

2024 Recommended Compensation Guidelines Charts—Proposed

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SUMMARY OF 2024 GUIDELINES

The 2024 Recommended Compensation Guidelines has taken on some changes from past years. The salary charts did change in these guidelines—keep in mind that the rostered minister should receive an increase for years of service and the cost of insurance goes up annually and those costs are covered by the organization. The compensation task force looked at previous guidelines and other synods' guidelines in the preparation of these guidelines. It was decided that our guidelines should set a standard for what is expected. When considering increases, the determination was made that the guidelines should be increased based on current inflation statistics and trends. We are moving back to a percentage increase since all the other Region 9 synods use a percentage. Our percentage increase is 1.75% per year.

PREFACE TO COMPENSATION CHARTS

The charts outlined below show what is recommended for compensation of your rostered minister. Keep in mind that these charts only show the defined compensation. Defined compensation is the total of housing, social security allowance (SECA), and salary. These are considered minimum standards and should not be viewed as maximum standards.

EXPLANATION OF THE COMPENSATION CHARTS

The endeavor to arrive at an amount of compensation which is both fair and appropriate for the rostered minister of a congregation involves the consideration of many factors, not the least of which is the rostered minister's years of service to the Church. Salary compensation amounts for the rostered minister vary as widely as the personalities of congregations. The needs and expectations could differ based upon the setting and type of ministry.

Some items to consider:

- 1) years of service in the ministry
- 2) relevant non-parish experience or degrees which can enhance a person's skills
- 3) the size of the congregation/average attendance
- 4) the effectiveness in meeting the challenges of ministry and achieving goals set by the mutual ministry or staff support committee
- 5) supervisory responsibilities for other program staff
- 6) the responsibilities of a senior minister
- 7) the challenges of a solo minister/working alone in a parish
- 8) advanced degrees that enhance a rostered minister's skills
- 9) additional certifications that can strengthen a ministry
- 10) completion of a residential year of clinical pastoral education
- 11) the cost of living in the local community that exceeds the average in the synod.
- 12) lack of support staff/increased workload
- 13) the challenges of a minister serving a multi-point parish

Lump Sum Guidance: In some cases, congregations choose to pay their minister with a set amount of monies and require the rostered minister to split out those funds accordingly. If that is the case, you will want to refer to the calculator on the Portico Benefits website to calculate how to split the compensation among salary, housing, and social security allowance portions.

Congregation Location Adjustment: In some cases, congregations are in parts of the state that have a higher cost of living than other parts of the state. It is recommended that congregations consider an increase of \$1,000 to \$2,000 annually if your congregation is in Asheville, Cary, Chapel Hill, Charlotte, Durham, Greenville, Jacksonville, Raleigh, Rocky Mount, Wilmington, Winston-Salem, Southport, Ocean Isle, and Kure Beach.

Worksheets: Worksheets to help determine costs for your rostered minister are now in Excel format and on the website: www.nclutheran.org. Use those worksheets to determine the total costs for employing your rostered minister.

NORTH CAROLINA SYNOD ELCA

2024 Ministers of Word and Sacrament Compensation Guidelines

Note: The guidelines offered here are based upon DEFINED COMPENSATION which consists of base salary, housing, and Self-Employment Tax compensation.

In addition to the numbers below, retirement, medical, dental, disability, and administration must be added to salary to reach total compensation. These items will normally range from 24% to 58% of base salary. The Portico website has easy to use calculator tools for this computation.

| 2024 PROPOSED | | |
|-----------------|---------------------------------|-------------------------|
| Yrs. Of Service | Minister with Housing Allowance | Minister with Parsonage |
| Entry | 60000 | 46700 |
| 1 | 61050 | 47750 |
| 2 | 62118 | 48818 |
| 3 | 63205 | 49905 |
| 4 | 64312 | 51012 |
| 5 | 65437 | 52137 |
| 6 | 66582 | 53282 |
| 7 | 67747 | 54447 |
| 8 | 68933 | 55633 |
| 9 | 70139 | 56839 |
| 10 | 71367 | 58067 |
| 11 | 72616 | 59316 |
| 12 | 73886 | 60586 |
| 13 | 75179 | 61879 |
| 14 | 76495 | 63195 |
| 15 | 77834 | 64534 |
| 16 | 79196 | 65896 |
| 17 | 80582 | 67282 |
| 18 | 81992 | 68692 |
| 19 | 83427 | 70127 |
| 20 | 84887 | 71587 |

For Word and Sacrament ministers beyond 20 years. Organizations should consider a 1.75% increase on each year of service beyond 20 years.

