

Dear Clerks and Consistories:

A continuing responsibility given to Regional Synod is developing and modifying compensation guidelines for use by classes and churches.

We are recommending the continuation of this Document first developed in 2007, with a Cost of Living (COL) adjustment for the compensation tables. Also, we have included an Addendum discussing complications that exist if a church or classis becomes involved in pastoral loans.

Determining an appropriate modification in compensation scales for 2009 is a challenge, a very big challenge. Our standard practice in the past has been to relate our suggested change to the Federal CPI, using the most current data available. We would then collectively make our best evaluation on probably values at the end of the year. This has worked well, as economic factors have been more stable in the past. We have a dilemma this year. Currently (through April) the CPI overall produces a 3.9% increase. Individual components are much higher – fuel, food, general services. The overall rate recognizes all factors including housing and utilities, for example. Also, the governmental indices are nation wide, so it is difficult to be more specific. Unfortunately, our economy is in a serious state of flux. Although impossible to predict, ultimate costs by year's end will undoubtedly be higher. The total effect created by the oil pricing dilemma will continue to trickle down.

We recommend that we adjust our compensation scales by 4%. This may seem inconsistent with our caveat for the future, but we also want to be sensitive to churches financial capacity. We also suggest that we acknowledge the cost of travel (continuing increase in automobile allowance) be reflected in each churches expense budget, and not mixed in with compensation.

We also want to assure you that we continue to study our system, run comparisons with data available, and we are pleased that we compare favorably.

We want to again emphasize these are guidelines. Regional Synod does not dictate compensation. As required by General synod, we are a resource. Synod staff is available for questions and to provide service and direction.

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SYNOD OF THE HEARTLAND

Reformed Church in America

FOLLOWING CHRIST IN MISSION

Compensation Guidelines for 2009

Congregations receive their pastors as servants of Christ and proclaimers of the Gospel, and similarly they received their other ministers and other staff members as people entrusted with a particular ministry in service to the Gospel.

Scripture directs us to responsibly recognize our pastors and employees with appropriate compensation.

Luke 10 vs 7: --- “for the laborer deserves his wages”.

I Corinthians 9 vs 14: “The Lord commanded that those who
proclaim the Gospel should get their living
by the Gospel”

I Timothy 5 vs 18 “The laborer deserves his wages”

The Synod of the Heartland offers these guidelines to classes and congregations in order to help them provide adequate and fair compensation for those who labor for us in the Gospel among them.

GLOSSARY

Congregational Size – Churches measure size and extent of ministry in different ways. Definition of “membership” varies from a conventional concept to a more restrictive qualification. The concept of signing a covenant is used by some congregations. The scope of ministry may be determined by the community being served. If a large number of unchurched families (homes) look to the church as needs arise, this is ministry to be recognized.

Each church should determine its scope of ministry to determine size.

Salary – Salary is the basic compensation determined each year for pastoral services. Salary does not include the cost of value of medical insurance, pension, automobile expenses, other pastoral expenses, or any other benefits stated or implied. Annual basic cost of living adjustments should not be considered as a basic salary increase.

Housing – An adequate parsonage or housing allowance shall be provided.

If a parsonage is provided, the congregation shall assume all costs for maintenance and utilities (other than personal long distance calls). In addition, the congregation should provide and maintain major appliances in the parsonage, and establish a regular review of maintenance and upkeep.

If a “total compensation” package is used, the compensation should recognize appropriate housing for the clergy’s family needs.

SYNOD OF THE HEARTLAND

2009 MINISTERIAL SALARY GUIDELINES

GUIDELINES FOR DETERMINING THE SALARY AND PROVISIONS FOR MINISTERS OF WORD AND SACRAMENT

The Synod of the Heartland each year recommends guidelines for its seven classes. Each classis then considers this guideline as it establishes a minimum standard for salaries, in order that pastors in the RCA are adequately and appropriately compensated. While these guidelines do not apply to non-ordained personnel, certain elements of administration are applicable to all personnel. Accordingly some reference to both pastor and staff will be included.

