



Pastors: Ministers of Word and Sacrament

COMPENSATION DEVELOPMENT WORKSHEET

The Rocky Mountain Synod of the Evangelical Lutheran Church in America

The particular aims of this Rostered Minister Compensation Development Worksheet are:

- *to clarify the important factors in determining baseline levels of compensation (low/high range) for pastors called to service in the Rocky Mountain Synod, and*
- *to provide congregations of the Rocky Mountain Synod with tools to help congregations and pastors understand the elements in considering compensation for those called to rostered ministry in their community.*

Actual annual compensation levels, as well as other aspects of the total compensation package, are best determined through the mutual conversation of congregational leaders and their called/rostered staff.

When calling a new pastor, congregations are strongly encouraged to meet the previous salary of your new pastor. If your congregation cannot meet these financial obligations, other compensation should be considered. See Section 1 in the 'Definition of Compensation and Benefits for Rostered Ministers', paragraph 9.

https://www.rmselca.org/sites/rmselca.org/files/documents/rms_compensation_guidelines_approved_oct2014_updatednov2016_2.pdf

ROCKY MOUNTAIN SYNOD Pastor Compensation Development Worksheet

Step 1	DETERMINING BASELINE COMPENSATION	FORMULA
<p>BASELINE COMPENSATION</p>	<p>The Rocky Mountain Synod regularly reviews and sets a “Baseline Compensation” for its rostered ministers. Those who are called, educated and equipped for leadership in church ministries should receive adequate compensation for the sake of the pastor’s well-being and ability to serve effectively. Churches/ organizations and ministers are encouraged to engage annually in mutual review of the pastor’s work and appropriate compensation.</p>	<p>Baseline Compensation includes both “Salary” and “Housing Allowance.” <i>(It is important to note that the amount of compensation actually designed as “Housing Allowance” must be recorded as a vote of the congregation’s council prior to the beginning of each calendar year for income tax purposes.)</i></p> <p>The annual amount is \$50,000. <i>(A 30% reduction adjustment is made if the congregation provides housing via a parsonage arrangement.) Increases to Baseline Compensation will be recommended yearly that will cover COLA (Cost of Living Adjustment) but will be less than the locally recommended COLA due to the credit adjustments below, which include years of experiences.</i></p> <div style="border: 1px solid black; padding: 5px; margin-top: 20px; width: fit-content;"> <p>BOX A: \$50,000</p> </div>

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Step 2	DETERMINING COMPENSATION RANGE ADJUSTMENTS	FORMULA
YEARS OF SERVICE	As per most professional compensation systems, we acknowledge the value of acquired skills, wisdom, and experiences that can only come from actual pastoral experience.	Credit one point for each year of service as an ordained pastor (up to a maximum of 30) in Box B. <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;">BOX B: _____ points</div>
YEARS OF RELATED NON-PASTORAL EXPERIENCE	Increasingly, persons with prior experience in relevant fields enter rostered ministry in our church. We seek to acknowledge the value of prior experience in relevant fields (e.g. teaching, finance, counseling, administration, social work, etc.) with this adjustment.	Credit is given for each year of prior experience in a relevant field. Multiply those “years of related prior experience” by .5 [# years x .5 /up to a maximum of 8 points) and credit in Box C. <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;">BOX C: _____ points</div>
FURTHERED EDUCATION	Lutherans have long expected that their pastors be well educated. This credit seeks to account for and encourage life-long learning for leadership.	Credit is given (3 points) to those who have taken the time and made the commitment to earn a degree in a ministry- related field beyond the Master of Divinity level (e.g. M.A., M.Th., D.Min., Ph.D., Th.D., S.T.M.) or have completed over 450 hours of Continuing Education. If such is the case, enter 3 points in Box D. <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;">BOX D: _____ points</div>
COMPENSATION ADJUSTMENT POINTS	Boxes B-D quantify the value of experience and education a pastor may possess. These factors will become a basis for adjustment to compensation.	Add together the credits in Boxes B, C, and D to create a “point total” and write that number in Box E. <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;">BOX E: _____ point total</div>

