

2027 North Carolina Synod Compensation Guidelines for Ministry Leaders

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Preface

These compensation guidelines are designed to enable congregations and leaders in ministry, across the North Carolina Synod, to mutually determine fair and consistent compensation for their calls in ministry in 2027. It is beneficial for congregation leaders and rostered ministers to thoroughly understand these guidelines and review them annually.

These compensation guidelines are not just for the first year of a new call, but for the every-year, annual and mutual consideration between the congregation and the minister throughout the entire duration of a minister's call. This helps to streamline and maintain fair and consistent compensation across the synod and across its diverse ministry settings. Just as a congregation and a minister enter into ministry in the first year working together to ensure compensation within these guidelines, continued compensation within these guidelines ensures fair compensation is maintained and helps to foster long-term mutual partnerships in ministry.

The enclosed charts and figures are based on years of service and factor in the real and recent significant inflation realities of both:

- the last 6 years (with a cumulative inflation of 19.98% from 2021 through the end of 2025) and an inflation rate of 3% for the year 2026 and
- the anticipated inflation rate of 3% for the year 2027.

To faithfully realign these guidelines with year 2021 compensation figures (so that rostered ministers will not continue to incur a significant and inherent decrease in pay due to inflation, and to allow congregations to make a gradual compensation adjustment across two calendar years), a two-step yearly compensation increase is reflected in the 2026 and 2027 guidelines. The 2026 guidelines reflected the first step increase and the 2027 guidelines represent the second step increase to fully realign minister compensation with inflation as adjusted from year 2021.

These 2027 guidelines serve as minimum compensation for a full time call in the NC Synod and provide additional areas of consideration for local factors that may affect and increase compensation. Information is also included for distinguishing between full-time and part-time calls in ministry, as relates to these compensation guidelines and service expectations.

Questions to Consider When Calling a New Ministry Leader

1. Is our new ministry leader going to work full-time or part-time?
2. What years of experience is our ministry leader bringing to this call?
3. What advanced degrees or certifications does our ministry leader have?
4. Does our congregation provide a parsonage?
5. Does our congregation's location have a higher cost of living than average?
6. Will our minister supervise other staff?
7. Does our congregation leadership understand that pastors pay both the employer and employee portions of Social Security tax, representing 15.3% of their defined compensation?

Only after understanding the answers to these questions should congregation leadership use the worksheet provided in these guidelines.

Understanding Ministerial Compensation

The **Defined Compensation** for rostered ministers comprises three parts, which in total add up to the Minister's full Defined Compensation. These three parts are:

1. the minister's salary
2. the SECA (Self Employment Contribution Act) Social Security tax contribution
3. the minister's housing allowance (for ministers with a housing allowance)

Important Tax Notes about Minister Compensation

- Under the US Tax code, ministers are considered self-employed for purposes of social security and congregationally employed in regards to income tax. Ministers typically receive a W-2 in the month of January after each year employed.
- As such, ministers *with* a housing allowance are themselves responsible for determining what portion of their defined compensation above they elect to allocate annually for their housing allowance. The congregation council should approve, in their January meeting minutes, the annual requested housing allowance amount provided by the pastor.
- Ministers are responsible for both the employer and employee contributions toward their social security tax (under SECA), which itself represents 15.3% of their defined compensation.

Local Compensation Adjustments

Location: 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 \$1000 to \$2000 annually if the congregation is in Asheville, Boone, Cary, Chapel Hill, Charlotte, Durham, Greensboro, Greenville, Jacksonville, Kure Beach, Ocean Isle, Raleigh, Rocky Mount, Southport, Wilmington or Winston-Salem.

For congregations that supply a parsonage: Synod guidelines recommends that ministers be provided a housing equity allowance of 5% of their defined compensation annually.

