

2009

Kansas District

Salary Guideline

For Church Workers



Using this Guideline

The purpose of this guideline is to provide congregations with an objective approach to developing a salary plan for professional and lay workers who serve them. This guideline seeks to recognize worker longevity, training and skill while also recognizing congregational and regional differences.

The tables and information which follow are only a guide for congregations as they seek to establish equitable pay practices based on prevailing wages paid in churches and in secular fields in Kansas. Using the guideline does require effort, but that effort can lead to enhanced working relationships for congregations and workers in the Lord's kingdom.

Thus, the first step in salary administration in churches must be prayer. Ask the Lord's guidance that His will be done and He may be glorified as you begin planning salaries for your congregation's workers.

Some principles of salary administration that may be helpful to you as you begin your planning are as follows:

1. Church workers are professionals and deserve comparable pay to other professionals in the community.
2. The congregation expects its workers to maintain a lifestyle comparable to their own in the community and should be paid accordingly.
3. Ability to pay should not govern our salary planning. Rather, we should offer salaries commensurate with the position and the work expected.
4. The worker should be included in the process. At a minimum the worker should be interviewed each year concerning his or her compensation.

Work Sheets

Work sheets are included in this packet for different employment categories--pastor, educator, DCE, preschool worker and the like. You are welcome to photocopy any of these worksheets to meet your needs.

Special Circumstances

For help in salary planning for unique worker positions or workers with special gifts or needs consult with the District Business Office, 1-800-357-4421 to develop an equitable compensation plan.

Base Salary

The base salary for use with this guideline for 2009 is **\$27,245**. This base is used with the multiplier table to determine the worker salary. For eligible workers this base salary includes both salary and housing allowance. The base salary amount is determined annually by the District Board of Directors.

Circuit Index

This index was derived from county effective buying income data and was suggested to allow for lower living costs in rural areas as contrasted with city living. Congregations who wish to use this index should multiply it times the base salary.

Circuit 1	1.03	Circuit 5	1.00	Circuit 9	1.02	Circuit 13	1.00
Circuit 2	1.08	Circuit 6	1.09	Circuit 10	1.09	Circuit 14	1.01
Circuit 3	1.10	Circuit 7	1.03	Circuit 11	1.09	Circuit 15	1.01
Circuit 4	1.03	Circuit 8	1.05	Circuit 12	1.04	Circuit 16	1.06

Use of the circuit index leads to questions of equity for workers of equal training and skill, costs of travel over longer distances for services and other differences relating to such matters as cost of housing. Consequently, use of this index is optional as is any portion of the guideline.

An alternate index is 1.00 for rural churches including towns up to 5,000 in population, 1.05 for churches in communities from 5,000 to 30,000 in population; and 1.10 for churches in cities with more than 30,000 in population.

Steps for Use of This Guideline

Step 1 - Salary Computation. This section of the guideline seeks to define the value of the worker using job position, years of service, congregation size and education as factors. Furnished housing, allowance and benefits are not considered in this first step.

Step 2 - Computation of Allowances. This step considers the value of furnished housing, Self Employment Tax Allowance (SETA) and housing allowance as a factor of income tax.

Step 3 - Computation of Deductions. This step is not a cost to the church, but is a distribution of the worker's salary to make use of the stewardship opportunities such as tax deferrals and flexible spending plans.

Step 4 - Computation of Benefits. Generally, benefits will include health, retirement and disability plans. For more complex benefits consult the Congregational Treasurer's Manual.

Step 5 - Non-Cash Benefits. Benefits such as vacation time, sick leave accrual, etc., may not require a cash outlay by the congregation, but should be considered a part of salary administration.

