



# **GULF ATLANTIC DIOCESE 2024 CLERGY COMPENSATION GUIDE**

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With thanks to the Finance Team – The Rev. Jon Hall, Chris McCarthy,  
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To the Vestries and Clergy of the Gulf Atlantic Diocese:

The compensation of our clergy is an important decision for every Vestry. Each year the Finance Committee provides guidelines as a standard for the fair compensation of our diocesan clergy. It should be the goal of every church to provide compensation that is sufficient and generous. For the Scripture says, "You shall not muzzle an ox when it treads out the grain," and, "The laborer deserves his wages" (1 Timothy 5:18). However, after twenty years as a Rector, I know the reality that discussing compensation is awkward, and each church has limited resources. This guide becomes a helpful tool for vestries and clergy in good stewardship of our resources.

The relationship between a church and its clergy should be one of mutual blessing and generosity. I have found this to be true for most of the churches I visited over my first year as Bishop. Compensation should be thought of as a stipend that is given to free the clergy to focus on the work of vocational ministry - vision casting, leadership development, preaching and teaching, and stewardship.

As a Rector, I always felt the responsibility of both caring for my family but equally helping the church avoid setting a deficit budget. This balance often causes Rectors to find it difficult to negotiate for an adjustment to their compensation and benefits. Because of this reality, each Vestry should consider appointing an advocate, perhaps the Senior Warden, that will meet with the Rector once a year to discuss the needs of all the clergy and their families. Then, if desired, negotiate with the Vestry and Finance Committee on their behalf to arrive at a compensation package that is sufficient and generous. Likewise, the Rector should be an advocate for their clergy and staff, along with the Senior Warden or other Vestry advocates such as a personnel committee.

I understand that some churches, because of their size or limited budget, will find it difficult to compensate their clergy adequately. In those cases, acknowledgment of what is reasonable vs. what the Parish can afford is always helpful. The business adage, 'the Truth is our friend' helps in these situations. Inflation has been uniquely high again this past year and has increased both living expenses for employees and operating expenses for Parishes. This may have also had a negative impact on parishioner giving. Rectors should be communicating with their congregations at a focused annual stewardship campaign or event, and the Diocese is willing to provide resources to this end.

Last thoughts. How we talk about money and seek to honor our clergy will go a long way toward blessing these servant leaders. In the unlikely event that Vestry and clergy reach an impasse, please know that I am always willing to enter into a dialogue towards reconciliation. Remember that our Compensation Guide requires that "an agreement must be made with consent of the bishop if a church or church plant will be paying less than the Minimum Compensation." This is meant to open a conversation, and my goal will be to discuss how we can work toward reaching minimum standards. You should expect me to bring this up on my visitations. This Diocese has some of the most gifted and anointed leaders in the Province. By God's grace, we can honor them and under their care we will see our ministries flourish and bring many more people into the Kingdom throughout our Diocese.

Praying for you all in your vital partnership,

A handwritten signature in blue ink that reads "Alex". The signature is written in a cursive, flowing style.

+Alex

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## **ACTIVE CLERGY COMPENSATION GUIDE**

Total Compensation packages for clergy fall into the categories of cash compensation, reimbursable expenses, required benefits, and recommended benefits. Each of these categories is described in detail on the following pages.

### **I. CASH COMPENSATION**

#### **A. SALARY**

Salary is the cash amount which is paid directly to a member of the clergy, exclusive of housing, utilities, and Social Security Self-employment tax allowance of paragraph IV A. Decisions about clergy compensation, like all important decisions, should be made in the context of prayer. In the context of prayerful reflection, the first step in determining salary is to determine the most appropriate category based on the congregational situation and required responsibilities.

We have analyzed numerous sources of data to arrive at a recommended range of compensation for our clergy shown in the table on page 5. We have concluded that the most appropriate starting point for calculating reasonable cash compensation is the budget of the congregation, which will reflect the size of the church, the demands of the position, and, to some degree, the economic realities of the surrounding community. Salaries for clergy should take into account the salaries and cost of living in the community they are called to serve as well as the specific financial needs of the clergy and his or her family. We have made allowance for adjustments of the range based on multiple additional factors.

#### **B. HOUSING ALLOWANCE**

Congregations should provide a housing allowance for their clergy. Clergy that live in church owned housing are also eligible for a housing allowance for furnishings and other allowable housing expenses. The housing allowance must conform to the tax code and requires an annual Vestry vote. The allowance must be church designated and be done in advance of the allowance being taken, meaning that it cannot be acted upon retroactively.