Additional factors that may increase a rostered minister's defined compensation:

- Relevant non-parish experience or degrees which can enhance a minister's skills
- The size of the congregation and the average attendance
- The effectiveness of meeting the challenges of ministry and achieving goals set by the mutual ministry committee or staff support committee
- Supervisory responsibilities of a senior minister
- The challenges of a solo minister / working alone in the parish
- Advanced degrees and certifications that enhance a minister's skills
- Completion of an additional year of clinical pastoral education
- Lack of support staff / increased workload
- The challenges of a minister serving a multi-point parish

Retirement, Health and Disability Benefits

It is the expectation of synod guidelines that all congregations and agencies provide retirement, health and disability benefits to its eligible rostered ministers. The current definition of an eligible rostered minister is one serving under call and working at least 15 hours per week for six or more months per year. If this definition is changed by Portico, then the definition specified by them will govern.

It is encouraged, but not mandatory, that congregations and agencies and institutions fulfill this expectation by enrolling rostered ministers in the ELCA Benefits Program with Portico Benefit Services, which includes retirement, medical, dental, disability and life insurance. If a rostered minister opts out of health coverage through Portico, and proof of alternate coverage is provided, a rostered minister may be compensated in additional salary commensurate with the benefit savings.

Retirement

Synod guidelines expect that congregations contribute 12% of defined compensation for ministry leaders to a 403b retirement plan provided by Portico Benefit Services.

Health Insurance

Synod guidelines recommend and expect that a congregation provide and cover the full cost of the Portico Benefits Gold+ health insurance plan for most rostered ministers, as well as their spouse and dependent children. Some ministry leaders may also prefer one of the Portico Silver health insurance options which provide the opportunity for tax-advantaged employer Health Savings Account (HSA) contributions.

Disability and Life Insurance

Disability coverage is automatically a part of Portico's plan. The coverage provides for 2/3 of the minister's regular salary in the event of disability and becomes effective two months after the disability occurs. Life insurance coverage is automatically a part of Portico's plan.

Other Benefit Expectations

Vacation, Sick Leave, Family Leave and Continuing Education

Under the policies of the North Carolina Synod, full-time rostered ministers shall receive:

- Four (4) weeks of paid vacation annually, including 4 Sundays
- Eight (8) weeks of sick leave annually.
- Twelve (12) weeks of paid Parental Leave for the parent primarily responsible for care of the newly born or adopted child; Eight (8) weeks of paid Parental Leave for the second parent.
- Two (2) weeks of paid leave for continuing education. This shall be funded by the employing entity for \$700 annually, which can be accumulated for up to 3 years for use by the rostered minister toward their continuing education.

Additional information about Family Leave and Continuing Education is available in Appendix B on page 15 of this document.

Spiritual Guidance

It is recommended that all rostered ministers be encouraged to have a spiritual guide during their time of call, with the cost of such a spiritual guide to be divided 2/3-1/3 between the congregation and the rostered minister.

Sabbatical Leave

From time to time a rostered minister may desire, and the congregation/agency may realize the need for an extended period of time away from the parish or job for study, personal growth

and reflection. Recognizing the importance of this extended time period, the NC Synod recommends that congregations and agencies consider sabbatical leaves as a privilege to be granted. Sabbaticals should only occur once someone has been in the same call for a minimum of 5 years and has served at least 7 years of ministry. *The sabbatical leave policy for the NC Synod is located in Appendix B on page 16.*

Professional Expenses

Automobile Expenses

The congregation shall provide for costs associated with the minister operating a vehicle for use in their ministry. This may be provided in one of three ways:

- Direct mileage reimbursement at the current IRS rate. This rate changes each year and may change since the publishing of these guidelines. As the minister incurs miles driven for ministry, they shall be reimbursed at the prevailing IRS rate.
- The congregation may furnish a vehicle for use in ministry and pay for all related costs. The minister may reimburse the congregation for costs associated with personal use outside of ministry.
- Annual auto allowance: The congregation may elect to pay the minister an annual amount for transportation—usually prorated and paid on a monthly basis. The minister will then oversee the ministry utilization of their personal vehicle, retaining their mileage and other expense records and will be responsible for providing all tax related documentation to the IRS.

- **Book and Periodical Allowance**

- The congregation will budget \$300 annually for the minister's use in the purchase of ministry related books, media and other periodicals.

