

# 2017 CLERGY COMPENSATION GUIDE

Anglican Diocese of Pittsburgh



Adopted by Diocesan Council on September 6, 2016

## Clergy Compensation Guide 2017

This past year a revision of the Diocese of Pittsburgh Clergy Compensation Guide was made to reflect the numerous changes in the makeup of the diocese, the ministry models practiced by its various congregations and the understanding of how clergy are to be compensated. The 2017 Guide updates the values for the compensation packages where appropriate.

The purpose of this guide remains that of providing standards for the proper compensation of Anglican priests employed as full-time parochial clergy and guidance in the compensation for church planters, part-time clergy and supply clergy. The guide is applicable to the diocese and all congregations in the diocese, with the understanding that every congregation (Mission Fellowship-in-formation, Mission Fellowship and Congregations in Union with Convention) and every priest may have unique circumstances that require adjustments.

It is the responsibility of each vestry<sup>1</sup> to use the following guidelines in determining the compensation levels for clergy for whom that body may be responsible. For congregations in regions other than Southwestern Pennsylvania where cost of living is higher, minimums should be adjusted proportionately. All consideration should be made in accordance with the Diocesan Guiding Principles which are included in Appendix K of the guide. The Diocesan office and specifically the office of the Director of Administration and Finance are always available to vestries and clergy when there are questions.

**The Diocese of Pittsburgh requires all clergy to sign a Letter of Agreement, which includes the compensation and benefit package, prior to beginning a ministry. The letter should also be signed by the Wardens and Treasurer of the parish and must be approved by the Bishop.**

<sup>1</sup> The word Vestry in this document refers to any parish governing body of a congregation; it includes such entities as “bishop’s committee” or leadership team of a mission fellowship.

## Diocesan Guiding Principles

***Vision: One Church of Miraculous Expectation and Missionary Grace***

***Mission: Anglican Christians Transforming Our World with Jesus Christ***

### GUIDING PRINCIPLES

1. Clergy and lay leaders are grounded in the Gospel of Jesus Christ, and deliberately share that message with others outside their local congregations.
2. Clergy and lay leaders are faithful to the Lord in daily time spent with the Lord, and in the sacramental life of the Church.
3. Clergy and lay leaders understand that the tithe is the beginning of their giving.
4. Clergy and lay leaders model faithful family relationships, including sexual purity.
5. Clergy and lay leaders are in functional accountability and intercessory relationships that safeguard themselves and their people.
6. The Bishop's team and the clergy are fundamentally bound to each other: The regular expression of this is meeting together monthly.
7. The district system exists for the good order (administration, representative election, communication, leaven, and cooperative mission) of the Diocese: Diocesan Council is its minimum expression.
8. The shared vision of the Diocese states that ***we are one Church of miraculous expectation and missionary grace***. Living into this vision means that:
  - a. We are all in this together.
  - b. We strive for openness and transparency as we make decisions.
  - c. We are committed to growth "in season and out of season."
9. Members of elected and appointed bodies of the Diocese (Standing Committee, Board of Trustees, Diocesan Council, Vestries, and so forth) commit to faithful attendance, mutual submission and to working for the common good.
10. The work of diocesan leadership is **to strengthen congregations so that they are vibrant and multiplying**. The health, vibrancy, and well-being of the Diocese is measured by and reflected in the health, vibrancy, and well-being of the congregations. (Rev., Epiphany, A.D. 2010)

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## Categories of Pastorates

Because the clergy in our diocese consist of men and women in very different stages of life from one another – second careers, retirees, young families, married, single, etc. – their needs vary greatly from parish to parish. When issuing a call, the vestry should have the flexibility to tailor a total compensation package that fits the needs of the individual. The focus of this guide, therefore, is on the total compensation package provided to a member of clergy, rather than just cash compensation.

