C. Expenses**

The congregation will provide for the following expenses related to this pastor’s ministry:

- 1. Automobile and Travel Allowance \$ \_\_\_\_\_
- 2. Continuing Education Expenses \$ \_\_\_\_\_
- 3. Professional Expenses \$ \_\_\_\_\_
- 4. Computer & Cell Phone \$ \_\_\_\_\_
- 5. Moving Expenses \$ \_\_\_\_\_
- 6. Other ( \_\_\_\_\_ ) \$ \_\_\_\_\_

**D. Paid Time Off**

- 1. Vacation time of \_\_\_\_\_ weeks per year, including \_\_\_\_\_ Sundays
- 2. Continuing education time of \_\_\_\_\_ weeks per year
- 3. Participation in a First-Call Theological Education Program, where applicable
- 4. Sick leave of up to \_\_\_ weeks with full salary, housing, and benefits.
- 5. Where applicable, maternity/paternity/adoptive parental leave up to \_\_\_\_\_ weeks with full salary, housing, and benefits.
- 6. Where applicable, parenting leave up to \_\_\_\_\_ weeks with full salary, housing, and benefits.
- 7. An extended study/sabbatical period of up to \_\_\_\_\_ months with full salary, housing, and benefits (after being in ordained ministry for 7 yrs and serving in the present setting 5+ yrs).

**E. Other Provisions**

Special emphases of the pastor and special encouragement by the congregation:

- 1. During this time period, the pastor will give special attention in ministry to the following:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
  - e. \_\_\_\_\_

2. The congregation will encourage this pastor's ministry in the following ways:
- a. Ongoing care through a Mutual Ministry Committee or alternate upon request
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
  - e. \_\_\_\_\_

**F. Other Matters**

(Such as accountabilities, service on synodical or churchwide boards and committees, work in church-camp programs, or other such details)

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

We, the undersigned, certify that the necessary approvals of the congregation and congregational council have been granted for the provisions set forth above.

\_\_\_\_\_  
 Congregation President

\_\_\_\_\_  
 Council Secretary

Date: \_\_\_\_\_

Date: \_\_\_\_\_

I certify that I accept the above statement:

The Reverend \_\_\_\_\_

Date: \_\_\_\_\_

Note: Retain original in records of congregation. Make a copy for the pastor. As a matter of information, send a copy to the synodical office.

Appendix B.

**Statement of Compensation, Benefits, and Responsibilities - Deacons**

North/West Lower Michigan Synod

Prepared by \_\_\_\_\_

For \_\_\_\_\_

For the period: \_\_\_\_\_ to \_\_\_\_\_

**A. Base Compensation**

The congregation will provide the following annual compensation:

- 1. Base Compensation: \$ \_\_\_\_\_
- 2. Merit based increase: \$ \_\_\_\_\_

**B. Pension and Insurance Benefits**

The congregation will sponsor the deacon in the ELCA "Pension and Other Benefits" program, which provides retirement, disability, survivor, and medical-dental coverage.

1. Portico Pension at \_\_\_\_\_% of defined compensation

2. Portico Medical and Dental Insurance:

- Plan Level: \_\_\_\_\_ (Note: The Gold+ Plan is recommended)
- Plan Member Coverage (select one)

- Member Only
- Member, Spouse, and Children
- Member and Spouse
- Coverage Waived
- Member and Children

3. Other insurance or benefits:

\_\_\_\_\_ \$ \_\_\_\_\_  
\_\_\_\_\_ \$ \_\_\_\_\_

**C. Expenses**

The congregation will provide for the following expenses related to this position:

- 1. Automobile and Travel Allowance \$ \_\_\_\_\_
- 2. Continuing Education Expenses \$ \_\_\_\_\_
- 3. Professional Expenses \$ \_\_\_\_\_
- 4. Computer & Cell Phone \$ \_\_\_\_\_
- 5. Moving Expenses \$ \_\_\_\_\_
- 6. Other ( \_\_\_\_\_ ) \$ \_\_\_\_\_

**D. Paid Time Off**

- 1. Vacation time of \_\_\_\_\_ weeks per year, including \_\_\_\_\_ Sundays
- 2. Continuing education time of \_\_\_\_\_ weeks per year
- 3. Participation in a First-Call Theological Education Program, where applicable
- 4. Sick leave of up to \_\_\_ weeks with full salary, housing, and benefits.
- 5. Where applicable, maternity/paternity/adoptive parental leave up to \_\_\_\_\_ weeks with full salary and benefits.
- 6. Where applicable, parenting leave up to \_\_\_ weeks with full salary and benefits.
- 7. An extended study/sabbatical period of up to \_\_\_\_\_ months with full salary and benefits (after serving in present setting seven years or more).