Notes:

- If housing and utilities are provided in the form of Church-owned facilities, the cash compensation ranges may be reduced by 25%.
- The ranges in the table have been calculated using data collected from Anglican Dioceses from around the Province as well as other denominational sources. The amounts shown represent typical salaries for Rectors with 6-10 years of experience. Smaller churches with smaller budgets will generally pay their clergy at the lower end of the scale while larger churches with larger budgets will pay at the higher end of the scale. The budget ranges given below should be referenced as a starting point for salary considerations. Some other factors that should be considered are: length of service in pastoral ministry; duties and responsibilities of the position; the needs of the clergy and his or her family; and the local cost of living.
- The two most important elements in determining clergy compensation are the welfare of the clergy person’s family and the congregation’s ability to pay.
- An annual cost-of-living adjustment should be built into the hiring agreement. The annual Social Security Cost of Living Allowance (COLA) is a good standard. The below chart represents a 3.0% COLA increase to the 2023 Clergy Compensation Ranges.

| <b>2024 Clergy Compensation Ranges<br/>(Salary + Housing Allowance Only)</b> |              |               |              |
|--|--------------|---------------|--------------|
| <b>Annual Budget</b>   | <b>Lower</b> | <b>Middle</b> | <b>Upper</b> |
| Less than \$250k   | \$66,500     | \$79,750      | \$92,750     |
| Between \$250k - \$500k  | \$77,250     | \$95,500      | \$113,500    |
| Greater than \$500k  | \$87,750     | \$110,750     | \$134,000    |

The Diocesan Minimum Compensation for full time clergy is \$59,750. An agreement must be made with consent of the bishop if a congregation or church plant will be paying less than the Minimum Compensation.

Compensation rate should also take into consideration these variable factors:

### **Special Skills and Qualifications**

Skill in counseling; publications; recognition as an expert in a field; administrative leadership; fund-raising ability; ability to deal with media; post seminary education and/or doctoral or advanced degree work; average income for the church; average Sunday attendance; years of experience.

### **Job Complexity**

Size of staff; variety of duties to be performed; stress factors; goals and objectives of congregation; quality of the lay leadership; transitional or stable membership.

## **C. GUIDELINES FOR THE COMPENSATION OF ASSISTING CLERGY**

Determining the salary for assisting clergy is complex because of the range of skills, resources and particulars of the congregation they serve. As a guideline, in many places the compensation for assistants and associates ranges from 50-75% of the Rector's compensation.

## **D. GUIDELINES FOR SUPPLY CLERGY RATES**

In an effort to provide guidelines in this area, the Committee believes the following schedule represents a reasonable recommendation for supply clergy to be paid by the Vestry of the church for whom services are supplied, given the time supply clergy spend preparing for and leading the services, and traveling to and from the church. Supply clergy and congregations may agree to alternative fees depending on relevant circumstances.

- 1 Sunday service with Sermon \$200.
- 2 Sunday services with Sermon \$300.

Clergy may also be paid for each additional service on the same weekend in an amount to be agreed upon between the congregation and the clergy person. Clergy are to be reimbursed for travel costs at the current IRS reimbursable mileage rate.

## **II. REIMBURSABLE EXPENSES**

### **A. TRAVEL (JOB-RELATED)**

The church may provide the clergy person with an automobile, through lease or purchase, and pay the expenses of the same, with documentation to be submitted to the Vestry. Otherwise, the church is expected to pay mileage per the IRS guidelines and other documented out-of-pocket travel expenses.

### **B. CONTINUING EDUCATION**

All clergy are encouraged to engage in regular continuing education to strengthen their ministries. Churches are expected to provide both time and money to make such study possible. Continuing education time should be focused on vocational development, workshops, courses, or intentional study in areas that undergird present or future ministry and develop or strengthen talents and skills. This time is not to be used as additional vacation or leisure time.

Churches shall contribute a stated amount each year (usually \$500-\$1,000, in no case less than \$350) toward the expenses of continuing education projects. Any funds carried forward does not reduce the Vestry's obligation to budget a sum for continuing education each year.

### **C. SABBATICALS**

After seven years of service, a priest is eligible for sabbatical leave that has accrued at the rate of two weeks per year of service. Churches should build a provision into their budgets to cover the expenses of a sabbatical, which include program and travel costs as well as liturgical and pastoral care coverage for the congregation.

### **D. DISCRETIONARY FUND**

The church should provide funds from the operating budget each year for a separate discretionary fund to be dispersed by the Rector only. This is intended to aid individuals/families in financial need confidentially, or to cover the costs of non-budgeted mission or discipleship materials. Use must be within the stated mission of the church.

The discretionary funds are subject to audit and are to be included in the financial reports following standard accounting procedures. Discretionary funds remain with the congregation when the clergy departs.

### **E. BUSINESS ENTERTAINMENT (JOB-RELATED)**

Entertaining on behalf of the church should be reimbursed upon submission of receipts and explanation of reason for expense (subject to guidelines and budget set by the Vestry). Vestries are encouraged to put an annual dollar amount in the operating budget to cover these expenses.

## **F. HOSPITALITY EXPENSE**

The Vestry shall pay or defray church-related hospitality expenses incurred upon submission of receipts and explanation of reason for expense (subject to guidelines and budget set by the Vestry). This includes the costs of hosting church members for meals and events at the Rector's home.

## **G. MOVING**

When a congregation issues a call, it is highly recommended that the congregation pay the expenses associated with the relocation. Clergy and congregations are encouraged to discuss the anticipated expenses in advance and to set aside funds to cover these expenses.



