

A Brief Explanation of the Proposed Compensation and Guidelines

The “Compensation and Guidelines” for 2014 are presented to you in a new format. Over the years, the updates and changes sometimes made it challenging to discern the document. It was also very lengthy. As the Support to Ministries Committee took up guidelines for 2014, it had a goal to make the document and recommendations clear and fair. We chose to divide the document into four sections giving congregation and leaders the ability take up only what was germane to their ministry. We also removed most of the tax advice that had been presented for clergy. We do not want to give wrong advice in tax matters. Also included at the end of each section is a worksheet to help calculate compensation.

The “2014 Compensation and Guidelines” includes a salary increase of 3% for all leaders. Additional mathematical corrections were made in the chart for Clergy because the step increases had been incorrectly calculated in past years. After carefully reading through the guidelines for Rostered Lay Leaders, we noted that their salary schedule began at a lower level of compensation than that of non-rostered lay program staff. Therefore, the salary for Rostered Lay Leaders has been adjusted to a level we feel is in line with their education and training.

New to the “Compensation and Guidelines” for 2014 is a section highlighting sabbaticals for Rostered Leaders. After five years of service in the same congregation, Rostered Leaders are eligible for a sabbatical of six weeks to three months. The Sabbatical Recommendations offers congregations and leaders a place to begin planning for the sabbatical and resources that are available to them.

Additional Changes for each section include:

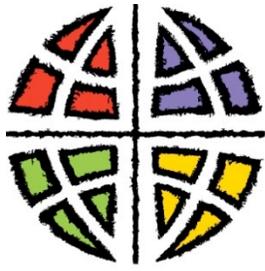
A. “Compensation and Guidelines for Pastors Living in a Parsonage:” The Guidelines for the Provision and Use of Parsonages, Appendix A, was reformatted to show the congregation and pastor’s relationship and responsibilities laid out side by side.

B. “Compensation and Guidelines for Pastors Receiving a Housing Allowance:” The Housing Allowance section was edited to provide a clear example of calculating housing allowance. This is an area that we understand has been difficult to maneuver over the years and we hope that the new form will be helpful. In addition, a new recommendation for calculating housing for clergy couples serving together is offered ensuring that pension benefits are in line with what they would receive if they were serving in separate congregations.

C. “Compensation and Guidelines for Rostered Lay Leaders:” A salary table specific to Rostered Lay Leaders is provided. In previous guidelines, congregations and leaders we asked to look at the clergy salary chart and do some complicated math.

D. “Compensation and Guidelines for Lay Leaders:” There are no significant changes to this section of Compensation and Guidelines.

We thank you for taking up these documents and sharing in the ministry of this church.



South Dakota Synod
Evangelical Lutheran
Church in America
God's work. Our hands.

Compensation and Guidelines for Lay Leaders

2014

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SD Synod Compensation and Benefit Guidelines Relative to Health Care Reform in 2014

A. Beginning January 1, 2014, the most significant changes brought about by the Affordable Care Act (ACA), also known as health care reform, will take effect. This will have implications for many employers, including congregations. It is difficult to predict the full implications of the ACA; however, we want to be aware and well-prepared. Our ministry partners at Portico Benefit Services will help us through this change. This document will help you understand what health care reform means for you. You can also continue to check the Portico website (*PorticoBenefits.org*) for updates. A representative from Portico will be present at our synod assembly. Please feel free to ask all your questions related to health care reform, either directly or at the break-out session.

1. Each state will have a health insurance exchange, also called a marketplace, where individuals can buy health insurance. In states that choose not to provide an exchange, the federal government will manage one on the state's behalf, or the exchange may be operated by the state and federal government jointly. The plans offered in the exchanges will be in four categories, and Portico intends to offer four plan options that correspond to these categories:
 - Bronze
 - Silver
 - Gold (closest to current ELCA-Primary health coverage)
 - Platinum
2. Currently, ELCA-Primary health contribution rates are based on geographic region and salary. To offer competitive pricing relative to the exchanges, Portico intends 2014 ELCA-Primary health contribution rates to also reflect plan member age.
3. For 2014, each ELCA employer will need to select one ELCA health plan option for all employees (rostered leaders and lay churchworkers) that they will pay for.
4. Once the employer makes a selection, the employee will confirm that choice or choose to buy up to another plan option, and will be responsible for the cost difference. For example, if the employer selects the option similar to the gold plan and the employee opts to buy up to the option similar to the platinum plan, the employee would pay the difference in cost.

B. Some generalities about the health insurance exchanges:

1. Younger employees, generally speaking, will be less expensive to insure than older employees on the exchanges.
2. Individuals may be eligible for federal subsidies that will help pay for health insurance purchased on an exchange if his or her employer doesn't offer a minimum value, affordable plan. Affordable means that an individual spends less than 9.5% of his or her income on premiums for single coverage.
3. Depending on family income, employees who do not qualify for federal subsidies may pay higher premiums for plans purchased on an exchange.

C. Other considerations:

1. It may be tempting to offer the least expensive health plan option. Collectively over the years, this church has sought to provide benefits that support our shared ministry and overall well-being to all rostered leaders and lay churchworkers. The ELCA Church Council at its April 6, 2013 meeting acted to endorse as a benchmark the proposed plan option that approximates the current level of benefits provided by ELCA-Primary health coverage, and to encourage congregations, synods, the churchwide organization, other ELCA-related organizations, and other interested persons to advocate for selection of this plan option.
2. Relative to the ELCA health plan, Portico is planning to have a final proposal and recommendations on health care plan options and pricing considered by the Conference of Bishops and acted upon by the ELCA Church Council at their respective August meetings.
3. Given these changes, it may be tempting to come to call or employment decisions based upon youth or marital status, and to avoid older, more experienced persons with families. However, this church has always valued calling a rostered person and hiring a lay churchworker based upon his or her gifts for ministry and the needs of the congregation, and we believe this practice should continue.
4. Rostered leaders or lay churchworkers may have occasion to make a decision between two calls or opportunities for employment based upon the plan options that are being offered, which has never been a factor before.