**E. Other Provisions**

Special emphases of the deacon and special encouragement by the congregation will include:

- 1. During this time period, the deacon will give special attention in ministry to the following:
  - a. \_\_\_\_\_
  - b. \_\_\_\_\_
  - c. \_\_\_\_\_
  - d. \_\_\_\_\_
  - e. \_\_\_\_\_

2. The congregation will encourage the deacon in the following ways:

- a. \_\_\_\_\_
- b. \_\_\_\_\_
- c. \_\_\_\_\_
- d. \_\_\_\_\_
- e. \_\_\_\_\_

**F. Other Matters**

(Such as accountabilities, service on synodical or churchwide boards and committees, work in church-camp programs, or other such details)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We, the undersigned, certify that the necessary approvals of the congregation and congregational council have been granted for the provisions set forth above.

\_\_\_\_\_  
Congregation President

\_\_\_\_\_  
Council Secretary

Date: \_\_\_\_\_

Date: \_\_\_\_\_

I certify that I accept the above statement:

Deacon \_\_\_\_\_

Date: \_\_\_\_\_

Note: Retain original in records of congregation. Make a copy for the deacon. As a matter of information, send a copy to the synodical office.



## Sabbatical Guidelines

### Introduction

It is important for congregations (or synod organizations) and rostered ministers (Pastors and Deacons) to realize the importance of life-long continuing education through workshops, seminary courses and personal study to maintain/enhance their skills. From time to time, it is also beneficial to the rostered minister, as well as the congregation or synod organization, to have an extended period of time, a sabbatical, for planned study (via a formal academic program) and/or personal growth and renewal (self-directed or using a spiritual director) without the demands of daily responsibilities. Experience has shown that a congregation or synod organization directly benefits from such study, growth, and renewal as the ministry of the rostered leader is revitalized (see references on page 5 of this document).

### Biblical Basis for a Sabbatical Leave

- **EZEKIEL 20:12:** “Moreover I gave them my Sabbaths, as a sign between me and them, so that they might know that I the Lord sanctify them.” (NRSV)
- **LEVITICUS 25:1-7:** “The Lord said to Moses on Mount Sinai, saying: Speak to the people of Israel and say to them: When you enter the land that I am giving you, the land shall observe a Sabbath for the Lord. Six years you shall sow your field, and six years you shall prune your vineyard, and gather in their yield; but in the seventh year there shall be a sabbath of complete rest for the land, a sabbath for the Lord: you shall not sow your field or prune your vineyard. You shall not reap the aftergrowth of your harvest or gather the grapes of your unpruned vine: it shall be a year of complete rest for the land. You may eat what the land yields during its sabbath – you, your male and female slaves, your hired and your beloved laborers also, and for the wild animals in your land all its yield shall be for food.” (NRSV)

### Recommendation

- A sabbatical leave is recommended to provide an opportunity for a full-time rostered minister to take an extended period of time on sabbatical for renewal, enrichment, study, spiritual growth, travel, skill development and/or research.
- A full-time rostered minister shall be eligible for a sabbatical once this leader has been in ordained ministry for five (5) years and has completed five (5) years in the current call, with continued eligibility for a sabbatical every five (5) years after that (within the same call). If a rostered minister changes call, a sabbatical should be provided once five (5) years in the new call is completed.

### Duration

- It is recommended that a sabbatical be planned for up to three months or 12 weeks (including the two continuing education weeks granted the year of the sabbatical).
- Vacation is not to be included as sabbatical time.

- 43 • As appropriate, the sabbatical leave may be continuous or split into multiple blocks of time.  
44 If split, all blocks of time should be taken within a 12-month period.  
45

#### 46 **Cost to the Congregation or Synod Organization**

- 47 • The congregation or synod organization will continue to pay full salary and benefits (includes  
48 housing for pastors; excludes car allowances) during the sabbatical period.  
49 • Accrued continuing education dollars can be used for the educational costs of the sabbatical  
50 – suggest limiting to an accrual of five years maximum.  
51 • The congregation or synod organization is responsible for providing additional ministry  
52 leadership support and service during the sabbatical time. This includes Sunday worship,  
53 teaching, leading the liturgy, confirmation camp, new member classes, visitation, funerals,  
54 weddings, etc., as applicable.  
55 • The congregation or synod organization is not responsible to fund the sabbatical in any other  
56 way. However, the congregation or synod organization may consider gifting as a means of  
57 providing additional financial assistance.  
58

#### 59 **Planning**

- 60 • There are several objectives to be considered by the rostered minister and the congregation  
61 or synod organization during planning of a sabbatical:  
62 ○ Will this be a time of renewal that will help “recharge” spiritually and professionally so  
63 that the rostered minister returns with new energy for ministry?  
64 ○ What learnings can be shared upon return from sabbatical? How will this time away  
65 benefit the congregation?  
66 ○ How will this help the rostered minister grow as a person and as a professional? How will  
67 it enhance this leader’s overall ministry skills?  
68 • Planning should begin the calendar year before the sabbatical so the congregation or synod  
69 organization and the rostered minister can plan for financial and ministry adjustments.  
70 • It is up to the Congregation Council (or equivalent leadership body) to set the schedule for  
71 sabbatical leaves across their organization - includes determining if staffing adjustments are  
72 needed to cover the absence to ensure the needs of the organization are met.  
73 • The sabbatical leave plan is to be developed in cooperation with the congregation council or  
74 equivalent leadership body. The parties shall seek the counsel of the bishop before finalizing  
75 an agreement.  
76

