



Minneapolis Area Synod
of the ELCA

2025

**Compensation and Benefits
Guidelines**

for

Pastors - Page 4

Deacons - Page 12

Lay Program Staff - Page 18

Support Staff - Page 23

Minneapolis Area Synod
Evangelical Lutheran Church in America
122 W Franklin Ave, Ste 600
Minneapolis, MN 55404-2474
612-870-3610
www.mpls-synod.org



122 West Franklin Ave, Suite 600
Minneapolis, MN 55404
Phone: 612-870-3610
www.mpls-synod.org

TO: Congregational Presidents and Treasurers, Pastors, Deacons, and Staff
FROM: The Minneapolis Area Synod Office, ELCA
DATE: November 2024
RE: **2025 Compensation Guidelines**

The 2025 compensation guidelines are provided as a starting point for determining compensation for pastors, deacons, and staff. However, these are only guidelines. They cannot possibly speak to all congregations with varying financial and personnel resources and expectations.

These guidelines emerge from periodic review of current salaries, salaries paid in other denominations, PORTICO Benefit Services, the overall picture of compensation, and synod staff's ongoing work with congregations. There has also been comparison with teachers and other professionals with comparable education and responsibility. For 2025, these items should be noted:

- **Computing the Cost-of-Living Increase**

The primary driver in determining the increase for 2025 is the Social Security Administration's COLA adjustment effective as of January 1, 2025. In the past we have intermittently considered the current economic climate and noted economic indicators such as the U.S. Department of Labor Consumer Price Index. The continuation of rising inflation and aggressive regulatory action to reduce it are complicating factors in determining the compensation guidelines in 2025. It has been determined that an increase of 2.5 percent be appropriately added to the 2024 salary figures for 2025

- **Years of Experience:** Each year a staff person has an additional year of experience adds value to the shared ministry. This added experience needs to be considered in providing fair compensation for employees. Some organizations call this a "step" increase.

- **Bringing Compensation up to Guidelines**

If your congregation's employees are paid below guidelines, a strong effort should be made to increase their compensation to meet guidelines. This issue is important and is not related to cost-of-living increases.

- **Housing Allowance**

Consistent with our prior year guidance we make no assumptions about the dollar amount that should be used for a rostered minister as a housing allowance. The amount designated as housing allowance can vary widely by rostered ministers. These guidelines refer to the salary/housing total figure, and the clergy person is left to determine how much of the remuneration may qualify as housing

allowance under IRS definitions. Housing allowance for pastors is referenced on pages 5-6.

- **Overtime:** The federal overtime provisions are contained in the Fair Labor Standards Act (FLSA). Employees covered by the Act must receive overtime pay for hours worked over 40 in a workweek at a rate not less than time and one-half their regular rates of pay. For further guidance:
<https://www.dol.gov/agencies/whd/overtime>

In 2024 the exempt employee minimum pay rate has been increased. Effective July 1, 2024, the minimum annual salary is \$43,888. The minimum annual salary will increase to \$58,656 on January 1, 2025. We encourage Congregations to recognize these increases and make adjustments as necessary to employee's exempt or nonexempt status.

- **Wellness:** Portico Benefit Services provides the benefit program for rostered and lay employees and their families, providing health, dental, prescription drug, retirement, disability, and group life insurance benefits in one bundled program. Congregations and plan members share the cost of benefits. The Minneapolis Area Synod expects its congregations to support the well-being of their covered plan members by paying the contributions for benefits (premiums). Plan members participate in the cost of utilizing the benefits (e.g., deductibles, coinsurance, and copays).

Check the PORTICO Benefit Services website at www.porticobenefits.org for more information.

Questions?

If you have questions, please contact the synod office at 612-870-3610. If your questions concern the PORTICO benefits, please call that Service Center at 800-352-2876.

For Pastors

Compensation

Salary and Housing

A pastor's salary is based on several considerations—the number of years of experience, housing costs, cost-of-living, job responsibilities, and additional factors related to the context of the ministry. Pastors serving in part-time positions should receive pro-rated salary and benefits. The information that follows will assist you in determining a starting point for salary. These figures are guidelines and are not intended to restrict a congregation in fairly compensating a pastor.

Years of Experience	
Graduate	\$71,610
1 - 5 years	\$72,870 - \$83,660
6 - 10 years	\$78,470 - \$89,260
11 - 15 years	\$84,090 - \$94,870
16 - 20 years	\$89,590 - \$100,440
21 - 25 years	\$95,200 - \$106,550
26 - 30 years	\$100,780 - \$112,190
31 - 35 years	\$106,380 - \$118,010

Housing Costs

The above guideline figures include an amount to be designated as "Housing Allowance." In determining your pastor's salary and housing package, the cost of housing in your area should be considered. If a parsonage is provided, the fair rental value should be deducted from the figures in the above grid. See Housing on pages 5-6 for more detailed information concerning the IRS housing allowance for pastors.