- **Conference Expenses**

- All rostered ministers are required to attend the Synod Assembly. Therefore, all expenses (travel, lodging, registration) shall be paid by the congregation. Other meetings that should be covered include Fall Convocation, retreats and meetings for church business.

**2027 NC Synod Defined Compensation Guidelines for FULL-TIME
Ministers of Word and Sacrament**

Years of Service	Minister with Housing Allowance	Minister with a Parsonage Provided
Entry	\$72,853	\$56,107
1	\$74,128	\$57,089
2	\$75,425	\$58,088
3	\$76,745	\$59,104
4	\$78,088	\$60,139
5	\$79,455	\$61,191
6	\$80,845	\$62,262
7	\$82,260	\$63,352
8	\$83,699	\$64,460
9	\$85,164	\$65,588
10	\$86,655	\$66,736
11	\$88,171	\$67,904
12	\$89,714	\$69,092
13	\$91,284	\$70,301
14	\$92,882	\$71,532
15	\$94,507	\$72,784
16	\$96,161	\$74,057
17	\$97,844	\$75,353
18	\$99,556	\$76,672
19	\$101,298	\$78,014

For Ministers of Word and Sacrament serving beyond 19 years' experience, organizations shall consider a 1.75% increase for each year of service beyond 19 years.

**2027 NC Synod Defined Compensation Guidelines for FULL-TIME
Ministers of Word and Service**

Years of Service	Minister with a Master's Degree	Minister without A Master's Degree
Entry	\$60,398	\$53,687
1	\$61,455	\$54,627
2	\$62,530	\$55,582
3	\$63,625	\$56,555
4	\$64,738	\$57,545
5	\$65,871	\$58,552
6	\$67,024	\$59,577
7	\$68,197	\$60,619
8	\$69,390	\$61,680
9	\$70,604	\$62,759
10	\$71,840	\$63,858
11	\$73,097	\$64,975
12	\$74,376	\$66,112
13	\$75,678	\$67,269
14	\$77,002	\$68,446
15	\$78,350	\$69,644
16	\$79,721	\$70,863
17	\$81,116	\$72,103
18	\$82,536	\$73,365
19	\$83,980	\$74,649

For Ministers of Word and Service serving beyond 19 years' experience, organizations shall consider a 1.75% increase for each year of service beyond 19 years.

Distinguishing Between Full-Time and Part-Time Ministry

The above compensation guidelines are for full-time ministry calls across the North Carolina Synod. A full-time call shall be considered 40+ hours a week and regular weekly preaching responsibilities (or as arranged locally within associate ministry calls). Congregations and church entities and willing ministers who mutually choose to be compensated below these full-time minimum guidelines for defined compensation will be considered part-time calls in ministry for both compensation and service. The expectation for the minister's time in service shall be calculated in proportion to their percentage of full-time compensation.

Part-Time Ministry Examples:

- If a minister's *defined compensation* is compensated at 75% of the guidelines above (in consideration also of their years of service), then they shall be considered to be serving a 75% part-time call. As compared to a full-time call at 40 hours/week and weekly preaching expectations, a 75% part-time call will expect responsibilities consistent with a 30-hour work week and preaching 3 Sundays a month on average.
- If a minister's *defined compensation* is compensated at 50% of the guidelines above (in consideration also of their years of service), then they shall be considered to be serving a 50% part-time call. As compared to a full-time call at 40 hours/week and weekly preaching expectations, a 50% part-time call will expect responsibilities consistent with a 20-hour work week and preaching 2 Sundays a month on average.

Additional Part-Time Considerations:

- Calculations for vacation, sick leave, parental leave and continuing education shall be calculated utilizing the same standards as a full-time call.
- The retirement contribution shall remain consistent with the ELCA provision for 12% of the calculated defined part-time compensation.
- Health care and disability shall continue to be calculated utilizing the benefits calculator on the Portico website.

Year 2027 Compensation Calculation Worksheet

The five parts of this two-page worksheet utilize the Defined Compensation charts within this document to determine a minister's complete annual compensation. Helpful calculators for benefits can be found at porticobenefits.com.