2024 Ministers of Word and Service Compensation Guidelines

Note: The guidelines offered here are based upon DEFINED COMPENSATION which consists of base salary, housing, and Self-Employment Tax compensation.

In addition to the numbers below, retirement, medical, dental, disability, and administration must be added to salary to reach total compensation. These items will normally range from 24% to 58% of base salary. The Portico website has easy to use calculator tools for this computation.

2024 PROPOSED

| Years of Service | Minister with a masters | Minister without a masters |
|------------------|-------------------------|----------------------------|
| Entry | \$50,000 | \$45,000 |
| 1 | \$50,875 | \$45,788 |
| 2 | \$51,765 | \$46,589 |
| 3 | \$52,671 | \$47,404 |
| 4 | \$53,593 | \$48,234 |
| 5 | \$54,531 | \$49,078 |
| 6 | \$55,485 | \$49,937 |
| 7 | \$56,456 | \$50,810 |
| 8 | \$57,444 | \$51,700 |
| 9 | \$58,449 | \$52,604 |
| 10 | \$59,472 | \$53,525 |
| 11 | \$60,513 | \$54,462 |
| 12 | \$61,572 | \$55,415 |
| 13 | \$62,649 | \$56,385 |
| 14 | \$63,746 | \$57,371 |
| 15 | \$64,861 | \$58,375 |
| 16 | \$65,996 | \$59,397 |
| 17 | \$67,151 | \$60,436 |
| 18 | \$68,327 | \$61,494 |
| 19 | \$69,522 | \$62,570 |
| 20 | \$70,739 | \$63,665 |

For Word and Service ministers beyond 20 years. Organizations should consider a 1.75% increase on each year of service beyond 20 years.

EXAMPLE OF WORD & SACRAMENT MINISTER WITH A HOUSING ALLOWANCE

| | |
|--|-----------|
| 1) Minimum Cash Compensation for a minister with 12 years' experience: | \$ 73,886 |
| 2) \$73,886 x .9235. This is taxable wages | 68,234 |
| 3) \$73,886 x .0765. This is the SECA | 5,220 |
| 4) Determine Housing Allowance which is between 30% and 50% of Line 1 | 22,166 |
| 5) Whatever is left is the base salary | 46,500 |

The totals of lines 3, 4, and 5 should be equal to that of line 1.

Remember that these figures should be shaped to your situation so that the housing component, the base salary, or the self-employment tax allowance may be larger or smaller than the figures we have used.

EXAMPLE OF WORD & SACRAMENT MINISTER WITH A PARSONAGE PROVIDED

Begin with the same Minimum Cash Compensation figure as a Minister with Housing Allowance (as above) and follow steps 1 through 4.

| | |
|--|--------------|
| 1) Minimum Cash Compensation for a minister with 12 years' experience: | \$ 73,886 |
| 2) \$73,886 x .9235. This is taxable wages | 68,234 |
| 3) \$73,866 x .0765. This is the SECA | <u>5,220</u> |
| 4) Determine Housing Allowance which is between 30% and 50% of Line 1 | |
| \$73,866 X .30 | 22,166 |

Now go back to the table above and use the Minister with Parsonage value and subtract Lines 3 and 4 to determine the base salary.

| | |
|--|-----------|
| 5) Minimum Cash Compensation for a minister with 12 years' experience: | \$ 60,586 |
| SECA | 5,220 |
| 6) Whatever is left is the base salary | 55,366 |

The minister's income tax is figured on the base salary plus the cash allowance for self-employment tax. The minister's self-employment tax (SECA) is figured on the base salary, plus the housing allowance or the fair rental value of the parsonage, plus the cash allowance for the self-employment tax.

Housing Equity Allowance Fund should be calculated using the appropriate experience level and using the Minister with Housing Allowance guideline times a rate of 5%.

e.g., Minimum Cash Compensation for a minister with 12 years of experience is \$73,886

$$\$73,886 \times .05 = \text{Housing Equity Allowance Fund of } \$3,694$$