

RESOLUTION ON CHURCH EMPLOYEE COMPENSATION – 2018

WHEREAS, there is a continuing need to emphasize the importance of an appropriate salary and adequate total compensation for clergy and laity of the diocese; and

WHEREAS, there is a need for total clergy and lay compensation to be appropriate in relationship to other dioceses; and

WHEREAS, government guidelines instruct the (a) clergy be issued Form W-2 (not form 1099), and (b) professional allowances be separated from stipend and managed according to an Accounts Reimbursable plan with their employer; and

WHEREAS, the Diocese continues to face a continued increase in the number of congregations unable to sustain full time ordained ministry thus necessitating re-examination of how best to compensate ordained leadership at the congregational level; and

WHEREAS, the Clergy Compensation Committee has been instructed to review compensation and provide information and counsel to congregations, clergy, and the Diocese of compensation matters; therefore, be it

RESOLVED: That the following clergy and lay employee compensation policy be adopted by the Diocese, and that the diocesan convention review this policy in 2019, having been advised by the Clergy Compensation Committee.

Diocese of Central Pennsylvania Clergy and Lay Employee Compensation Schedule

A. Compensation Schedule

Full-time priests and transitional deacons shall be paid a salary that is at least equal to the salary established by the Diocesan Minimum Salary Schedule. The schedule provides higher rates of compensation based on the number of years of full-time ministry completed since ordination to the diaconate. Increases will be set in the Minimum Salary Schedule for 0-4 years, 5-9 years, 10-14 years, 15-24 years, and 25-plus years. Other factors including relevant advanced degree (beyond the M.Div.) and specific relevant certification should be considered by parishes when setting salaries. Any clergy person who is not receiving minimum compensation should be considered part-time, and responsibilities negotiated accordingly. See F, *infra*. Lay persons employed full- or part-time shall be paid a salary that is at least equal to the minimum hourly wage prevalent in their area.

B. Cost of Living Adjustment

A Cost of Living Adjustment (COLA) will be made to each step of the Diocesan Yearly Minimum Salary Schedule.

C. Social Security Contribution

The full employer's share of the social security tax is to be paid for all employees.

D. Professional Expense Reimbursement

Vestries are encouraged to review annually with their clergy the actual expenditures incurred in the practice of ministry and to budget accordingly. The **minimum** professional expense reimbursement available to clergy will be \$5,000, including mileage reimbursed at the current rate allowed by the Internal Revenue Service, as well as certain other automobile expenses. Such reimbursements are paid with an accountable reimbursement form. Other professional expenses may include, but are not limited to, non-automotive travel (train, bus, etc.); meals and other hospitality; books/journals; curricula; professional publication

subscriptions; fees and expenses associated with professional conferences, conventions, retreats, seminars, and workshops; membership dues in professional societies; office supplies; and computer and printer costs (if used more than 50% of the time for professional activities).

E. Continuing Education

Full-time and part-time clergy receive an allowance of a minimum of \$750 annually for continuing education. Monies not used for continuing education will be allowed to accumulate up to 3 years, for special education projects, including sabbaticals.

Sabbatical Leave regulations are as follows:

It is the policy of the Diocese of Central Pennsylvania that all full-time clergy who have served continuously in this diocesan position or parish for seven years or more are entitled for sabbatical leave of up to three months. Sabbatical leave shall be in addition to vacation. While on sabbatical leave the member of the clergy shall receive full compensation and benefits. The right to request such leave shall recur each additional seven years' tenure. It is incumbent upon both the clergy and the parish to negotiate sabbatical leave.

A sabbatical plan of study is to be submitted to, and approved by, the vestry and the Bishop. Clergy are expected to return to their former position for at least one year following the conclusion of a sabbatical leave. Exceptions to this may only be granted by the Bishop with the concurrence of the vestry(ies) of the congregation(s) in which the clergy person is serving. Clergy shall not be eligible for more than one sabbatical leave in a seven year period, nor shall they be eligible for study leave in the same calendar year in which they take a sabbatical. When available, diocesan financial aid will be given to help with the costs of supply clergy for pastoral duties and the leadership of worship during the time of the sabbatical. The congregation or institution shall pay the cost of compensation and benefits. Clergy are expected to pay for the cost of the sabbatical itself; however efforts will be made to assist members of the clergy to obtain grants or other forms of financial aid.