Additional Factors

Salary may be driven by other factors in addition to years of experience. While these are more difficult to objectively quantify, they should enter the conversation about salary level. Some of these factors include:

- **Ratio of Staff to Size of Congregation (based on worship attendance)**
The size of the congregation and the ratio of staff to worship attendance should be considered. For example, a solo pastor with no program staff serving a congregation with average worship attendance of 250 + should receive an additional \$1,000 compensation to reflect the added demands placed upon that solo pastor.
- **Supervisory Responsibilities for Staff Members**
 - \$500 for supervision of 1 staff member
 - \$1,500 for supervision of 2 - 3 staff members
 - \$2,500 for supervision of 4 or more staff members

- **Additional Education and work experience**
 - Add \$500 to \$1,500 for additional earned degrees beyond the Master of Divinity.
 - Experience may also include non-ordained ministry in the church and/or secular work which enhances a person's skills for ministry. Congregations and pastors are encouraged to negotiate appropriate years of experience at the time of call.
- **Cost-of-living** is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost-of-living adjustments year after year ignores the accumulating experience level and results in the pastor gradually slipping below guidelines. Many congregations fell behind actual cost-of-living adjustments in recent years. For 2025, there is a cost-of-living adjustment in these guidelines of 2.5 percent. Congregations that have not provided increases on a regular basis should seek to catch up to guidelines as quickly as possible.
- **Review** of performance and changes in levels of responsibility should also be considered annually and may warrant additional salary consideration.
- **Monitor** guidelines and expectations for new hires. The Synod has seen many instances where Congregations with long serving pastors agreeing to smaller salary increases, but upon their retirement the new pastor will be expecting compensation in accordance with these compensation guidelines.

Housing

A unique feature of the compensation of pastors is the distinctive tax law regarding housing allowance for ordained ministers. This originated for pastors (and the military) because it was at one time standard for housing to be the "parsonage." In the Minneapolis Area Synod, fewer than five percent of congregations provide parsonages, so the guidelines now reflect the more standard practice of designating a portion of the pastor's salary as housing allowance.

Housing Allowance

When there is a housing allowance, the pastor determines the amount of compensation to be set aside for housing allowance (based on IRS guidelines, Publication 1828, available at www.irs.gov) and submits it to the church council. The church council must annually include the amount to be designated for housing in the council minutes prior to the beginning of the new tax year. The pastor assumes full responsibility for complying with IRS definitions of "cost to provide a house."

Parsonage

When a parsonage is provided for the pastor, all utility costs and repairs are paid by the congregation. It is recommended that congregations with a parsonage also

provide for a housing equity allowance. The purpose of this allowance is to provide financial resources for a pastor to purchase housing upon retirement, or when a new call requires purchase of a home. Each year a minimum of \$150 a month or five percent defined compensation (the figure on which contributions to the ELCA Pension and Other Benefits Plan is calculated), whichever is greater, should be placed into a fund that accumulates interest in the pastor's name. The establishment of this fund should be negotiated by the church council and pastor. Consultation with the pastor and perhaps PORTICO Benefit Services and a financial consultant can be helpful in determining the most beneficial housing equity allowance model.

When there is a parsonage, it is recommended that a furnishing allowance be provided. This is non-taxable income to be used for household expenses. The church council must designate the furnishing allowance annually.

Social Security and Medicare

All pastors are considered self-employed for social security purposes and therefore will pay a self-employment tax of 15.3 percent of their income in 2024. Thus, it is recommended that the church or calling body give a social security allowance, even though it is taxable, to their pastor(s) to pay at least half (7.65 percent) of the pastor's self-employment tax as they do for the other employees of the church when they pay the employer's share of the FICA tax. To determine half of the tax, multiply the pastor's salary (including housing allowance or the fair rental value of the parsonage) by .0765. This allowance is included on the pastor's W2 as taxable income.

Federal Tax Forms for Clergy

Congregations are to file federal tax W2 forms for clergy, not a 1099 form.

Benefits

Retirement and Major Medical and Dental Benefits

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for rostered staff and lay employees. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits. Members of the plan may decline health coverage if they can demonstrate coverage under another employer-provided group plan (through a spouse) and still participate in the ELCA disability, survivor, and retirement plans. The premiums for medical/dental coverage continue to be fully employer-paid; it should be noted that recent years have seen significant increases in co-pays and deductibles, resulting in substantially higher employee cost.

Additional Retirement Contributions

One way to save for future retirement is to make salary reduction contributions to the ELCA Retirement Plan. To contribute to this plan, the member determines the amount and notifies PORTICO through their myPortico account. Portico then notifies

the member's employer to begin withholding this amount from their salary. This is contributed as pre-tax money, so no federal income tax (10% +) or state income tax (6% +) is paid on the amount. When the pastor retires, this amount will be eligible for the housing allowance exclusion (meaning the pastor will pay no tax on it to the extent that it is used for housing).

Medical Expense Reimbursement Plans

PORTICO Benefit Services health plan includes an optional flexible spending account (pre-tax dollars) for employers enrolled in the Platinum+, Gold+ or Value copay health plans. There is an optional health savings account for employers enrolled in the Silver + or Bronze+ plan. For more information, go to the PORTICO Benefit Services website at www.porticobenefits.org.

Paid Leaves

- **Parental Leave:** In support of caring for a new child, either through birth or adoption, full paid leave of twelve weeks is recommended.'
- **Minnesota Earned Sick and Safe Time:** Effective January 1, 2024, MN enacted MN Earned Sick and Safe Time (ESST) laws. The rules apply to employees who are expected to work more than 80 hours in a given year in MN. The minimum requirement is to provide one hour of ESST for every 30 hours worked with a cap of 48 hours in any given year. The overall cap is 80 hours as hours can be carried over from year-to-year. The hours are available to be used as they are accrued / earned.