Salary Guideline Multipliers

Yr	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
0	0.56																						
1		0.60	0.64	0.68	0.72	0.76	0.80	0.84	0.88	0.92	0.96	1.00	1.04	1.08	1.12	1.16	1.20	1.24	1.28	1.32	1.36	1.40	
2			0.64	0.70	0.74	0.78	0.82	0.86	0.90	0.94	0.98	1.02	1.06	1.10	1.14	1.18	1.22	1.26	1.30	1.34	1.38	1.42	1.46
3				0.80	0.84	0.88	0.92	0.96	1.00	1.04	1.08	1.12	1.16	1.20	1.24	1.28	1.32	1.36	1.40	1.44	1.48	1.52	1.56
4					0.94	0.98	1.02	1.06	1.10	1.14	1.18	1.22	1.26	1.30	1.34	1.38	1.42	1.46	1.50	1.54	1.58	1.62	1.66
5						1.08	1.12	1.15	1.20	1.24	1.28	1.32	1.36	1.40	1.44	1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76
6							1.13	1.17	1.21	1.25	1.29	1.33	1.37	1.41	1.45	1.49	1.53	1.57	1.61	1.65	1.69	1.73	1.77
7								1.21	1.25	1.29	1.33	1.37	1.41	1.45	1.49	1.53	1.57	1.61	1.65	1.69	1.73	1.77	1.81
8									1.24	1.28	1.32	1.36	1.40	1.44	1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.80
9										1.31	1.35	1.39	1.43	1.47	1.51	1.55	1.59	1.63	1.67	1.71	1.75	1.79	1.83
10											1.34	1.38	1.42	1.46	1.50	1.54	1.58	1.62	1.66	1.70	1.74	1.78	1.82
11												1.41	1.45	1.49	1.53	1.57	1.61	1.65	1.69	1.73	1.77	1.81	1.85
12													1.44	1.48	1.52	1.56	1.60	1.64	1.68	1.72	1.76	1.80	1.84
13														1.51	1.55	1.59	1.63	1.67	1.71	1.75	1.79	1.83	1.87
14															1.58	1.62	1.66	1.70	1.74	1.78	1.82	1.86	1.90
15																1.61	1.65	1.69	1.73	1.77	1.81	1.85	1.89
16																	1.68	1.72	1.76	1.80	1.84	1.88	1.92
17																		1.71	1.75	1.79	1.83	1.87	1.91
18																			1.74	1.78	1.82	1.86	1.90
19																				1.77	1.81	1.85	1.89
20																					1.80	1.84	1.88
21																						1.83	1.87
22																							1.86
23																							1.89
24																							1.92
25																							1.95
26																							1.98
27																							2.02
28																							2.03
29																							2.04
30																							2.05
31																							2.06
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38																							2.16
39																							2.17
40																							2.18

Column 0 = Minimum Wage

Column 1 = Preschool Teacher Aide

Column 9 = Non-degreed Preschool Teacher, Secretary

Column 11 = Teacher/Degreed Preschool Teacher/Preschool Director

Bachelor's Degree

Column 13 = Certified Lay Minister/Deaconess

Column 15 = Director of Christian Education, Outreach, Evangelism, etc.

Master's Degree

Column 16 = School Principal

Column 18 = Pastor

Column 21 = Doctor

Doctorate Degree

Each numbered column represents eight hours of additional education. An earned college hour counts as one hour. Ten (10) in-service hours count as one hour. Congregations may use these columns to recognize educational work by the employee.

To use this table find the appropriate column in the table for the type of position, i.e., teacher, DCE, pastor, etc. and follow that column down to the number of years of service. That figure is entered for the base salary multiplier on the position worksheet.

Example: For a teacher with a bachelor's degree and eight additional hours of education with five years experience. (1) Find the column for teacher - Column 11. (2) To allow for eight additional educational hours move to column 12. (3) Read down the column to year five. (4) Read the multiplier - 1.33. That is the amount used to begin the salary computation on the worksheet. For conversion to hourly rates use \$13.10 in place of the \$27,245 annual salary base.

Non-Cash Benefits

Benefits described here as “non-cash” are such things as vacations, sick leave and holidays where a cash outlay is a continuation of salary and does not require budgeting of additional cash cost by the congregation. Professional and lay workers are included.

Vacation: Vacation should be based on years of experience. The following is a suggested plan for vacations. One to five years of experience, 2 weeks; 6 to 10 years, 3 weeks; 11 to 15 years, 4 weeks; and 16 years or more, 5 weeks. A “week” is considered seven days including one Sunday. Vacation is considered an earned benefit and accrued vacation should be paid upon termination of the worker.