The Call: The call issued to a pastor is a covenant which addresses the relationship between a pastor and a congregation. The pastor is expected to perform certain services in his/her ministry among the congregation, and the congregation is expected to provide remuneration to the pastor in a manner that may keep him/her from pre-occupation with financial concerns. This covenant normally limits the pastor's employment to the church and is an obligation clearly undertaken by the church.

Goals: Every consistory needs to be involved with their pastor(s) in setting specific goals for both the pastor(s) and the church in order to lead the church in mission for Jesus Christ. Financial considerations are part of this two-way accountability and communication.

Performance Review: the performance review requirement of the Book of Church Order (BCO) (Chapter 1, Part 2, Article 7, Sec 1h) should be conscientiously pursued on an annual basis. An important component of performance evaluations of all positions relates to the job description, goals, and objectives. A valuable resource in establishing these guidelines can be found on the Christianity Today web site ---www.BuildingChurchLeaders.com.

Personnel Committee: It is recommended that each church appoint a personnel committee, within the consistory, to work with all church staff members. Realizing that there are differences from church to church, the details of the personnel committee are left to the individual church. The following guidelines identify the basic tasks/duties of a personnel committee:

- a. Meets with each pastor and staff member quarterly, preferably including the pastor's spouse each year.
- b. Sets goals for each position and discusses with each pastor and staff person how the goals fit into the vision of the church.

- c. Reviews the past performance of the pastor(s) and staff persons, with the senior pastor to be responsible for review of associate pastors and staff, in consultation with the personnel committee.
- d. Acknowledges superior achievements and extraordinary service with public recognition and affirmation.
- e. Discusses general employment concerns with pastor(s) and staff persons.
- f. Discusses specific financial needs which include salary, housing, insurance, continuing education, retirement and transportation reimbursement, as applicable.
- g. Consider financial needs beyond the day-to-day living expenses such as medical expenses, education costs, and emergencies.
- h. Discusses other needs such a family crises, illness, marital stress, emotional health, and job satisfaction.
- i. Gives support and encouragement.
- j. Discusses and facilitates good relationships between church staff members.
- k. Serve as the communication link between staff and consistory.

Salaries: Salaries must be practical and fair. Attention should be given to similar service positions in the community. The salary scale is a minimum standard only. In addition to fulfilling this standard, workload, recognition of job performance and attention to special needs should be considered within the process of salary determination. A salary should assure sufficient support so that financial problems do not interfere with a pastor's best work!

Employment Provisions: These items are included as part of the minimum salary requirements that apply to full-time Ministers of Word and Sacrament.

1. Retirement Fund: Full contributions including salary and fair marketing housing value must be made to the RCA Retirement Plan, as required by the BCO Call Form.
2. Required Insurance Coverage: Major Medical (including family), Group Life, and Long-Term Disability to be provided by the church as required in the BCO call form. Family coverage may be excluded only if family coverage is provided through a spousal insurance program. Dental and Long Term Care (including family) are optional and may be added to the required insurance provisions. It is strongly recommended that consideration by given to including Long Term Care to the package, recognizing the financial impact incurred if and when such care is needed.

Churches may annually elect to "opt out" of the RCA medical program, subject to a supporting contribution to the Benefit Program equal to 50% of an employee only annual medical premium. For complete information, contact the RCA Insurance Office at 212-870-3257.

3. Housing: The church shall provide the pastor with the use of a parsonage, including all utilities. If a parsonage is not provided, each church should recognize appropriate housing costs in measuring the total compensation package.
4. Social Security: Pastors shall be reimbursed for Social Security at the rate of one-half of the rate payable by a self-employed person. This reimbursement is calculated on the base salary plus housing. Pastors are encouraged to be a part of the Social Security system. However, if the pastor opts out of the program, an equal allowance is to be

made for another appropriate retirement program. The church shall require evidence that this retirement concept has comparable benefits. Synod staff is available to answer questions, and assist in assuring compliance.