Alternatively, employers can front-load ESST by giving an employee at the beginning of the year an amount of sick time that meets or exceeds the accrual and carryover provisions. The front-loaded amounts must be either 1) 48 hours if the employer pays an employee for accrued but unused ESST at the end of the year or, 2) 80 hours if the employer does not pay an employee for accrued but not used ESST at the end of the year.

The covered illnesses and family members are broad and extend beyond an immediate core family. Further details and requirements can be found at <https://www.dli.mn.gov/sick-leave>.

- **MN Paid Family and Medical Leave:** In 2024 MN adopted the MN Paid Family and Medical Leave requirements. These requirements will go into effect on January 1, 2026. Employers will be required to submit payments similar to MN unemployment insurance. Congregations will be required to create a Paid Leave account and submit to the Paid Leave fund. The Paid Leave will provide up to 20 weeks of pay for certain health conditions. The State of MN is capturing reporting for this new law effective with the 3Q 2024 payroll filings which were due on October 31, 2024. Further guidance will be provided on this new law as we enter the first part of 2025. More information can be found at paidleave.mn.gov.
- **Disability:** In the case of disability due to an accident, illness, or surgery, the ELCA disability benefits begin after two months. A member must apply for

disability benefits within six months of becoming disabled. Any period of disability — beginning date and length of disability — is based on an attending doctor's recommendation and by decision of the PORTICO Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability coverage regardless of the current time available to the Pastor. However, congregations can require the use of unused vacation time and accumulated sick leave to cover a portion or all of these two months.

Reimbursed Professional Expenses

Automobile Allowance

The automobile allowance is considered as reimbursement for ministry-related expenses and is not part of a pastor's salary. An allowance based on the IRS guideline is recommended based on actual miles driven and reported by the pastor. As of January 1, 2024, that amount was established at 67 cents per mile. The rate for the next year is usually released in December. Please check with the IRS (www.irs.gov) for 2025. In lieu of such an allowance, the congregation may lease a vehicle for the pastor's use in ministry activity.

Sabbaticals

After every six years of service in a current call, the Minneapolis Area Synod recommends a pastor be given a sabbatical from six weeks to three months with full pay, in lieu of two weeks continuing education time. The pastor would be expected to return to the present call for at least one year following the sabbatical.

Bishop's Theological Conference

Participation in the annual Bishop's Theological Conference is strongly encouraged for all rostered leaders and should not be considered continuing education. Therefore, the Conference registration fee should not be taken from the continuing education budget.

Continuing Education

Congregations should insist that their pastor(s) take time to intentionally update and acquire new skills essential for effective, ongoing ministry. Recognizing this, the ELCA expects a minimum of 50 contact hours annually in continuing education (or 150 hours for each three-year period). A contact hour is defined as a typical 50-minute classroom instructional session or the equivalent. Therefore, it is recommended that each year a minimum of two weeks and \$1,000 be made available to a pastor for continuing education, cumulative up to six weeks over a three-year period. This is not vacation time, so if it is not used for the purpose of ministry in the present setting, the person loses the time and funds at the end of employment.

Professional Ministry Expenses

A minimum suggested guideline of \$500 for professional ministry-related expenses should be in the budget. These expenses may be for books, robes, periodicals, professional dues, or entertaining and hospitality costs incurred in performance of the

duties of the pastoral office. Qualifying expenses must be substantiated by the pastor or the money received becomes taxable as regular income. Professional expenses are designated as such by the congregation and acknowledged by the IRS.

Non-Financial Compensation

Vacation Time

A minimum of four weeks, including Sundays, should be provided. Congregations unable to meet minimum salary guidelines may want to give additional vacation time.

Note regarding part-time ministry: The same number of weeks apply. For example, a full-time pastor would work 48 full-time weeks and have four full-time weeks of vacation; a half-time pastor would work 48 half-weeks and receive four half-weeks of vacation.

Pulpit Supply

The cost of pulpit supply (guest preaching and/or presiding) is borne by the congregation. These are minimum suggestions, and the rate can be determined by the congregation.

Congregations are expected to provide a minimum payment to the guest as follows:

- \$200.00 for one service
- \$250.00 for two services
- \$25.00 for each additional service

If the preaching involves another service on another day (e.g., Saturday, Monday), add an additional \$75 for that service.

- Additionally, the congregation pays mileage reimbursement at current government rate. The 2024 rates are 67 cents per mile for business miles driven. The rates effective January 1, 2025 will be released by the IRS in December 2024. The rates can be found at www.irs.gov.

Compensation Worksheet For Pastors Who Own/Rent a Home

Building the Compensation Package			
This worksheet is designed to help congregations build a compensation package for pastors who own their own homes, using the synod's salary and compensation guidelines.			
Name			
	Current year	Guidelines	Proposed
SALARY AND HOUSING			
Base Salary (including housing allowance)	\$	\$	\$
Social Security Reimbursement (7.65%)	\$	\$	\$
TOTAL SALARY & HOUSING	\$	\$	\$
BENEFITS			
ELCA Pension and Medical/Dental Plan ¹	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution)	\$	\$	\$
Other	\$	\$	\$
TOTAL BENEFITS	\$	\$	\$
REIMBURSED PROFESSIONAL EXPENSES			
Automobile	\$	\$	\$
Sabbatical			
Bishop's Theological Conference	\$	\$	\$
Continuing education	\$	\$	\$
Professional ministry expenses	\$	\$	\$
Other	\$	\$	\$
TOTAL REIMBURSED PROFESSIONAL EXPENSES	\$	\$	\$
NON-FINANCIAL COMPENSATION			
Vacation (number of weeks)			
Continuing education (number of weeks)			
Other			