Recommendation: To maintain the current level of health benefits for our rostered leaders and lay churchworkers, we recommend that all of the congregations and parishes of the South Dakota Synod offer to pay for the new ELCA health plan option that most closely resembles current ELCA-Primary health coverage for their rostered leaders and lay churchworkers. This is the plan option that will be comparable to gold plans offered on the exchanges. This will both continue to care for the health of all who serve under call or terms of employment and eliminate many of the variables facing congregations and paid servants in the midst of change. This recommendation was unanimously approved by the Support to Ministries committee at its April 4, 2013 meeting.

Compensation and Guidelines for Lay Support Staff

Non-rostered church workers are professionals and should receive compensation similar to professionals in the community. Congregations must conform to all federal and state laws and provide for appropriate tax with-holding, payment of employer's share of FICA taxes, provision of workers' compensation insurance, adherence to applicable minimum wage laws and fair employment practices, etc.

A. Minimum Base Salary

In determining salary for lay staff, consider whether the staff person is in a support role or a program role. Examples of support staff include secretaries and bookkeepers. Program staff included music directors, youth and family ministers, and Christian education directors.

1. Lay Support Staff

Years of Experience	Minimum Recommended Salary/hour	Minimum Recommended Salary/hour for Congregations of over 600 Baptized
0	\$10.39	\$10.60
1	\$10.69	\$10.91
2	\$11.01	\$11.23
3	\$11.36	\$11.59
4	\$11.70	\$11.93
5	\$12.04	\$12.28
6+	Add 3% to each step	Add 3% to each step

Add 3% to each step per year of experience beyond 4 years for congregations of less than 600 baptized members. For congregations of over 600 baptized members, add 5% to each step.

2. Lay Program Staff

Years of Experience	Recommended Minimum Salary	Recommended Minimum Salary for Congregations over 600 Baptized Members
0	\$28,864	\$30,064
1	\$30,027	\$31,227
2	\$30,594	\$31,794
3	\$30,601	\$31,801
4	\$31,193	\$32,393
5	\$31,771	\$32,971
6+	Add 3% to each step	Add \$1,200

Add 3% to each step per year of experience beyond 5 years for congregations less than 600 baptized members. For congregations of over 600 baptized members, add an additional 5% to each step.

B. Social Security

The congregation is responsible for the employer share of the Social Security Tax. The employee share and applicable taxes shall be withheld from the Rostered leader's salary including housing if provided.

C. ELCA Pension and Other Benefits Plan

Lay leaders who are employed more than 20 hours per week for at least six months per year are eligible to enroll in the ELCA Pension and Other Benefits plan. Some congregations prefer to provide other benefit options to non-Rostered lay staff. Such benefits should be described in the congregation's personnel policies and should be offered to all non-Rostered lay staff.

D. Continuing Education

Lay Leaders are encouraged to develop their knowledge, acquire new skills, and experience growth for more effective service. It is recommended that lay staff be eligible for up to 5 days of continuing education and \$450. Continuing Education plans shall be discussed with the lay leader's supervisor or congregational council.

E. Time Off

1. Vacation Days

Years 1-4	10 days or two proportional work weeks
Years 5-9	15 days or three proportional work weeks
Years 10+	20 days or four proportional work weeks

Vacation days should not be carried over to the following year.

2. Sick Leave

Two days per month. These may accumulate to a maximum of 60 days.

3. Holidays and Leave

Holidays should be granted off in addition to vacation days. When the services of a rostered lay professional are required on recognized holidays, time off with pay should be granted at another time with minimal disruption to the congregation. The following days are traditionally considered holidays: New Year's Day, Martin Luther King, Jr. Day, Easter Monday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas Day.

4. Other Benefits

Congregations are encouraged to draft policies for Personal Days, Parental Leave, Bereavement Leave, and Military leave and include them in a personnel policy manual for staff.

Compensation Worksheet for Lay Staff

This worksheet is designed to help congregations build a compensation package for lay staff using the synod's guidelines. Each item below is described within this document. Use only items which apply.

	<i>This Year</i>	<i>Guidelines</i>	<i>Proposed</i>
I. Salary	\$ _____	\$ _____	\$ _____
II. Social Security	\$ _____	\$ _____	\$ _____
III. ELCA Pension and Other Benefits¹			
A. Pension	\$ _____	\$ _____	\$ _____
B. Medical	\$ _____	\$ _____	\$ _____
C. Disability	\$ _____	\$ _____	\$ _____
IV. Other Benefits			
A. Insurance	\$ _____	\$ _____	\$ _____
B. Pension	\$ _____	\$ _____	\$ _____
C. Other	\$ _____	\$ _____	\$ _____

¹ Contact Portico Benefit Services at 1-800-352-2876 (Monday-Friday, 7:30 am-5:00 PM CST) or visit their website for compensation calculators at www.elcabop.org.

I. Reimbursements

A. Automobile	\$ _____	\$ _____	\$ _____
B. Business/Professional	\$ _____	\$ _____	\$ _____
C. Continuing Education	\$ _____	\$ _____	\$ _____
E. Other _____	\$ _____	\$ _____	\$ _____

Total Value of Compensation \$ _____ \$ _____ \$ _____

V. Agreements

A. Vacation time of _____ weeks and _____ Sundays.

B. Continuing education time of _____

C. Other _____