5. Professional Development: As required in the call form of the BCO, a minimum of one week with a stipend equal to no less than 1/52 of the annual minimum base salary (excluding housing allowance) shall be granted each year for professional development. By mutual agreement, this time and money may be accumulated up to a maximum equivalent of four years service. The program of study must be approved by the Consistory, and should be mutually beneficial to the church and the pastor.
6. Vacation: The minimum amount of vacation time granted each year shall be four weeks (including four Sundays). Carry over from year to year is not allowed, unless there are unusual circumstances. These situations subject to consistory approval.
7. Car Allowance: Use of car for ministry purposes shall be reimbursed at the IRS mileage rate.

Recommended Provisions:

1. Sabbatical: It is recommended that consistories adopt a policy of granting pastors a six-week sabbatical after seven years of service. The sabbatical shall be scheduled at a time mutually agreed upon by the pastor and consistory. The plan for the study program must be validated by the accountability agreement in the pastor network, and the details must be approved by the consistory with the clear intention that the sabbatical benefit both the pastor and the church.
2. Ministerial Couples: It is recommended that the consistory of a church served by a ministerial couple be sensitive to the possibility that a shared position can decrease those pastor's retirement and social security payments, thus placing them at a disadvantage when they retire. Those consistories are urged to consider paying more than the minimum retirement and/or social security benefit to correct this inequity.
3. Associate Pastors: The salary schedule will apply to all full-time Ministers of Word and Sacrament. It is recommended that the associate pastors minimum compensation be 70% of the senior pastor schedule.
4. Part-time Contracts: Part-time contracts are not bound by the salary schedule, because such contracts can vary significantly. However, the principles of fairness, compensation for work load, and rewarding job performance need to be considered when determining compensation. This use of the salary scale on a pro-rated basis is advised. Any provisions or payment of provisions in lieu of base salary may be negotiated between the pastor and the church. All contracts with ordained ministers require the approval of the Classis.

Fees and Honorariums:

1. The pastor shall be entitled to retain fees and honorariums for his/her personal except the fees for classical appointments shall be delivered to his/her church treasurer.
2. Mileage reimbursement should not be considered as part of the classical appointment fee. The mileage reimbursement (at the IRS rate) will be payable to the pastor.
3. We recommend a \$100 honorarium be given for a morning service (with appropriate adjustment for multiple services), and \$50 for an evening service.

**2009 Synod of the Heartland
Minimum Compensation Guidelines
Concept #1 (includes housing)**

		Ministry	
	Up to 250	250-500	500 Plus
Suburban	\$56,859	\$62,919	\$78,597
Mid-Urban	53,132	58,840	72,938
Rural	50,451	55,926	69,210

The minimum should be adjusted by an additional .75% per year to recognize years of service.

We suggest the following for full-time Non-Ordained Associates, and all other personnel considered to be full-time (represented as a function of the Senior Pastor):

Non-Ordained youth and/or education 55%*
 Music (full-time 60%*
 Secretary – Treasurer 45%*
 Custodian 47%*

The above anticipates 40 hours per week. For less hours, reduce to an hourly wage. The benefit package for non-ordained personnel should include the following, although not necessarily through the RCA.

Annuity – churches select from programs independently available
 Life insurance
 Medical and dental
 Long term disability
 Continuing ed (other than secretary-treasurer and custodian (1/52 of base pay)
 Social security
 IRS mileage

*These scales are intended for use by classes and churches in establishing compensation policy for the individual characteristics of each group. Churches may want to use the comparative approach as suggested in Concept #2.