¹PORTICO Benefit Services: 800-352-2876 or www.porticobenefits.org

Compensation Worksheet For Pastors Who Live in a Parsonage

Building the Compensation Package			
This is designed to help congregations build a compensation package for pastors who live in a parsonage, using the synod's salary and compensation guidelines.			
Name			
	Current year	Guidelines	Proposed
SALARY			
Base Salary (and furnishings allowance)	\$	\$	\$
Social Security Reimbursement (7.65%)	\$	\$	\$
TOTAL SALARY	\$	\$	\$
HOUSING EQUITY ACCOUNT			
Housing Equity Account			
TOTAL			
BENEFITS			
ELCA Pension and Medical/Dental Plan ¹	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution)	\$	\$	\$
Other	\$	\$	\$
TOTAL BENEFITS	\$	\$	\$
REIMBURSED PROFESSIONAL EXPENSES			
Automobile	\$	\$	\$
Sabbatical	\$	\$	\$
Bishop's Theological Conference	\$	\$	\$
Continuing education	\$	\$	\$
Professional ministry expenses	\$	\$	\$
Other	\$	\$	\$
TOTAL REIMBURSED PROFESSIONAL EXPENSES	\$	\$	\$
NON-FINANCIAL COMPENSATION			
Vacation (number of weeks)			
Continuing education (number of weeks)			
Other			

¹PORTICO Benefit Services: 800-352-2876 or www.porticobenefits.org

For Deacons

Compensation

Salary

Salary for deacons is based on several considerations, including the number of years of experience, education, functions related to the context of the ministry, cost-of-living, and job experience. Those serving in part-time programmatic positions should receive pro-rated salary and benefits. The following information will assist you in determining a starting point for salary.

We continue to work on deacon compensation to align with ELCA guidelines which increased candidacy, education, and entrance requirements. We recognize the adjustment is significant and would encourage congregations to develop a 3–5 year plan to attain this revised compensation level. Additionally, prior to 2019 deacons were not required to complete a master’s degree; the compensation amounts for those with a BA should be adjusted accordingly. Synod guidelines, though helpful, can never account for all the variables in a particular position. The Synod intends them as a “starting point” for the congregation’s more comprehensive discernment.

Years of Experience

The **figures below** are guidelines and are not intended to restrict a congregation in fairly compensating a deacon. The figures assume a master’s degree. For deacons without a master’s degree, adjust accordingly.

Years of Experience	
Graduate	\$71,610
1 - 5 years	\$72,870 - \$83,660
6 - 10 years	\$78,470 - \$89,260
11 - 15 years	\$84,090 - \$94,870
16 - 20 years	\$89,590 - \$100,440
21 - 25 years	\$95,200 - \$106,550
26 - 30 years	\$100,780 - \$112,190
31 - 35 years	\$106,380 - \$118,010

Additional Factors

Salary may be driven by other factors in addition to years of experience. While these are more difficult to objectively quantify, they should enter into the conversation about salary level. Some of these factors include:

- **Additional Education and work experience**
 - Add \$500 to \$1,500 for additional earned degrees beyond the Master of Divinity.
 - Experience may also include non-ordained ministry in the church and/or secular work which enhances a person’s skills for ministry.

Experience prior to ordination is calculated at the rate of one-half year for each year.

- **Supervisory Responsibilities**
 - \$500 for supervision of one staff member
 - \$1,000 for supervision of 2-3 staff
 - \$1,500 for supervision of 4+ staff

- **Housing Allowance**

There is considerable discussion about if deacons are eligible for housing allowance. As a synod, we will learn more and in the future may be able to comment further. In the meantime, we are aware that some congregations are providing a housing allowance and some deacons are claiming one. As a reminder, whatever you are doing, this needs to be done in consultation with your tax preparer. The rostered minister determines the amount of compensation to be set aside for housing allowance (based on IRS guidelines, Publication 1828, available at www.irs.gov) and submits it to the church council. The church council must annually include the amount to be designated for housing in the council minutes prior to the beginning of the new tax year. The deacon assumes full responsibility for complying with IRS definitions of “cost to provide a house.” This is all something to be discussed with one’s tax professional.

- **Cost-of-living** is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost-of-living adjustments year after year ignores the accumulating experience level and results in the employee gradually slipping below guidelines. Many congregations fell behind actual cost-of-living adjustments in recent years. For 2025, there is a cost-of-living adjustment in these guidelines of 2.5 percent. Congregations that have not provided increases on a regular basis should seek to catch up to guidelines as soon as possible.

- **Review** of performance and changes in levels of responsibility should also be considered annually and may warrant additional salary consideration.

Benefits

Social Security and Workers’ Compensation

Congregations are required to pay half of the Social Security taxes (7.65% of taxable income) for deacons and all lay employees and to file federal tax W2 forms for deacons and lay employees. All congregations should provide Workers’ Compensation coverage, since definite liability accrues to the congregation in case of accidental death or disability in conjunction with one’s employment.