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Step 3	NEGOTIATING ACTUAL COMPENSATION	FORMULA
COMPENSATION ADJUSTMENT	Step 2 (Boxes B, C, D and E) comprise a point total (with identified maximums) which quantifies an appropriate adjustment to compensation. As of June 2020, the value of that modifier is set at \$1300 per point.	The number of points recorded in Box E, multiplied by the point modifier, quantifies the added value of your pastor's experience and education. Complete that calculation to determine the dollar amount for Box F.
		BOX F: (Box E X \$1300) \$ _____
ADJUSTED BASELINE COMPENSATION RANGE HIGH	By adding the "Baseline Compensation" and the "Compensation Adjustment", you will be able to determine an "Adjusted Baseline Compensation Range High" compensation for your pastor.	Add Box A and Box F together and write that amount in Box G. THIS IS THE HIGH END OF THE COMEPNSATION RANGE.
		BOX G: (Box A + Box F) \$ _____
LOCALIZED COST-OF-LIVING MULTIPLIER	Input the following figure based on the conference your congregation is in: - Boulder/Broomfield, Metro E, Metro S = .95 - Metro W, N Colo., SE Colo., Utah = .90 - Northern NM, WY = .85 - Border = .80	
		BOX H: _____
ADJUSTED BASELINE COMPENSATION RANGE LOW	The low end of the compensation range is the greater of the Baseline Compensation (Box A) OR the cost of living multiplier (Box H) x the high end of the compensation range (Box G).	Multiply Box G by Box H. Enter in Box I the greater of that number or Box A. THIS IS THE LOW END OF THE COMEPNSATION RANGE.
		BOX I: (Greater of Box A OR 0.85 * Box G) \$ _____
NEGOTIATED PASTOR COMPENSATION	Acknowledging the amounts in Box I as an "Adjusted Baseline Salary Range Low" and Box G as "Adjusted Baseline Salary Range High," it is the responsibility of the congregation to determine the actual annual compensation. During the course of the conversation, consider the following questions: <ul style="list-style-type: none"> • Does our pastor bring any special skills to this ministry that ought to be compensated? • Does our pastor bear significant added administrative / leadership responsibility? • During the past year, has our pastor met the ministry goals, which had been mutually established by the pastor and the congregation? • Are we expecting our pastor to take on any significant new responsibilities this year? • Are there any unique financial stresses or circumstances we should address? • Since research has shown that longevity in call has benefits to congregational vitality, we suggest that congregations consider optional financial compensation and/or other benefits (see the "Definition of Compensation and Benefits for Pastors, Section 1, Paragraph 9). 	<div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;"> BOX J: (other adjustments as negotiated) \$ _____ </div>

The amount entered in Box K (below) represents our mutually negotiated pastor compensation for the coming year. (Note: Adjust accordingly if the terms of call are less than full-time, or if use of a parsonage is included as a portion of compensation.)

Box I: Salary Range Low
 \$ _____
 Box G: Salary Range High
 \$ _____

Our Pastor's Compensation for this past year was:
 \$ _____

BOX J: Our Pastor's Compensation for coming year will be:
 \$ _____

SOCIAL SECURITY ALLOWANCE	Since congregations are required to pay 7.65% for lay employee's social security benefits, it is fair to pay this amount to the pastor. Take Box I and multiply the sum by 7.65%.	BOX K: Box J multiplied by 7.65%) \$ _____

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Step 4	ADDITIONAL BENEFIT CALCULATIONS TO CONSIDER	
ELCA PENSION AND HEALTH BENEFITS	<i>If the pastor is covered or included on a spouse's insurance, it is recommended that the amount quoted in Portico for insuring the pastor be included in compensation.</i>	
CONTINUING EDUCATION	<i>This may be offered at the full amount for part-time leaders as well as full-time. Registration, lodging and travel can easily exceed \$1000.</i>	
AUTO EXPENSE	<i>Long distance commutes should be considered as additional expenses in this line item.</i>	
PROFESSIONAL EXPENSES, BOOKS AND PUBLICATIONS	<i>Dues, work garments and cleaning, home office expenses, supplies, fees, books subscriptions, memberships, publications, periodicals etc.</i>	
PROFESSIONAL EXPENSES		
TECHNOLOGY EXPENSES	<i>(i.e. cell phone, laptops, etc.)</i>	
OTHER		
TOTAL OF ADDITIONAL BENEFITS		\$ _____