Part 1: Compensation Consideration

(See the Defined Compensation Chart on Page 7 for Word and Sacrament Minister and on Page 8 for Word and Service Minister.)

Minister's Years of Experience in 2027: _____

Defined Compensation:	This Year	2027 Guidelines	Proposed
	\$ _____	\$ _____	\$ _____

Additional Possible Compensation:
(Reference Pg. 4)

Location:	\$ _____	\$ _____	\$ _____
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Housing Equity Allowance: (if Parsonage Provided)	\$ _____	\$ _____	\$ _____
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Additional Local Factors:	\$ _____	\$ _____	\$ _____
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Total Defined Compensation: (Add vertically)	\$ _____	\$ _____	\$ _____
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(Worksheet continues on the next page) →

Part 2: Full-/Part-Time Calculation (Reference Page 9)

Using the total defined compensation above (Step 1), determine the proposed compensation amount as a percentage of guidelines using this formula:

Proposed total \$ _____ divided by Guidelines total \$ _____ x 100 = _____%

- A 100% or higher percentage is considered a full-time call for compensation and service.
- Less than 100% is considered a part-time call for compensation and service. The service expectation (hours/week and monthly preaching responsibility) is to be commensurate with this calculated percentage. (Ref. examples on Page 9)

Part 3: Retirement and Other Benefits (Reference Page 5)

These items can be calculated utilizing the above calculated **Proposed Defined Compensation** in Step 1 of this worksheet and the benefits cost calculator tools found online via the Employerlink section at Porticobenefits.org

Retirement (12%) \$ _____

Health Plan: \$ _____

Disability: \$ _____

Additional Portico: \$ _____

Part 4: Professional Expenses (Reference Page 6)

Automobile: 1. \$_____ / mile or

(select 1, 2 or 3): 2. Vehicle Provided or

3. Annual Auto Allowance: \$ _____

Continuing Ed

Allowance: \$ _____

Books and

Periodicals: \$ _____

Part 5: Non-Financial Compensation (Reference Page 6)

Vacation: _____ Weeks (including Sundays)

Sick Leave _____ Weeks (Including Sundays)

Continuing Ed _____ Weeks (Including Sundays)

Parental Leave _____ Weeks Primary Parent (as applicable)

_____ Weeks Second Parent (as applicable)

Compensation for Specialized Ministry Leadership

These guidelines serve as minimum compensation recommendations for specialized ministry in the North Carolina Synod, including for Supply Pastors/Deacons, Synod Authorized Minister (SAM) Candidates (those awaiting calls), lay pastors, Interim Pastors, and Appointed SAMs.

Supply Pastors/Deacons: Supply pastors are paid on a weekly basis at a rate of \$250 for the first service and \$75 for each additional service that day. The congregation pays mileage at the current IRS rate from the pastor's home to the church and back. At year's end if the person received \$2,000 or more from the same congregation, there should be a 1099 issued (excluding the mileage reimbursement).

SAM Candidates (those awaiting assignment), Lay Preachers, and Seminarians are to be paid at a rate of \$175 per service and \$75 for each additional service that day. The congregation pays round trip mileage at the current IRS rate from the person's home to the church. At year's end if the person received \$2,000 or more there should be a 1099 issued (excluding mileage reimbursement).

Synod Authorized Ministers (Assigned) are contracted with the congregation. These persons serve congregations who most likely could not afford an interim. The congregation should pay a SAM \$30 per hour for pastoral care and office hours plus the supply fee, or else a predetermined agreed-upon monthly salary. The congregation pays mileage at the current IRS rate from the person's home to the church for each trip required. At year's end if the person received \$2,000 or more there should be a 1099 issued (excluding mileage reimbursement).

Interim Pastors are contracted with the congregation. These persons serve in the time between when a pastor leaves and a new pastor is called by the congregations. The congregation should pay an interim \$35 per hour for pastoral care and office hours plus the supply fee, or else a predetermined and agreed-upon monthly salary. The congregation pays mileage at the current IRS rate. At the year's end if the person received \$2,000 or more there should be a 1099 issued (excluding mileage reimbursement).