Retirement and Major Medical and Dental Benefits

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for rostered staff and lay employees. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits. Members of the plan may decline health coverage if they can demonstrate coverage under another employer-provided group plan (through a spouse) and still participate in the ELCA disability, survivor, and retirement plans. The premiums for medical/dental coverage continue to be fully employer-paid; it should be noted that recent years have seen significant increases in co-pays and deductibles, resulting in substantially higher employee cost.

Additional Retirement Contributions

One way to save for future retirement is to make salary reduction contributions to the ELCA Retirement Plan. To contribute to this plan, the member determines the amount and notifies PORTICO through their myPortico account. Portico then notifies the member's employer to begin withholding this amount from their salary. This is contributed as pre-tax money, so no federal income tax (10% +) or state income tax (6% +) is paid on the amount.

Medical Expense Reimbursement Plans

PORTICO Benefit Services health plan includes an optional flexible spending account (pre-tax dollars) for employers enrolled in the Platinum+, Gold+ or Value copay health plans. There is an optional health savings account for employers enrolled in the Silver + or Bronze+ plan. For more information, go to the PORTICO Benefit Services website at www.porticobenefits.org

Paid Leaves

- **Parental Leave:** In support of caring for a new child, either through birth or adoption, full paid leave of twelve weeks is recommended.'
- **Minnesota Earned Sick and Safe Time:** Effective January 1, 2024, MN enacted MN Earned Sick and Safe Time (ESST) laws. The rules apply to employees who are expected to work more than 80 hours in a given year in MN. The minimum requirement is to provide one hour of ESST for every 30 hours worked with a cap of 48 hours in any given year. The overall cap is 80 hours as hours can be carried over from year-to-year. The hours are available to be used as they are accrued / earned.

Alternatively, employers can front-load ESST by giving an employee at the beginning of the year an amount of sick time that meets or exceeds the accrual and carryover provisions. The front-loaded amounts must be either 1) 48 hours if the employer pays an employee for accrued but unused ESST at the end of the year or, 2) 80 hours if the employer does not pay an employee for accrued but not used ESST at the end of the year.

The covered illnesses and family members are broad and extend beyond an immediate core family. Further details and requirements can be found at <https://www.dli.mn.gov/sick-leave>.

- **MN Paid Family and Medical Leave:** In 2024 MN adopted the MN Paid Family and Medical Leave requirements. These requirements will go into effect on January 1, 2026. Employers will be required to submit payments similar to MN unemployment insurance. Congregations will be required to create a Paid Leave account and submit to the Paid Leave fund. The Paid Leave will provide up to 20 weeks of pay for certain health conditions. The State of MN is capturing reporting for this new law effective with the 3Q 2024 payroll filings which were due on October 31, 2024. Further guidance will be provided on this new law as we enter the first part of 2025. More information can be found at paidleave.mn.gov.
- **Disability:** In the case of disability due to an accident, illness, or surgery, the ELCA disability benefits begin after two months. A member must apply for disability benefits within six months of becoming disabled. Any period of disability — beginning date and length of disability — is based on an attending doctor's recommendation and by decision of the PORTICO Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability coverage regardless of the current time available to the Pastor. However, congregations can require the use of unused vacation time and accumulated sick leave to cover a portion or all of these two months.

Reimbursed Professional Expenses

Automobile Allowance

The automobile allowance is considered as reimbursement for expenses and is not part of the employee's salary. An allowance based on the IRS guideline is recommended based on actual miles driven and reported by the pastor. As of January 1, 2024, that amount was 67 cents per mile. The rate for the next year is usually released in December. Please check with the IRS (www.irs.gov) for 2025.

Sabbaticals

After every six years of service in a current call, the Minneapolis Area Synod recommends full-time staff be granted a sabbatical from six weeks to three months with full pay, in lieu of two weeks continuing education time. The staff member would be expected to return to the present call for at least one year following the sabbatical.

Bishop's Theological Conference

Participation in the annual Bishop's Theological Conference is strongly encouraged for all rostered leaders and should not be considered continuing education. Therefore, the Conference registration fee should not be taken from the continuing education budget.

Continuing Education

Congregations should encourage Deacons to intentionally update and acquire new skills for their position. Therefore, it is recommended that each year a minimum of two weeks and \$1000 be made available, cumulatively up to six weeks over a three-year period.

Professional Ministry Expenses

Expenses for professional ministry should be reimbursed. These include books, periodicals, professional dues, entertaining, and hospitality costs incurred in performance of the duties of the staff position. Qualifying expenses must be substantiated by the employee, or the money received becomes taxable income. Professional expenses are designated as such by the congregation and acknowledged by the IRS.

Non-Financial Compensation

Vacation Time

A minimum of four weeks, including Sundays, should be provided. Congregations unable to meet minimum salary guidelines may want to give additional vacation time. Note regarding part-time ministry: The same number of weeks apply. For example, a full-time pastor would work 48 full-time weeks and have four full-time weeks of vacation; a half-time deacon would work 48 half-weeks and receive four half-weeks of vacation.

Pulpit Supply

The cost of pulpit supply (guest preaching) is borne by the congregation. These are minimum suggestions and the rate can be determined by the congregation

The cost for supply preaching is as follows:

- \$200.00 for one service
- \$250.00 for two services
- \$25.00 for each additional service

If the preaching involves another service on another day (e.g., Saturday, Monday), add an additional \$75 for that service.

Additionally, the congregation pays mileage reimbursement at current government rate. The 2025 rates come out in December 2024. The 2024 rate is 67 cents per mile.