Clergy compensation is appropriately guided by the congregational setting in which the ministry is offered, the size of the parish and the level of responsibility and commensurate skill and experience required for the particular situation. For 2017 the **recommended minimum starting total compensation packages** for full and part time and parochial clergy of the diocese are outlined below based on the following general categories:

1. Type of Pastorate
  - a. Rector
  - b. Full Time Assistant Priest
  - c. Part Time (25 hour per week) Rector, Church Planter, Assistant Priest
2. Operating Income
  - a. Under \$250,000 annually
  - b. From \$250,000 to \$500,000 annually
  - c. From \$500,000 to \$1,000,000 annually
  - d. In excess of \$1,000,000 annually
3. Congregation Setting
  - a. Major Metropolitan Area and Immediate Suburbs
  - b. Town / Rural

Minimum total package recommendations for the first year of incumbency

### Rector

	Budget under \$250,000	Budget over \$250,000 & under \$500,000	Budget over \$500,000 & under \$1,000,00	Budget over \$1,000,000
Metro/Suburban	\$63,450	\$70,325	\$83,450	\$87,175
Town/Rural	\$61,750	\$68,650	\$81,000	\$85,450

### Full Time Assistant Priest

	Budget under \$250,000	Budget over \$250,000 & under \$500,000	Budget over \$500,000 & under \$1,000,00	Budget over \$1,000,000
Metro/Suburban	\$56,450	\$63,100	\$67,450	\$70,075
Town/Rural	\$55,500	\$62,050	\$66,725	\$69,325

### Half Time (25 hour per week) Rector, Church Planter, Assistant Priest

	Budget under \$250,000	Budget over \$250,000 & under \$500,000	Budget over \$500,000 & under \$1,000,00	Budget over \$1,000,000
Metro/Suburban	\$20,875	\$21,200	\$23,975	\$24,375
Town/Rural	\$21,250	\$22,350	\$24,675	\$24,050

These are the minimum total package recommendations for the first year of incumbency. For congregations in regions other than Southwestern Pennsylvania minimums should be adjusted proportionately to the area's cost of living. Total compensation packages above the minimums vary greatly as should be expected.

Adjustments to higher levels should be considered for the following factors:

- Prior years of service in ordained ministry
- Ability as a preacher and worship leader
- Ability as a teacher
- Administrative leadership

- Meeting targeted growth goals in Average Principal Service Attendance (APSA) or other specified growth goals
- Interpersonal skills and skills in counseling and/or conflict resolution
- Stewardship and fund-raising leadership
- Ability in communications and in community and ecumenical relations
- Job Complexity issues including:
  - Size of staff
  - APSA in excess of 300
  - Oversight of Preschool or Day School
- Variety of duties to be performed
- Recognition as an expert in a field
- Publications or requirement to publish
- Education beyond Master's level

**The Director of Administration and Finance is available to each congregation to assist in determining the appropriate adjustments in each specific circumstance.**

**It should be the goal of every parish to provide each member of clergy with the minimum total compensation package recommended.**

A clergy total compensation and benefit package should include, but is not limited to the benefits detailed on the following pages.

### Cash Compensation

#### 1. Stipend

- a. Stipend is that cash amount which is paid directly to a member of the clergy exclusive of housing, utilities, and Social Security Self-employment tax allowance.

#### 2. Allowances

- a. Housing - Congregations should provide a housing allowance for their clergy. Clergy that live in church owned housing are also eligible for a housing allowance for furnishings and other allowable housing expenses. The housing allowance must conform to the tax code. The allowance must be church designated and be done in advance of the allowance being taken, meaning that it cannot be acted upon retroactively. The vestry, with input from the clergy, should review the allowance annually to make sure only allowable costs are taken into account. A sample housing allowance resolution is provided in [Appendix A on page 20] and a suggested format for documentation of clergy housing allowance is provided in [Appendix B on page 21].
- b. Utilities - Congregations with church-owned or church-provided housing should provide for a utility allowance for clergy-paid bills, or the provision for utilities to be paid directly by the church. This should be voted on by the Vestry and treated the same as the housing allowance for tax purposes.