Sick Leave: A sick leave accrual of one day for each month of service is suggested. A limit may be placed on the number of days of accrual allowed. An accrual limit of 60 days is suggested. Sick leave is usually not paid upon termination.

Holidays: Usual holidays may be granted by the congregation including New Years, President’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas. A holiday may also be granted for the worker’s birthday, anniversary, etc. A personal leave day may also be granted. Alternative days may be offered for workers required to work on holidays for worship services.

Reimbursement of Expenses

Expenses for business use of a personal car, travel for the church, meetings, conferences, conventions, library, etc., are costs of doing business for the congregation. These expenses are not a part of salary administration and may not be considered as a salary or a benefit. They should be budgeted separately as a business expense of the congregation. Consult Chapter 6, Par. 6.110 of the *Congregational Treasurer’s Manual* for more detailed information on this subject. The congregation should adopt an accountable plan for expense reimbursement to meet the requirements of the Internal Revenue Code.

Other Salary-Related Information

The congregation may provide gifts to its workers such as a Christmas bonus. Such gifts are taxable to the worker if paid from the church treasury, even if paid only from designated receipts. Direct gifts from the parishioner to the worker are not taxable to the worker, but are not deductible for the donor.

The District Business Administrator’s offers the *Congregational Treasurer’s Manual* and the *Personnel Manual for Congregations*. Both are invaluable references for salary administration and are available on the District website. Go to www.kslcms.org and click on the Publications tab. Copies are also available from the District office upon request.

Vacancies/Pulpit Supply

In the case of a vacancy in the pastoral office the congregation should seek the assistance of the Circuit Counselor in arranging for an interim pastor. Suggested remuneration for the interim pastor is 60% of the salary paid to the former pastor if the interim pastor performs all the pastoral duties, plus mileage reimbursement. The congregation and the interim pastor should agree on the services to be provided. If other professional workers assist, they should be reimbursed appropriately.

If the preaching responsibilities fall to someone other than the vacancy pastor, any guest pulpit supply shall be compensated based upon the guidelines for pulpit supply remuneration found below.

The following is suggested as a minimum amount:

One service	\$100.00
Two services	\$125.00
Bible Class	\$ 25.00
Mileage reimbursement	\$.585 per mile
Lodging and meals	Paid if overnight stay is necessary

A Final Word

As you begin work on salary planning for 2009 we encourage you to reflect on 1 Tim. 5 and 1 Cor. 9 for instruction regarding caring for those who serve us in the Lord. You will note that in Timothy, the elders of the church are “worthy of double honor” and in Corinthians “the Lord commands that those who preach the Gospel should receive their living from the Gospel”. May Our Lord guide you as you plan for your parish for 2009.

2009 Compensation Worksheet for Lay Workers

Use This Worksheet for Secretaries, Custodians and Professional Workers
who are not listed on the Roster of the Synod

(1) Name _____ Position _____

(2) Years of Service _____

Salary

Points for Years of Service (from table) _____

Special Duties _____

Total Points _____

Multiply by 2009 Salary Base x \$ 27,245 \$ _____

Note: For hourly pay multiply total points x \$ 13.10

(6) Multiply by Circuit index if used x _____

(7) Net Salary for 2009 \$ _____

Voluntary Deductions

(8) Tax Sheltered Annuity \$ _____

(9) Flexible Spending Account \$ _____

Benefits

(10) Employer's Share of Social Security (FICA) - 7.65% of Line \$ _____

(11) Retirement \$ _____

(12) Disability and Survivor Plan \$ _____

(13) Health Plan \$ _____

(14) Other (Vision Plan, Accident Insurance) \$ _____

(15) Total Cost of Worker (Add lines 7, 10, 11, 12, 13, 14) \$ _____

Instructions for Compensation Worksheet for Lay Workers

Be sure you are using the correct worksheet. This worksheet is for workers not on the roster of the Synod.

Line (1) Enter the name and position of the worker.

Line (2) Enter the number of years of service. Discretion may be used in granting credit for prior experience.

Line (3) Locate the column for the position in the table on page 3 of the guideline. For each additional eight hours of educational credit move one column to the right. Move down the column to the row for the number of years of service and enter that number on Line (3).