### **III. REQUIRED BENEFITS**

#### **A. RETIREMENT PLAN**

The Gulf Atlantic Diocese requires each church, mission and other ecclesiastical organizations to pay into a retirement/pension plan for their full-time clergy. It is recommended that churches participate in the retirement plan of the Anglican Church in North America.

In addition to paying salary and housing allowance, the church is expected to contribute annually to such a qualified retirement plan. The Committee recommends the church contribution not be lower than 5% of the clergy person's cash compensation (salary and housing allowance).

For clergy, the recommendation is a 5% minimum baseline employer contribution, plus a 1-for-1 employer match up to an additional 5%. This gives a maximum contribution of 15% of the clergy's compensation (with 10% paid by the church).

For full-time lay employees, the recommendation is a straight 1-for-1 employer match up to 7.5% (no minimum baseline employer contribution). This gives a maximum contribution of 15% of the lay employee's compensation (with 7.5% paid by the church).

#### **B. HEALTH INSURANCE**

Adequate medical insurance is required for full-time clergy. The minimum standard for a health insurance plan should be similar to the ACNA plan selections. Vestries should provide insurance coverage unless alternate coverage has been obtained by the clergy person. Plan selection and coverage level is determined jointly by clergy and vestry. The church should pay the premium or reimburse the clergy person for premiums paid for employee only coverage. Vestries are encouraged to provide funding for spouse and dependent children coverage as their budgets and the IRS regulations allow but clergy may be required to pay a portion of the cost of insurance for spouse and/or children. Questions about the ACNA health insurance plan and enrollment information are available from the ACNA office and website.

#### **C. LIFE INSURANCE COVERAGE**

Vestries should provide full-time clergy with \$50,000.00 in life insurance through the ACNA group plan or equivalent or better coverage through another plan. Clergy may waive this coverage if they so wish.

#### **D. DISABILITY/SICK LEAVE/EXTENDED SICK LEAVE**

Every congregation should have a written plan that details how the clergy person will be paid in the event of personal or family illness, an extended sickness, or short/long term disability and how long payments will continue. Short-term and long-term disability insurance coverage is available through the ACNA and other sources.

Short-Term Disability: Most churches will likely choose to self-insure for short term disabilities and fund payments to the clergy from operating income (the ACNA short term policy has a two-week waiting period and then provides coverage for only 11 weeks).

Long-Term Disability Insurance: The ACNA long term policy has a 90-day waiting period then pays 60% of the clergy person's salary, as long as total disability continues, to at least age 65. The church might agree to pay the clergy person for the first 90 days of disability, after which payments for any continued disability would be paid through a long-term disability policy. The clergy person then receives payments under the long- term policy, beginning on the 91<sup>st</sup> day, as long as/she is disabled. It is highly recommended Vestries provide long-term disability insurance for clergy. Of course, the clergy person could purchase his/her own policy instead.

#### **E. DAYS OFF/ VACATION**

A normal work week for full-time clergy is 40 hours to be determined by the needs of the ministry. Clergy are expected to have at least one continuous 24-hour period reserved for personal and family use.

In addition, clergy will have time off in observance of the following national holidays: Labor Day, Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day and Independence Day. When the holiday is a workday or falls on a normally scheduled day off, the clergy person will be entitled to take another day off in that week.

Clergy shall have a total of one month (twenty workdays) of vacation time per year, which will include at least two Sundays.

#### **F. HOUSING PROVIDED BY THE CONGREGATION**

Where housing is provided by the congregation:

The clergy person shall have full use of the provided housing as a personal residence, utilities shall be contracted for and paid by the church, and care and maintenance of the grounds are at the church's expense.

The church may contribute to an appropriate tax-deferred investment vehicle [i.e. 403(b)], which shall be the property of the clergy person, no less than 3% of what the estimated cash housing allowance would be for housing in the area. The intent of this provision would be in lieu of accumulating real estate equity.

In the event of the clergy person's death, the Vestry is urged to compassionately consider the short-term housing needs of the deceased Rector's dependents.

## **IV. RECOMMENDED BENEFITS**

### **A. SOCIAL SECURITY SELF-EMPLOYMENT TAX ALLOWANCE**

Self-Employment Tax: Clergy are considered self--employed for purposes of paying Social Security and Medicare tax [15.3% of cash compensation (salary and housing allowance)]. Ordinarily an employer would withhold half that amount (7.65%) from the employee's salary, and the employer would contribute the other half (7.65%), but that arrangement is not permitted for clergy under the tax code.

If the church wants to provide clergy with what would be their share of the tax, it can increase the clergy person's salary by that amount, which is 7.65% of cash compensation (salary and housing allowance). NOTE: This income is fully taxable and reportable as income to the clergy. It is not, however, considered part of cash compensation for purposes of determining the congregation's pension contribution.

### **B. DENTAL AND VISION INSURANCE**

Dental and vision insurance coverage is available through ACNA or other resources. These are considered negotiated benefit options.