## Required Employment Benefits

1. Retirement/Pension - The Anglican Diocese of Pittsburgh requires each parish, mission and other ecclesiastical organization to pay into a retirement/pension plan for their clergy. It is highly recommended that parishes participate in the retirement plan of the Anglican Church in North America. The Diocesan recommendation is 10 - 18% of the cash compensation for each cleric and may include a matching component. The ACNA Plan document explains this in greater detail. Different rules may apply to the definition of "total compensation" for clergy that provide their own housing and those for whom housing is provided. Please contact the Office of Administration if you would like clarification for budgeting purposes.

NOTE: Be aware that the match portion of the retirement plan must also be offered to eligible lay employees.

2. Health Insurance

### Health Insurance

- a. Medical insurance is legally required for full-time clergy and lay employees, their spouses and children. Parishes can provide coverage through its own group policies, or to the extent available, through policies provided through the Diocese. Questions about the availability of and coverage through the diocesan health insurance plan and enrollment information should be directed to the diocesan office. Parishes providing coverage through its own policies should ensure compliance with federal law, which does contain significant penalties for non-compliance. Cost-sharing arrangements for health care benefits should be handled at the parish level, but please note, to the extent a parish does not directly provide insurance, it should not reimburse clergy or lay employees for the cost of their coverage; otherwise legal penalties could apply. Health benefits are a negotiated benefit for part-time clergy.

### 3. Time away from work

- a. Weekly - A normal work week for full-time clergy is 50 hours – usually measured as approximately twelve units of mornings, afternoons or evenings in various combinations reflecting the demands of the ministry. Clergy are expected to have at least one continuous twenty-four hour period reserved for time away from work.
  - b. Vacation - Clergy are entitled to four weeks of vacation time per year, which will include a minimum of four Sundays.
  - c. Holidays – Holidays can be a complex matter for clergy. Some recognized “paid” holidays on a business calendar, such as Christmas, are actually working days for clergy. Congregations are encouraged to provide additional compensatory time away when clergy work a recognized holiday.
  - d. Maternity/Paternity Leave - Female clergy are entitled to take up to six weeks of paid, maternity leave upon the birth or adoption of a child(ren). Male clergy are entitled to take up to two weeks of paid paternity leave upon the birth or adoption of a child(ren). Additional unpaid time off can be taken in accordance with the Family Medical Leave Act, or as otherwise required by law.
  - e. Sick Days & short-term disability - Paid sick days should be provided pursuant to each parish’s policy, and short-term disability insurance should be provided for longer term illnesses.
4. Life Insurance – Life insurance should be purchased on clergy from a reputable insurance company. The minimum life insurance should be \$50,000.

## Recommended Additional Benefits

1. Social Security Self-Employment Tax Allowance - For purposes of social security, clergy are considered self-employed. An allowance amount equal to half of the clergy's social security/self-employment tax (SECA), currently 15.3%, may be paid directly to the member of the clergy as an optional benefit. NOTE: This income is fully taxable and reportable as income to the clergy.
2. Long-term Disability - It is recommended that parishes purchase or make available Long-term disability insurance from a reputable company.
3. Additional Life Insurance - Parishes are encouraged to purchase or make available additional life insurance for clergy and their dependents.
4. Housing Equity Allowance - The 133<sup>rd</sup> Annual Convention of the Diocese of Pittsburgh adopted a resolution stating that effective, January 1, 1999, "Letters of Agreement for all clergy living in church-provided housing shall include an additional category of compensation entitled "Housing Equity Allowance" and it was further resolved that the specific amount of the Housing Equity Allowance shall be calculated by using a percentage of the value designated for housing [on the Assessment Form of the Church Pension Fund (30% of cash stipend plus utilities)] or an amount agreed upon between the clergy and the parish".
5. Wellness – There are various activities which all clergy should be encouraged to participate in:
  - Spiritual health activities: daily times of prayer, scripture reading, meditation, tithing, regular retreats to hear from God, and regular meetings with a spiritual director of the clergy's choosing.
  - Work family balance. Vestries should ensure that clergy take their vacation and holiday time outside of the parish context.
  - An annual medical exam (vestries should reserve for the exam in the unlikely event that it is not covered by the Health Insurance Plan).
  - Regular exercise & healthy eating habits, including moderation or

abstinence of tobacco, alcohol or other drug use.