Compensation Worksheet For Deacons

Building the Compensation Package			
This worksheet is designed to help congregations build a compensation package for deacons, using the synod's salary and compensation guidelines.			
Name			
	Current year	Guidelines	Proposed
SALARY			
Salary	\$	\$	\$
TOTAL SALARY			
	\$	\$	\$
BENEFITS			
ELCA Pension and Medical/Dental Plan ¹	\$	\$	\$
Social Security	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution)	\$	\$	\$
Other	\$	\$	\$
TOTAL BENEFITS			
	\$	\$	\$
REIMBURSED PROFESSIONAL EXPENSES			
Automobile	\$	\$	\$
Sabbatical			
Bishop's Theological Conference (Rostered only)	\$	\$	\$
Continuing education	\$	\$	\$
Professional ministry expenses	\$	\$	\$
Other	\$	\$	\$
TOTAL REIMBURSED PROFESSIONAL EXPENSES			
	\$	\$	\$
NON-FINANCIAL COMPENSATION			
Vacation (number of weeks)			
Continuing education (number of weeks)			
Other			

¹PORTICO Benefit Services: 800-352-2876 or www.porticobenefits.org

For Lay Program Staff

Compensation

Salary

Salary for lay program staff is based on several considerations, including the number of years of experience, education, functions related to the context of the ministry, cost-of-living, and job experience. Those serving in part-time programmatic positions should receive pro-rated salary and benefits. The following information will assist you in determining a starting point for salary.

Years of Experience

The figures below are guidelines and are not intended to restrict a congregation in fairly compensating a staff member. The figures assume a bachelor's degree. For lay program staff without a bachelor's degree, adjust accordingly.

Years of Experience	
Graduate	\$47,070
1 - 5 years	\$50,810 - \$53,470
6 - 10 years	\$54,800 - \$59,620
11 - 15 years	\$61,000 - \$64,790
16 - 20 years	\$67,200 - \$72,040
21 - 25 years	\$73,420 - \$78,260
26 - 30 years	\$81,020 - \$84,470
31 - 35 years	\$85,850 - \$90,670

Additional Education

- Add \$1,500 to \$3,000 for earned degrees beyond a bachelor's degree.
- An additional \$3,000 is recommended for a seminary degree leading to lay rostered status. Add \$200 to \$500 for certification in a specific area.

Supervisory Responsibilities

- \$500 for supervision of one staff member
- \$1,000 for supervision of 2-3 staff
- \$1,500 for supervision of 4+ staff

Considerations

Cost-of-living is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost-of-living adjustments year after year ignores the accumulating experience level and results in the employee gradually slipping below guidelines. Many congregations fell behind actual cost-of-living adjustments in recent years. For 2025, there is a cost-of-living adjustment in these guidelines of 2.5 percent. Congregations that have not provided increases on a regular basis should seek to catch up to guidelines as soon as possible.

Review of performance and changes in levels of responsibility should also be considered annually and may warrant additional salary consideration.

Benefits

Social Security and Workers' Compensation

Congregations are required to pay half of the Social Security taxes (7.65% of taxable income) for all lay employees and to file federal tax W2 forms for lay employees. All congregations should provide Workers' Compensation coverage, since definite liability accrues to the congregation in case of accidental death or disability in conjunction with one's employment.

Retirement and Major Medical and Dental Benefits

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for rostered staff and lay employees. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits. Members of the plan may decline health coverage if they can demonstrate coverage under another employer-provided group plan (through a spouse) and still participate in the ELCA disability, survivor, and retirement plans. The premiums for medical/dental coverage continue to be fully employer-paid; it should be noted that recent years have seen significant increases in co-pays and deductibles, resulting in substantially higher employee cost.

Additional Retirement Contributions

One way to save for future retirement is to make salary reduction contributions to the ELCA Retirement Plan. To contribute to this plan, the member determines the amount and notifies PORTICO through their myPortico account. Portico then notifies the member's employer to begin withholding this amount from their salary. This is contributed as pre-tax money, so no federal income tax (10% +) or state income tax (6% +) is paid on the amount.

Medical Expense Reimbursement Plans

PORTICO Benefit Services health plan includes an optional flexible spending account (pre-tax dollars) for employers enrolled in the Platinum+, Gold+ or Value copay health plans. There is an optional health savings account for employers enrolled in the Silver + or Bronze+ plan. For more information, go to the PORTICO Benefit Services website at www.porticobenefits.org

Paid Leaves

- **Parental Leave:** In support of caring for a new child, either through birth or adoption, full paid leave of twelve weeks is recommended.'
- **Minnesota Earned Sick and Safe Time:** Effective January 1, 2024, MN enacted MN Earned Sick and Safe Time (ESST) laws. The rules apply to employees who are expected to work more than 80 hours in a given year in MN. The minimum

requirement is to provide one hour of ESST for every 30 hours worked with a cap of 48 hours in any given year. The overall cap is 80 hours as hours can be carried over from year-to-year. The hours are available to be used as they are accrued / earned.

Alternatively, employers can front-load ESST by giving an employee at the beginning of the year an amount of sick time that meets or exceeds the accrual and carryover provisions. The front-loaded amounts must be either 1) 48 hours if the employer pays an employee for accrued but unused ESST at the end of the year or, 2) 80 hours if the employer does not pay an employee for accrued but not used ESST at the end of the year.

The covered illnesses and family members are broad and extend beyond an immediate core family. Further details and requirements can be found at <https://www.dli.mn.gov/sick-leave>.