Line (4) When a worker is required to perform additional duties beyond those specified in the contract it is suggested that the additional points be added here. Additional points for professional workers may be used as a guideline.

Line (5) Multiply the total points by the Salary Base and enter the result on the space at the right.

Note: A simple method to determine an hourly rate is to multiply the total points times \$13.10. This amount should be multiplied times annual hours to determine an annual salary.

Line (6) Enter the Circuit Index, if used (see Page 2 of the guideline). Enter 1 if the index is not used.

Line (7) Multiply Line (6) times Line (5) and enter the result here. This is the net salary.

Voluntary Deductions

Line (8) All church workers are eligible to designate a portion of their salary or wages for a Tax Sheltered Annuity. This is a deduction from salary and is paid to the designated carrier rather than to the worker.

Line (9) The flexible spending arrangement allows workers to designate a portion of their salary to be set aside before taxes for certain insurance, medical and child care expenses. Consult with an accountant or tax attorney to establish this benefit. Additional information is in the Congregational Treasurer's Manual.

Benefits

Line (10) Lay workers are required by law to pay Social Security. 7.65% of Line 7 is deducted from salary and matched by the employer as the Social Security (FICA) payment. The amount entered on Line (10) represents the employer's share for budget planning.

Lines (11-14) Consult the information provided by Concordia Plan Services or other provider for the cost of these plans. Retirement, disability and at least 50% of the worker portion for health coverage must be paid by congregations enrolled in Concordia Plan Services. Enrollment in items on Line 14 is optional and may be paid by the worker or by the congregation.

To be eligible for Concordia Plan Service benefits the worker must be employed more than 20 hours a week. The congregation may increase this minimum hour requirement to qualify for health plan to 25 or 30 hours a week if it wishes to do so. See your Congregational Treasurer's Manual for more information.

2009 Compensation Worksheet for Professional Workers

Use this Worksheet for Pastors, Teachers, Certified Lay Ministers, and Deaconesses
and Preschool Directors/Teachers on the Roster of the Synod

(1) Name _____ Position _____

(2) Years of Service _____

Salary

(3) Points for Years of Service (from table) _____

(4) Points for Congregation Size (pastors) _____

(5) Special Duties _____

Total Points

(6) Multiply by 2009 Salary Base x \$27,245 = \$ _____

(7) Multiply by Circuit Index, if used _____

(8) Gross Salary for 2009 \$ _____

(9) Deduct 15% (.15) if housing is furnished (\$ _____)

(10) Net Salary \$ _____

(11) Distribution of Line (10) Salary: \$ _____

Housing: \$ _____

Allowances

(12) Self Employment Tax Allowance (See Instructions) \$ _____

Voluntary Deductions

(13) Tax Sheltered Annuity \$ _____

(14) Flexible Spending Account \$ _____

Benefits

(15) Retirement \$ _____

(16) Disability and Survivor Plan \$ _____

(17) Health Plan \$ _____

(18) Other (Vision Plan, Accident Insurance) \$ _____

(19) Total Cost of Worker (Add lines 10, 12, 13, 15, 16, 17, 18) \$ _____

Instructions for Compensation Worksheet for Professional Workers

Be sure you are using the correct worksheet. This worksheet is for workers on the roster of the Synod.

Line (1) Enter the name and position of the worker.

Line (2) Enter the number of years of service. Pastors with prior teaching service are usually given credit for that service. Discretion may be used in granting credit for other prior experience.

Line (3) Locate the column for the position in the table on page 3 of the guideline. For each additional eight hours of educational credit move one column to the right. Move down the column to the row for the number of years of service and enter that number on Line (3).

Line (4) For pastors, DCE's and school principals whose duties are affected by congregational size, for every 100 baptized members above 300 add .03 on Line 4.

Line (5) When a called worker is required to perform additional duties beyond those usually specified in the call it is suggested that the following point additions be made on Line 5: Senior pastor .2; Dual parish .1; Pastor with school .1; Director of Music .07; Choir Director .04; Youth Ministry .07; Director of Athletics .05; Coach .03. A DCE called as a youth minister, for example, would not receive the additional points for youth ministry, but a teacher required to perform youth ministry in addition to teaching would be eligible for this addition.