- A professional support group of the clergy's choosing, and adequate attention to emotional health, which may require professional counseling (vestries should reserve for the cost if it is not covered by the Health Insurance Plan).
- Community activities and involvement (outside of the parish context or role of clergy).

#### 6. Recommended Expense Allotments and Reimbursement\*

- a. Travel - Each congregation should provide either a monthly allowance or an accountable reimbursement plan utilizing the IRS per mile reimbursement rate set annually by the Diocesan Council. It is recommended that the vestry adopt an accountable reimbursement plan. Reimbursements paid under an accountable reimbursement plan are not reportable by the employer or employee as taxable income, unlike the monthly allowance, which is taxable. The accountable reimbursement plan is a significant advantage to the clergy. Note: When the accountable reimbursement plan is adopted by the vestry it applies to all employees – clergy or lay. Clergy should not be paid at a rate in excess of the IRS per mile reimbursement rate, under IRS revenue ruling 84-127. Finally, no reimbursement should be made for fuel or maintenance, since those are included in the per mile reimbursement rate.
- b. The clergy should keep in mind that travel expenses either reimbursed as an allowance or under an accountable reimbursement plan must be documented. See [APPENDIX C on page 22] for a sample documentation form. In the event of an audit the IRS will request the documentation of these expenses.

\*IRS Publication 463 provides additional information and a sample record form.

<http://www.irs.gov/publications/p463/ch05.html>

7. Continuing Education - All clergy are encouraged to engage in regular continuing education to strengthen their ministries. Parishes are expected to provide both time and money (usually \$500-\$1,000 toward the expenses of continuing education projects and materials) to make such study possible. Continuing Education time should be focused on vocational development in areas that undergird present or future ministry and develop or strengthen talents and skills. This time is not to be used as additional vacation or leisure time.
  
8. Sabbaticals - After five years of service, a full time priest is eligible for sabbatical leave that has accrued at the rate of two weeks per year of service, up to a maximum of three months of leave. Parishes should build provision into their budgets to cover the expenses of a sabbatical, which include program and travel costs as well as liturgical and pastoral care coverage for the parish. A periodic sabbatical is a healthy and effective means of preventing burnout and of renewing and enhancing a professional's capabilities for dealing effectively with problems facing those who need help. A written description of the sabbatical plan should be submitted to the Bishop no fewer than 90 days before it commences. The following planning guidelines are recommended:
  - a. The sabbatical is intended to provide rest and renewal, but should have a structure to it. Planning for the sabbatical is just as important for the clergy or lay professional as it is for the parish. The planning process can be broken into three phases: (1) the pre-sabbatical or planning phase; (2) the sabbatical itself; and (3) the post-sabbatical phase.
  - b. During the first phase, the objectives of the sabbatical should be defined in general terms and a flexible plan should be developed to achieve those objectives. The plan might involve study, travel, writing or some combination of all three, blended with a good measure of relaxation and family time.

- c. The second phase is the sabbatical and the person should follow a flexible approach to pursuing the planned objectives, bearing in mind that the overall goal is rest and renewal, not rigid adherence to a prescribed plan of action.
- d. The third phase is a time of adjustment for both the person returning and for those who have experienced that person's absence. Feedback should be provided through face-to-face dialogue or in the form of a written report or journal to the Bishop's office within 90 days of returning from a sabbatical.

#### 9. Business Entertainment -

Entertaining on behalf of the church should be reimbursed under an accountable reimbursement plan (see footnote under item 5 above). Vestries are encouraged to budget annually for these anticipated needs.