- **MN Paid Family and Medical Leave:** In 2024 MN adopted the MN Paid Family and Medical Leave requirements. These requirements will go into effect on January 1, 2026. Employers will be required to submit payments similar to MN unemployment insurance. Congregations will be required to create a Paid Leave account and submit to the Paid Leave fund. The Paid Leave will provide up to 20 weeks of pay for certain health conditions. The State of MN is capturing reporting for this new law effective with the 3Q 2024 payroll filings which were due on October 31, 2024. Further guidance will be provided on this new law as we enter the first part of 2025. More information can be found at paidleave.mn.gov.
- **Disability:** In the case of disability due to an accident, illness, or surgery, the ELCA disability benefits begin after two months. A member must apply for disability benefits within six months of becoming disabled. Any period of disability — beginning date and length of disability — is based on an attending doctor's recommendation and by decision of the PORTICO Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability coverage regardless of the current time available to the Pastor. However, congregations can require the use of unused vacation time and accumulated sick leave to cover a portion or all of these two months.

Reimbursed Professional Expenses

Automobile Allowance

The automobile allowance is considered as reimbursement for expenses and is not part of the employee's salary. An allowance based on the IRS guideline is recommended based on actual miles driven and reported by the pastor. As of January 1, 2024, that amount was 67 cents per mile. The rate for the next year is usually released in December. Please check with the IRS (www.irs.gov) for 2025.

Sabbaticals

After every six years of service in a current call, the Minneapolis Area Synod recommends full-time staff be granted a sabbatical from six weeks to three months

with full pay, in lieu of two weeks continuing education time. The staff member would be expected to return to the present call for at least one year following the sabbatical.

Continuing Education

Congregations should encourage lay staff to intentionally update and acquire new skills for their position. Therefore, it is recommended that each year a minimum of one week and \$500 be made available, cumulative to a maximum of three weeks and \$1,500.

Professional Ministry Expenses

Expenses for professional ministry should be reimbursed. These include books, periodicals, professional dues, entertaining, and hospitality costs incurred in performance of the duties of the staff position. Qualifying expenses must be substantiated by the employee, or the money received becomes taxable income. Professional expenses are designated as such by the congregation and acknowledged by the IRS.

Non-Financial Compensation

Vacation Time

A minimum of two weeks' vacation should be granted after one year of employment; three weeks after five years; and four weeks after 10 years of service.

Compensation Worksheet For Lay Program Staff

Building the Compensation Package			
This worksheet is designed to help congregations build a compensation package for deacons and lay programmatic staff, using the synod's salary and compensation guidelines.			
Name			
	Current year	Guidelines	Proposed
SALARY			
Salary	\$	\$	\$
TOTAL SALARY			
BENEFITS			
ELCA Pension and Medical/Dental Plan ¹	\$	\$	\$
Social Security	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution)	\$	\$	\$
Other	\$	\$	\$
TOTAL BENEFITS			
REIMBURSED PROFESSIONAL EXPENSES			
Automobile	\$	\$	\$
Sabbatical			
Continuing education	\$	\$	\$
Professional ministry expenses	\$	\$	\$
Other	\$	\$	\$
TOTAL REIMBURSED PROFESSIONAL EXPENSES			
NON-FINANCIAL COMPENSATION			
Vacation (number of weeks)			
Continuing education (number of weeks)			
Other			

¹PORTICO Benefit Services: 800-352-2876 or www.porticobenefits.org

For Support Staff Compensation

Salary

Of all congregation staff positions, this one varies more than any other in terms of education, skills, and responsibilities. Executive and specialized support positions can be compared to similar positions in other non-profit organizations. Those serving in part-time positions should receive pro-rated salary and benefits.

Years of Experience

The figures in the chart below are guidelines and are not intended to restrict a congregation in fairly compensating a staff member.

Years of Experience	
0 - 5 years	\$33,430 - \$38,620
6 - 10 years	\$39,890 - \$45,400
11 - 15 years	\$46,890 - \$51,210
16 - 20 years	\$53,690 - \$58,930
21 - 25 years	\$60,450 - \$65,730
26 - 30 years	\$67,230 - \$72,500
31 - 35 years	\$74,030 - \$79,270

Considerations

Cost-of-living is not an adequate adjustment when used alone. Each year also brings with it an additional year of experience. Using only cost-of-living adjustments year after year ignores the accumulating experience level and results in the employee gradually slipping below guidelines. Many congregations fell behind actual cost-of-living adjustments in recent years. For 2025, there is a cost-of-living adjustment in these guidelines of 2.5%. Congregations that have not provided increases on a regular basis should seek to catch up to guidelines as quickly as possible.

Review of performance and changes in levels of responsibility should also be considered annually and may warrant additional salary consideration.

Benefits

Social Security and Workers' Compensation

Congregations are required to pay half of the Social Security taxes (7.65% of taxable income) for all lay employees and to file federal tax W2 forms for lay employees. All congregations should provide Workers' Compensation coverage, since definite

liability accrues to the congregation in case of accidental death or disability in conjunction with one's employment.