2018 Minimum Clergy Compensation

The minimum clergy compensation schedule is listed below.

Years Ordained as of 1/1/18 Minimum Salary

| | |
|-----------|----------|
| 0 – 4 | \$44,417 |
| 5 – 9 | \$48,711 |
| 10 – 14 | \$51,578 |
| 15 – 24 | \$55,550 |
| 25 – plus | \$58,501 |

Minimum salary guidelines are not meant to be considered in lieu of a merit increase. Every parish should be in dialogue with their clergy concerning evaluating responsibilities, performance and compensation annually.

Additional minimum benefits provided by congregations for full-time clergy include:

- 1) Housing is to be provided – either a) cash allowance or, b) provided through a rectory in which case a \$1,200 equity allowance is to be given. This equity allowance is to be reviewed by the compensation committee annually.
- 2) Church Pension Fund Premiums.

- 3) Life insurance coverage of \$100,000 provided by the Church Insurance Company to clergy employed full-time at no extra cost to the congregation.
- 4) Clergy are to be covered by worker's compensation insurance.
- 5) Long-term disability insurance coverage offered through Church Medical Trust is encouraged as well.

F. Part-time clergy

Based on a full-time week of 44 hours and diocesan standards for years of service, congregations will provide compensation including housing for the work of part-time clergy in proportion to mutually-agreed-upon hours of service.

Professional expenses to be reimbursed according to Section D of this resolution. The congregation and the ordained person may negotiate for greater reimbursement as part of the total compensation package.

Minimum health insurance coverage proportionate to the hours worked. The congregation and the ordained person may negotiate for greater coverage as part of the total compensation package. Clergy persons eligible for Medicare, Tricare, or similar federal or state insurance programs will receive a proportionate share of "medigap" insurance.

Continuing Education and Sabbatical leave proportionate to compensation contracted work time. Vacation time of at least four Sundays a year.

Clergy employed by two or more congregations to make a full-time job shall receive full-time salary and benefits as negotiated by the churches served.

G. Supply Clergy

The stipend for supply clergy is \$150 for one service and \$175 for two services. Beyond two services a day, the rate is to be negotiated. Mileage is to be reimbursed at the current rate allowed by the Internal Revenue Service.

H. Vocational Deacon Reimbursement

Mileage for church business conducted by vocational deacons is to be reimbursed at the current rate allowed by the Internal Revenue Service. In addition, a minimum continuing education allowance of \$500 as well as a \$300 professional expense reimbursement is to be provided. These reimbursements are to be reviewed annually by the Diocesan Compensation Committee.

I. Retired Clergy Insurance

As part of the benefits offered through Church Pension, retired clergy are offered supplemental insurance for Medicare. The comprehensive supplement is now included with retired clergy benefits. Two other levels of supplemental coverage are also available at additional cost. While it is the responsibility of clergy to purchase Medicare supplement for their spouse, the Diocese of Central Pennsylvania has helped retired clergy obtain one of the higher supplemental coverages for themselves. At present the Diocese provides monetary assistance toward this cost for the clergy.

J. Lay Employees

Actions of General Convention have set standards by which all entities within the Episcopal Church are expected to follow with regard to lay employment practices. It is required that lay employees who work one thousand or more hours per year be provided with pension benefits after one year of service. In addition:

- 1) Those employees twenty one years old and older and working 1000 hours may begin a 403b defined contribution plan immediately upon hiring.
- 2) All employees working 1500 hours annually are to be offered health insurance coverage. Each parish may set up its own cost sharing plan. Arrangements for health insurance may be made through plans

offered by the Diocese, or through other suitable and appropriate locally or regionally available options. Diocesan guidelines are available on these matters.

3) An agreement also should be reached with those employees on life insurance, paid holidays, vacation and sick leave.

4) Worker's compensation must be paid for all employees.

5) Further, it is encouraged that short-term disability insurance be obtained for lay employees as well.