Appendix A: Rostered Minister Role Definitions and Considerations

Rostered Ministers

This document refers to rostered ministers:

- Ministers of Word & Sacrament, also referred to as pastors or chaplains
- Ministers of Word & Service, also referred to as deacons.

Senior Pastor — A senior pastor leads and supervises a staff with multiple rostered ministers and/or staff. With that in mind, consideration should be given to giving the pastor more compensation for increased duties not seen in other calls.

Solo Pastor — a pastor who does not have another pastor with them on staff. They may or may not be the only full-time staff member of the congregation. This can be a challenging and lonely experience as they are responsible for nearly everything that happens within the congregation.

Associate Pastors — generally under the supervision of the senior pastor of the congregation. Just because someone is an associate pastor does not mean they should not be paid at the guideline or have the same vacation and benefits as other pastors on staff.

Shared Call Pastor — Pastors in a shared call are pastors who are serving more than one congregation at one time. This presents unique challenges and opportunities. Pastors in these situations will have to balance time at and with more than one congregation and hold multiple services weekly due to being at multiple congregations. A shared call pastor still receives all benefits as outlined in the compensation guidelines.

Part-Time Pastor — pastors serving a congregation who cannot afford a full-time pastor. These pastors are generally working some approximate amount of time with that congregation. It could be as little as 25% time or up to 75% time generally. Whatever the percentage, it should be applied to the compensation guidelines and the pastor paid accordingly. The congregation must also understand that the part time pastor may have other job(s) to supplement their income. It is recommended that the congregation and rostered minister work together to figure out how the hours and time will be split.

Specialized Call Pastor — There are several specialized call pastors, including campus ministry, military chaplaincy, hospital/nursing home chaplaincy and the like. Keep in mind those rostered ministers should still be afforded all the same compensation and benefits as outlined in these guidelines.

Rostered Couple — Rostered couples are a unique and important gift to the church. As a general rule, each should be treated by the congregation as separate individuals for all compensation related issues. However, every effort should be made to allow and encourage rostered couples to coordinate their schedules so that they are able, if they desire, to take days off and vacations together.

Deacon — Minister of Word and Service. Deacons are to be compensated based on the guidelines and have the same benefits as other rostered staff members. Deacons are eligible

for housing allowance based on North Carolina state law.

First-Call Pastor — First Call pastors are those pastors directly out of seminary. They have completed all the coursework and internship requirements to be a pastor. They have certain education requirements outlined in Appendix B.

Interim Pastor — those pastors who serve a church while a church is without their permanent pastor. These pastors do all the things a called pastor would do and the amount of time they work with a congregation varies based on the context. Interim pastors are appointed by the bishop but are contracted directly with the congregation with the approval and signature of the bishop. Compensation for interim pastors should be discussed with the synod office.

Supply Pastor — conducts Sunday services either for a vacationing pastor, for a congregation who does not have a called or interim pastor.

Stated Supply Pastor — those who provide pulpit supply to the same place on a monthly basis. These pastors could come every week, 2 times per month, or even one time per month on a set Sunday.

Synod Authorized Minister — Synod Authorized Ministers (SAMs) are lay persons who have been trained and then appointed by the bishop to serve a particular congregation. They are not on the roster of the ELCA. They serve weekly leading worship and provide pastoral care. Each SAM has a supervisor, and the SAM typically works no more than 10 hours per week. Authorized Lay Ministers who are trained by the synod but not yet assigned to service in a particular congregation are called SAM Candidates.

Lay Preacher — Lay Preachers are lay persons who have gone through training in order to preach on a Sunday. They do not have sacramental privileges but are available to lead worship.

Appendix B: Additional Information about Leave Policies and Continuing Education

Family leave at other times

Family leave may be granted by the congregation at other times, for example, during times of severe illness, trauma, or death of a child, spouse, or parent. The length of the leave and the salary and benefits which the congregation will provide the rostered minister should be negotiated by the rostered minister and the congregation.