#### 77 **Commitments Following the Sabbatical**

- 78 • Within six weeks of completion of the sabbatical leave, the rostered minister shall present  
79 the congregation or synod organization with a written reflection on the experience including  
80 implications for the organization’s ministry and beyond, as applicable.  
81 • A copy of this written reflection shall be added to rostered minister’s file in the bishop’s office.  
82 • Unless otherwise agreed, the rostered minister is expected to remain at least one additional  
83 year within their position in the congregation or synod organization following the sabbatical.  
84 • The congregation council or equivalent leadership body is responsible for evaluating the  
85 benefits and costs of the sabbatical as a basis for approving and planning future sabbaticals.

**Separation Guidelines**

There are varied circumstances in which a rostered minister’s call with a congregation may end - for example, due to local difficulties, conflict, vocational changes, continued education, changes in family, or other unforeseen circumstances. In these situations, rostered ministers and congregations are encouraged to be in conversation about transition plans and separation arrangements tailored for the specific circumstances, noting that often there is a period of unemployment before the rostered minister obtains a new call or other opportunity which will provide compensation and benefits. The Bishop’s office should be notified and is available to assist whenever the termination of a call is being considered.

As most congregations do not participate in state unemployment insurance, rostered ministers (as well as other congregation employees) generally are not eligible for unemployment compensation from the state. As such, congregations are strongly recommended to consider whether severance pay is appropriate to provide care and continued income for the rostered minister during the transition period. The Synod recommends that a congregation generally provide a severance package with 3 to 6 months’ continuation of salary (including housing allowance if applicable and FICA offset) and insurance benefits (including pension contributions).

Separation arrangements are discussed between the rostered minister and the congregation to meet the specific circumstances or reasons for separation. When a decision is made to provide a severance package, the agreement should be documented in writing and signed by the rostered minister and the congregation council president (or whomever is authorized to sign legal documents in the congregation’s constitution). As with any legal document, both the rostered minister and the congregation are encouraged to consult their own legal counsel to review and understand the terms of such an agreement.

The provisions of what a severance package includes should be agreed upon in detail (such as the number of months of salary and insurance benefits continuation) and is based on many factors such as recognition of ministry with the congregation, the length of service in the call, the reason for and nature of the separation, the time necessary for the rostered minister to receive a new call or find other employment, the fact that the rostered minister will not be eligible for unemployment compensation while seeking another opportunity, the desire to allow the rostered minister to devote full attention to their ministry until the last day with the congregation, and any other factors unique to the situation.

During the period when a rostered minister is receiving a severance package, the rostered minister is expected to be in consultation with the Bishop’s office to determine the next steps forward based on the situation. During this time and as a condition of continued severance, the rostered minister may be encouraged or required to take time away for rest and reflection, to be open and available to a new call, to complete required documents in a timely manner, to actively interview which includes being available for call committee interviews, to provide interim

130 ministry or supply preaching, to assist with other ministry activities and tasks requested by the  
131 Bishop, to be actively exploring other career path opportunities, or to discuss other options with  
132 the Bishop for moving forward.

133  
134 The separation agreement also may address under what circumstances and when it would be  
135 appropriate to discontinue severance compensation and benefits; for example, the acceptance  
136 of a new call or other employment opportunity with compensation and benefits comparable with  
137 what is provided under the agreement, or failure to comply with specified next steps as agreed  
138 to at the time of separation.

139  
140 Also, upon separation from a congregation, any accrued but unused paid time off benefits, such  
141 as vacation time, generally are paid out to the rostered minister. Congregations and ministers  
142 should review the letter of call and their own personnel policies for more specific guidance on  
143 the calculation and any pro-ration of paid time off benefits. Other allowances and benefits such  
144 as auto allowance/mileage reimbursement, continuing education, professional expenses,  
145 generally are not included in a severance package.

146  
147 Finally, when a rostered minister has lived in the congregation's parsonage during the call, often  
148 the rostered minister is allowed continued use of the parsonage for the duration of the transition  
149 arrangement. A congregation may offer continued use or rent of the parsonage after the  
150 severance period ends for a designated time frame (there should be an end date). In these cases,  
151 the congregation and the minister also should enter into a written agreement that outlines the  
152 terms of such arrangement.

153  
154 Individuals are reminded that confidentiality obligations continue after the ministry relationship  
155 has ended and it is expected that all individuals uphold the congregation and the rostered  
156 minister through words and actions in furtherance of our mission and ministry, respecting  
157 boundaries and supporting the rostered minister's and the congregation's continued ministry.