Retirement and Major Medical and Dental Benefits

The congregation should budget for and participate in the ELCA Pension and Other Benefits Plan for rostered staff and lay employees. The plan provides retirement, survivor, disability, and health (medical/hospital, prescription drug, dental, behavioral health) benefits. Members of the plan may decline health coverage if they can demonstrate coverage under another employer-provided group plan (through a spouse) and still participate in the ELCA disability, survivor, and retirement plans. The premiums for medical/dental coverage continue to be fully employer-paid; it should be noted that recent years have seen significant increases in co-pays and deductibles, resulting in substantially higher employee cost.

Additional Retirement Contributions

One way to save for future retirement is to make salary reduction contributions to the ELCA Retirement Plan. To contribute to this plan, the member determines the amount and notifies PORTICO through their myPortico account. Portico then notifies the member's employer to begin withholding this amount from their salary. This is contributed as pre-tax money, so no federal income tax (10% +) or state income tax (6% +) is paid on the amount.

Medical Expense Reimbursement Plans

PORTICO Benefit Services health plan includes an optional flexible spending account (pre-tax dollars) for employers enrolled in the Platinum+, Gold+ or Value copay health plans. There is an optional health savings account for employers enrolled in the Silver + or Bronze+ plan. For more information, go to the PORTICO Benefit Services website at www.porticobenefits.org

Paid Leaves

- **Parental Leave:** In support of caring for a new child, either through birth or adoption, full paid leave of twelve weeks is recommended.'
- **Minnesota Earned Sick and Safe Time:** Effective January 1, 2024, MN enacted MN Earned Sick and Safe Time (ESST) laws. The rules apply to employees who are expected to work more than 80 hours in a given year in MN. The minimum requirement is to provide one hour of ESST for every 30 hours worked with a cap of 48 hours in any given year. The overall cap is 80 hours as hours can be carried over from year-to-year. The hours are available to be used as they are accrued / earned.

Alternatively, employers can front-load ESST by giving an employee at the beginning of the year an amount of sick time that meets or exceeds the accrual and carryover provisions. The front-loaded amounts must be either 1) 48 hours if the employer pays an employee for accrued but unused ESST at the end of the year or, 2) 80 hours if the employer does not pay an employee for accrued but not used ESST at the end of the year.

The covered illnesses and family members are broad and extend beyond an immediate core family. Further details and requirements can be found at <https://www.dli.mn.gov/sick-leave>.

- **MN Paid Family and Medical Leave:** In 2024 MN adopted the MN Paid Family and Medical Leave requirements. These requirements will go into effect on January 1, 2026. Employers will be required to submit payments similar to MN unemployment insurance. Congregations will be required to create a Paid Leave account and submit to the Paid Leave fund. The Paid Leave will provide up to 20 weeks of pay for certain health conditions. The State of MN is capturing reporting for this new law effective with the 3Q 2024 payroll filings which were due on October 31, 2024. Further guidance will be provided on this new law as we enter the first part of 2025. More information can be found at paidleave.mn.gov.
- **Disability:** In the case of disability due to an accident, illness, or surgery, the ELCA disability benefits begin after two months. A member must apply for disability benefits within six months of becoming disabled. Any period of disability — beginning date and length of disability — is based on an attending doctor's recommendation and by decision of the PORTICO Benefit Services. It is presumed that the congregation will continue paying salary for the two months prior to the disability coverage regardless of the current time available to the Pastor. However, congregations can require the use of unused vacation time and accumulated sick leave to cover a portion or all of these two months.

Reimbursable Expenses

Automobile Allowance

The automobile allowance is considered as reimbursement for expenses and is not part of the employee's salary. An allowance based on the IRS guideline is recommended based on actual miles driven and reported by the pastor. As of January 1, 2024, that amount was established at 67 cents per mile. The rate for the next year is usually released in December. Please check with the IRS (www.irs.gov) for 2025.

Continuing Education

Congregations should encourage support staff to intentionally update and acquire new skills for their position. Therefore, it is recommended that each year a minimum of one week and \$400 be made available, cumulative to a maximum of three and \$1,200.

Non-Financial Compensation

Vacation Time

A minimum of two weeks' vacation should be granted after one year of employment; three weeks after five years; and four weeks after 10 years of service.

Compensation Worksheet For Support Staff

Building the Compensation Package			
This worksheet is designed to help congregations build a compensation package for support staff, using the synod's salary and compensation guidelines.			
Name			
	Current year	Guidelines	Proposed
SALARY			
Salary	\$	\$	\$
TOTAL SALARY			
BENEFITS			
ELCA Pension and Medical/Dental Plan ¹	\$	\$	\$
Social Security	\$	\$	\$
Other (e.g., medical expense reimbursement, additional retirement contribution)	\$	\$	\$
Other	\$	\$	\$
TOTAL BENEFITS			
REIMBURSED EXPENSES			
Automobile	\$	\$	\$
Continuing education	\$	\$	\$
Other	\$	\$	\$
TOTAL REIMBURSED EXPENSES			
NON-FINANCIAL COMPENSATION			
Vacation (number of weeks)			
Continuing education (number of weeks)			
Other			

¹PORTICO Benefit Services: 800-352-2876 or www.porticobenefits.org

Additional Resources

PORTICO Benefit Services

7700 France Ave. S., Ste. 350

Minneapolis, MN 55435-2802

1-800-352-2876

www.porticobenefits.org

Specific link for sponsoring employers: <https://employerlink.porticobenefits.org>

Clergy Financial Resources

11214 86th Avenue North

Maple Grove, MN 55369

763-425-8778

cfr@clergytaxnet.com

Web site: <http://www.clergytaxnet.com>