Jury Duty

If a rostered minister is called for jury duty and must serve, the congregation shall continue all salary and benefit coverage during the minister's jury service. The minister may keep any payment received for jury duty.

Continuing Education

All rostered ministers should complete at least 40 hours of continuing education annually, in programs that will enhance their skills and their ministry. Each congregation or agency should provide at least 2 weeks (including Sundays) of paid educational leave each year. This leave is NOT to be counted as vacation time.

First Call Theological Education

First Call Theological Education (FCTE) is a program which requires that each seminary graduate participate in structured theological education throughout the first three years of rostered ministry. This structured education is intended to enhance the quality of the transition from seminary to parish and to ensure that the newly rostered minister makes this transition firmly grounded in Word and Sacrament.

In order to accomplish this task, programs shall give special attention to three areas:

- Ministerial Identity: the personal development of spiritual discipline, rostered minister identity, and leadership style.
- Discernment of the Context: the life of the particular congregation in its local and regional settings.
- Ministerial Skills and Practice: the overall enhancement of ministerial skills and integration of various facets of ministry.

Time spent in FCTE shall count as time devoted to continuing education, and the funds in the continuing education fund may be used for FCTE.

Sabbatical Leave

Lutheran congregations and agencies have long been encouraged to provide time and financial assistance to its ministers to enable them to maintain and improve their skills through continuing education. However, from time to time a rostered minister may desire, and the congregation/agency may realize the need for an extended period of time away from the parish or job for study, and personal growth and reflection. Recognizing the importance of this

extended time period, the synod guidelines recommend that congregations and agencies consider sabbatical leaves as a privilege to be granted.

In accordance with this mutual desire, the following guidelines are provided to assist rostered ministers and congregations or agencies in the contemplation of and negotiation for such sabbatical leaves.

- Rostered ministers and congregations or agencies should consult with the bishop early in the process.
- Sabbatical leaves are intended for in-depth study on one or two topics directly related to the appointment of the rostered minister and should include time for personal and familial reflection.
- Sabbatical leaves will normally be for a period of not less than three (3) months and not more than twelve (12) months. Sabbatical leave shall be in lieu of, and not in addition to, any two- (2) week continuing education leave to which the rostered minister may become entitled during the year(s) in which the sabbatical is taken.
- Any rostered minister who has a minimum of seven (7) years in the ministry, and who has served in their current appointment for a minimum of five (5) or more years may present a proposal for a sabbatical leave. A proposal for sabbatical leave shall include:
 - A rationale for the sabbatical, including personal goals and potential value for the congregation or agency.
 - A detailed outline of the intended courses of study and use of time.
 - An outline of financial implications for the sabbatical.
 - An indication of the use of vacation time during the sabbatical. At least one half (1/2) of the period normally granted as annual vacation leave shall be designated as sabbatical leave when the sabbatical leave is three (3) to six (6) months in duration. Where the sabbatical leave is proposed for seven (7) to twelve (12) months, the entire annual vacation leave shall be included in the sabbatical.
- Proposals for sabbatical leaves shall be presented to the governing body of the congregation or agency not less than six (6) months prior to the beginning of the leave.
- Careful consideration shall be given to all aspects of the proposal and implications for the congregation or agency and the rostered minister.
- Congregations or agencies may give sabbatical leaves as merit benefits.
- The details of the financial consideration for the sabbatical shall be negotiated by the rostered minister and the congregation or agency. It is suggested, however, that the salary, housing and the Portico Benefits Program be maintained at the current budget level, with the rostered minister assuming responsibility for all other personal and family expenses.
- When an extended study is granted, the rostered minister shall agree to serve that congregation or agency for a minimum of one (1) year following completion of the study.
- Within six (6) weeks of the completion of the sabbatical leave, the rostered minister shall present to the congregation or agency and the bishop a detailed reflection on the experiences of the leave.
- Realizing the parish or agency will be without the services of its regularly called rostered minister during the extended study, the rostered minister and the congregation or agency shall seek the counsel and consent of the bishop before finalizing the agreement.