#### 10. Moving -

When a congregation issues a call, it should pay the expenses associated with the relocation. Clergy who have been called and the leadership of the congregations to which they have been called are encouraged to discuss the anticipated expenses in advance and to set up a reserve.

## Guidelines for Supply Clergy Rates

In an effort to provide guidelines in this area, the Committee recommends the following *minimum* schedule for supply clergy to be paid by the Vestry of the parish for whom services are supplied. :

1 Service with Sermon	<b>\$135</b>
2 Services with Sermon	<b>\$200</b>

An additional \$60 is to be paid for each additional service on the same weekend. Clergy are also to be reimbursed for travel costs at the current IRS reimbursable mileage rate, unless the supply rate is increased to cover these expenses.

## Advocacy for Clergy during Compensation/Benefit Negotiations

Clergy often find it difficult to negotiate for an adjustment in their compensation and benefits. Negotiation is not a skill that everyone possesses. In response to this reality, the Clergy Compensation Committee proposes that a cleric may ask for an advocate to represent his or her needs and desires to the vestry or budget committee.

1. The cleric should let the vestry know well in advance that he will have a representative during the negotiation process.
2. The advocate does not need to be a member of the parish, but needs to be someone with credibility in the parish, and should not be the Treasurer as this would be a conflict of interest. The advocate should have an understanding of the covenant between the cleric and the parish and also have a sense of advocacy as a ministry that serves both the cleric and the parish. The cleric should communicate clearly with the prospective advocate, articulating what is being requested, for example:
  - 1) To represent the cleric's needs to the vestry or budget committee.
  - 2) To discuss the cleric's hopes for the next year regarding compensation.
  - 3) To meet one or two times before the budget meeting.
    - a) The Diocesan Clergy Compensation Guidelines should be used as a tool for the meeting. All of the categories of the covenant between the cleric and the vestry should be addressed, keeping in mind that the recommended compensation reflects minimums and not maximums.
    - b) The cleric should be comfortable discussing finances and articulating his needs with the advocate.
    - c) Prayer is central to this process as leadership seeks to steward potentially limited resources in light of competing needs.
  - 4) To meet annually with the cleric to review future needs and expectations.

## Guidelines for Parish, Cleric and Family during Marital Stress, Crisis and Divorce in Clergy Families

The establishment, blessing and nurture of Christian marriage and Christian family life are a primary task of the church. However, like any marriage, clergy marriages come under stress and clergy separation and divorce do occur. They are realities usually accompanied by confusion and hurt. They are among life's most threatening and painful experiences. These guidelines are designed to be helpful for vestries, clergy and his/her family as they develop ways of dealing with marital problems of clergy. Special consideration should be given to principles articulated in Title III, Canon 3, Section 5 & 6 of The Canons of the Anglican Church in North America, and the Diocesan policy titled: "Divorce, Remarriage and the Call to Ministry" In the process of working with the problems that have become apparent in a marriage, the various parties affected have responsibilities that they must accept. Each should respect the confidentiality of the situation, but also recognize the effect that a cleric's marital crisis might have on the Parish.

### 1. Clergy Responsibility:

- a) Recognizing serious problems developing within the marriage.
- b) Discussing problems with spouse (and children).
- c) Discussing the situation with an appropriate and trusted third party.
- d) Seeking professional counseling for self and family.
- e) Recognizing the potential impact upon the congregation in such areas as:
  - Management of the church's day-to-day affairs,
  - Counseling for parishioners,
  - Visiting parishioners, and
  - Emotional response of the congregation.
- f) Counseling with the bishop for guidance on what approaches to use for the problem.
- g) Discussing with the Senior Warden, as appropriate, when problems impact the parish, or might result in divorce or separation.

## 2. Spouse Responsibility:

- a) Recognizing serious problems developing within the marriage.
- b) Discussing problems with spouse and children.
- c) Discussing the situation with an appropriate and trusted third party.
- d) Seeking professional counseling with spouse.