**2009 SYNOD OF THE HEARTLAND
MINIMUM COMPENSATION GUIDELINES
CONCEPT #2 (Parsonage Provided)**

**MINISTRY
Up to 250**

Year	Rural	Mid-Urban	Suburban
1	34,810	37,554	41,374
2	35,613	38,357	42,177
3	36,417	39,161	42,981
4	37,220	39,964	43,784
5	38,023	40,768	44,588
6	38,826	41,571	45,391
7	39,630	42,375	46,195
8	40,433	43,178	46,998
9	41,237	43,982	47,802
10	42,040	44,784	48,604
11	42,576	45,320	49,140
12	43,111	45,856	49,676
13	43,647	46,391	50,211
14	44,182	46,927	50,747
15	44,718	47,462	51,282
16	45,254	47,998	51,818
17	45,789	48,534	52,354
18	46,325	49,069	52,889
19	46,860	49,605	53,425
20	47,396	50,140	53,960
21	47,932	50,676	54,496
22	48,467	51,212	55,032
23	49,003	51,747	55,567
24	49,538	52,283	56,103
25	50,074	52,818	56,638

Non-ordained - average compensation for similar positions in community being served.

**2009 SYNOD OF THE HEARTLAND
MINIMUM COMPENSATION GUIDELINES
CONCEPT #2 (Parsonage Provided)**

**MINISTRY
250 – 500**

Year	Rural	Mid-Urban	Suburban
1	39,498	43,403	47,582
2	40,034	43,939	48,118
3	40,569	44,475	48,653
4	41,105	45,010	49,189
5	41,641	45,546	49,724
6	42,176	46,081	50,260
7	42,712	46,617	50,796
8	43,247	47,153	51,331
9	43,783	47,688	51,867
10	44,319	48,224	52,402
11	44,854	48,759	52,938
12	45,390	49,295	53,474
13	45,925	49,831	54,009
14	46,461	50,366	54,545
15	46,997	50,902	55,080
16	47,532	51,437	55,615
17	48,068	51,973	56,152
18	48,603	52,509	56,687
19	49,139	53,044	57,223
20	49,675	53,580	57,758
21	50,210	54,115	58,294
22	50,746	54,651	58,830
23	51,281	55,187	59,365
24	51,817	55,722	59,901
25	52,353	56,258	60,436

Non-ordained - average compensation for similar positions in community being served.

**2009 SYNOD OF THE HEARTLAND
MINIMUM COMPENSATION GUIDELINES
CONCEPT #2 (Parsonage Provided)**

**MINISTRY
500 Plus**

Year	Rural	Mid-Urban	Suburban
1	44,831	50,130	54,719
2	44,998	50,310	54,854
3	45,195	50,522	55,074
4	45,380	50,680	55,239
5	45,597	50,875	55,442
6	45,804	51,058	55,637
7	46,043	51,278	55,875
8	46,275	51,490	56,054
9	46,716	51,885	56,429
10	47,288	52,467	57,014
11	47,859	53,050	57,596
12	48,431	53,633	58,179
13	49,002	54,215	58,762
14	49,574	54,799	59,344
15	50,145	55,349	59,927
16	50,717	55,963	60,510
17	51,288	56,547	61,093
18	51,860	57,129	61,675
19	52,431	57,712	62,259
20	52,940	58,295	62,841
21	53,574	58,878	63,423
22	54,146	59,460	64,007
23	54,716	60,043	64,589
24	55,288	60,626	65,172
25	55,859	61,208	65,755

Non-ordained - average compensation for similar positions in community being served.

ADDENDUM

Increasingly, pastors are given the privilege of purchasing their own home. Churches, as well as Classes and Regional Synod may be asked to consider making loans for down payments on homes, or for other major purchases. Charging no interest or a low rate below the market rate creates problems for the following reasons:

1. Many state nonprofit corporation laws prohibit loans to officers and directors. No loans should be made (even at a reasonable rate of interest) to a minister who is an officer without first confirming that such loans are permissible under state law.
2. No interest or low interest loans to ministers may be viewed as “inurement” of the churches income to the minister. This can potentially jeopardize the churches tax-exempt status.
3. A church must determine the value of no interest or low interest loans, and add this amount to the minister’s reportable income. This must be reported to the IRS on the minister’s W-2, or 1099-MISC.
4. If a judicatory determines it can make loans, care must be taken to assure that this does not require qualification and reporting as a financial institution.