Line (6) Multiply the total points by the Salary Base and enter the result on the space at the right.

Line (7) Multiply Line (6) by the Circuit Index, if used (see Page 2 of the guideline). Enter 1 if the index is not used.

Line (8) Enter the result of multiplying Line (6) by Line (7).

Line (9) Enter 15% (.15) of Line (8) if housing is furnished.

Line (10) Subtract Line (9) from Line (8). The result is the net salary.

Line (11) Enter the amount of Line (10) to be paid as salary and the amount to be paid as housing allowance. Consult your Congregational Treasurer's Manual for detailed information. This distribution should be determined in consultation with the worker.

Line (12) Ordained and commissioned ministers are considered self-employed for Social Security and pay this tax at the rate of 15.3%. It is suggested that half of this amount (7.65%) be paid to the worker to assist in paying this tax. This is the same amount as if paid for lay employees as FICA. The net salary plus the fair rental value of housing if it is provided to the worker should be included in this computation. This amount is included in taxable income of the worker for income tax purposes.

Line (13) All church workers are eligible to designate a portion of their salary or wages for a Tax Sheltered Annuity. This is a deduction from salary and is paid to the designated carrier rather than to the worker.

Line (14) The flexible spending arrangement allows workers to designate a portion of their salary to be set aside before taxes for certain medical insurance, medical and child care expenses. You can contact the Concordia Plan Services office (888-927-7526) for information on setting up a Cafeteria Plan and/or a Flexible Spending Arrangement. The information is also available from the Concordia Plan Services Web site (www.ConcordiaPlans.org) under "CHP Choice." Or you may consult with your local accountant or tax attorney to establish this benefit.

Lines (15-17) Consult the information provided by Concordia Plan Services or other provider for the cost of these plans. Retirement, disability and at least 50% of the worker portion of health coverage must be paid by congregations enrolled in Concordia Plan Services. Enrollment in items on Line 18 is optional and may be paid by the worker or by the congregation.

ADDENDUM A: Call Document Addendum

COMPENSATION WORKSHEET FOR CALLED WORKER

Basic salary for 12 months of service

Net Salary

(portion of salary designated for housing allowance)

\$ _____
(\$ _____)

Housing provided? Yes No

If yes, Description of housing _____

If yes, are utilities fully paid by the congregation? Yes No

(If no, include in salary figure. Worker designates what portion should be declared for housing allowance.)

Concordia Plans (total of a, b, c, and d below)

Salary (XX,XXX) x 1.25 (housing provided) = \$ _____

Salary (housing not provided) = \$ _____

a) Retirement: \$ _____

b) Disability/Survivor \$ _____

c) Offset \$ _____

d) Other \$ _____

d) Health Plan (specify coverage) _____

Concordia Plan Services Rates:

Self only: \$/mo = \$ _____

Self & Spouse \$/mo = \$ _____

Self & Child(ren) \$/mo = \$ _____

Family \$/mo = \$ _____

Child only \$/mo = \$ _____

Other arrangement _____

Allowances (see instructions in the KS District Guideline for Church Workers)

Self Employment Tax Allowance yes \$ _____ no

Page Two

Annual Car Allowance

Lump sum _____ or
Mileage reimbursed at IRS rate (.585/mile) _____ or
Mileage reimbursed at _____/mile

Travel expenses paid to new location? Yes (fully) No Partially (Amount) _____

Moving expenses paid to new location? Yes (fully) No Partially (Amount) _____

Continuing Education/Professional Development allowance? Yes No
Amount per year _____

How many days per year (not counted against vacation) are provided for the worker to engage in continuing education? _____

Worker Day off: one day per week two days per week other _____

Annual vacation:

1 week 2 weeks 3 weeks 4 weeks 5 weeks

Holidays (check those which apply):

Memorial Day July 4th Labor Day Thanksgiving

Christmas New Year's Day Martin Luther King, Jr. Day

Presidents' Day Veterans Day _____

When worker must work on a holiday, another day is selected.

Other provisions (Sick days, Personal leave, etc.) _____