## 3. Vestry/Senior Warden Responsibility:

- a) Approaching the clergy when problems are having an impact upon the congregation, or may result in separation or divorce.
- b) Deciding what role vestry should take.
- c) Suggesting counseling for clergy and family if problems appear to be escalating.
- d) Considering a leave of absence or sabbatical for the clergy and spouse to focus on the issue.
- e) Requesting assistance from bishop if unable to help to resolve the problem.
- f) Setting limits as to when the parish can no longer allow problems to disrupt the parish and the congregation.
- g) Deciding what continuing financial support is available to the clergy and family should separation or divorce result.

## 4. Bishop's Responsibility

- a) Setting up a protocol as to when the Bishop becomes involved.
- b) Being available to clergy and family.
- c) Having within the diocese counseling resources available to clergy and families.

## Bishop's Wellness Committee

The salary of the Bishop is reviewed annually by the Bishop's Wellness Committee. The committee is comprised of the President of the Standing Committee, President of the Board of Trustees, the President of Diocesan Council and two ombudsmen (one clergy; one lay) nominated by the Bishop. This committee meets semi-annually to review compensation and wellness issues with the Bishop. The salaries of the Canon to the Ordinary and the Director of Administration and Finance are reviewed annually and set by the Bishop in consultation with the Bishop's Wellness Committee.

## Appendix A

### SUGGESTED INSERT FOR MINUTES OF VESTRY FOR DESIGNATION OF CLERGY HOUSING ALLOWANCE

The Vestry has received a statement from the Rev. \_\_\_\_\_

detailing the amounts that (he)(she) expects to spend in 20\_\_\_\_ to provide a home for (himself) (herself) and (and family).

A copy of this statement is attached to and forms a part of the original minutes of this meeting.

After consideration, on motion duly made and seconded, the following resolution was adopted:

**BE IT RESOLVED** that \$\_\_\_\_\_ of the Rev. \_\_\_\_\_'s compensation is designated as an allowance for the expenses of providing a home, based upon the attached statement of the Rev. \_\_\_\_\_'s estimated housing expenses for the year 20\_\_\_\_\_.

(If the clergy person is provided with the rent-free use of a house, the following should be added.)

The Rev. \_\_\_\_\_ shall also be provided with the rent-free use of the house located at \_\_\_\_\_ for the year 20\_\_\_\_\_ in consideration of (his)(her) services as \_\_\_\_\_ of \_\_\_\_\_ Church, \_\_\_\_\_, Pennsylvania.

**BE IT FURTHER RESOLVED** that the amount herein designated shall remain in effect for future years until new information is received from the designee and the vestry takes action to approve a new housing allowance.

(The clergy person should retain a copy of the minutes containing this notice, with his or her IRS records.)

## Appendix B

### SUGGESTED FORMAT FOR DOCUMENTATION OF CLERGY HOUSING ALLOWANCE

TO: \_\_\_\_\_  
 (Vestry)  
 \_\_\_\_\_  
 (Name of Church)  
 \_\_\_\_\_  
 (Address of Church)

FROM: \_\_\_\_\_  
 (Clergy Person)

SUBJECT: Housing Allowance for 20\_\_\_\_\_

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The following amounts are estimates of the costs I expect to pay during 20\_\_\_\_\_ to provide a home for myself (and family):

(1)	House	\$ _____
	The lower of: mortgage, fair rental value, or rent on leased premises	
(2)	Utilities	\$ _____
(3)	Taxes	\$ _____
(4)	Insurance	\$ _____
(5)	Repairs and maintenance	\$ _____
(6)	Furnishings	\$ _____
(7)	Other housing expenses:	_____
(8)	_____	\$ _____
<b>TOTAL</b>		<b>\$ _____</b>

Clergy Person's Signature: \_\_\_\_\_  
 Date: \_\_\_\_\_

