



**SOUTHERN CALIFORNIA  
NEVADA CONFERENCE**  
UNITED CHURCH OF CHRIST

August 2023

TO: Congregations, Authorized and Specialized Ministers of the Southern California Nevada Conference, United Church of Christ  
FROM: Compensation Guidelines Task Group  
RE: 2023 Compensation Guidelines

Dear Siblings in Christ:

Sometimes when we read a document that a Task Group has worked on, we might wonder; *What were they thinking?* Well, we want you to know what we were thinking. We know that revising the compensation guidelines for the Conference is a big change from the past salary grid that took a “one size fits all” approach. The following document takes a very different approach, resulting in significant changes in the guidelines. A few comments may be helpful before you begin to explore the new guidelines developed by the Task Group.

First, we recognized and struggled with the reality that some congregations will be challenged by the recommendations contained in the document. Using a new formula resulted in compensation recommendations that may be significantly higher than many congregations are currently providing or feel they can afford. Serious consideration was given to adjusting the recommendations to accommodate this concern. After several discussions, the decision was made not to make adjustments to accommodate our *perceived* abilities of congregations as all congregations are different. Our goal is to offer you, our congregations and authorized ministers, a document that represents guidelines that encompass recommendations from the national setting of the UCC, that considers the reality of the context of Southern California and Nevada, and most of all are fair and just. Each ministry setting can and will decide for themselves and with their authorized minister how these guidelines can best be used to further the commitment to fair and just compensation.

One huge shift is adopting the minimum wage laws as a guideline. The Task Group is clear that Authorized Ministers should *at a minimum* have a cash salary that is equal to the minimum wage in California and Nevada. Another shift is acknowledging *in the compensation calculations* that housing costs in Southern California are significant and vary throughout the area, and are different from Nevada. Previous salary guidelines did not include these realities in the actual compensation calculations.

While not all ministry settings will be able to meet these compensation guidelines in one year or even two years, the information is intended to inform your prayerful discussions and discernment. Incremental increases, additional time off, and other accommodations may be considerations as you discern with your ministers how to best be covenantal partners in ministry.

Fair and just compensation has been the perspective that has guided the work of the Task Group; we are confident that the congregations of the Conference are committed to the same.

**The Compensation Task Group:**

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Rev. Heather Branton	<i>Community Church of Atascadero, Conference Board of Directors</i>
Rev. John Forrest Douglas	<i>Church of the Foothills, Conference Board of Directors</i>
Patricia Whitacre	<i>Community Church of Poway, Conference Board of Directors</i>

# Creating a Just and Fair Compensation Package for Authorized Ministers

## Compensation Guidelines for 2023

When a congregation or other setting of ministry calls an authorized minister, it enters a shared mutual ministry and a stewardship of caring for each other. Part of that caring means that the church or ministry setting has a responsibility – a covenant – to provide for the financial support of its authorized minister(s) and their family.

The purpose of these guidelines is to assist in establishing fair and comparable compensation for authorized ministers and in creating an environment of best practices for ministry settings throughout the Southern California Nevada Conference, United Church of Christ. They arise from these basic assumptions:

- Local churches and other ministry settings understand fair and just compensation as an expression of Christian faith principles. The importance of the congregation's budget and care of its employees is a matter of spiritual integrity and wholeness.
- Local churches and other ministry settings understand ministry is mutual, and not limited to authorized ministers alone. Church members, including staff, share in the common ministry, witness, and work together.
- Local churches and other ministry settings understand fair and just compensation requires honesty and authenticity. A resistance to, fear of, or aversion to change must never be borne on the backs of authorized ministers struggling to provide for themselves through underemployment.
- Authorized ministers are spiritually called and equipped to professional employment as a vocation, understanding their work as "more than a job."
- The relationship between the local church or other ministry setting and its authorized minister(s) is best when it is empowering and regularly reevaluated.

To provide the best resources, we are recommending the use of the Call Agreement Workbook, available through UCC Resources. This rich but concise document provides a solid foundation for understanding and supporting ministerial calls, while also helping our Conference to be more unified with the large number of other UCC Conferences who also use this resource. One difference between our document and the CAW is in the means used to calculate the housing benefit for ministers, which results from first establishing the minimum wage for a minister in the location of employment.

The Task Group recommends a system that first establishes a range for cash and housing compensation, which considers multiple criteria including years of experience in both ministry and other professional work, level of education, and church setting. This approach is used by many other Conferences, and it is representative of what we see in our churches and specialized ministries today: ordained and licensed leaders who bring varieties of relevant education and life experience beyond their years in ministry specifically to a wide variety of ministry settings

One item that is substantially different in these new guidelines is a local cost of living supplement which we hope factors in the highly variable housing and living expenses in all the areas of our SCNC. This adjustment uses 1-3% of a median single family home purchase price in the church's zip code. We expect that most churches will use a 2% value to compute this adjustment, but the range allows for accommodation of a variety of church resources.

These salary ranges are *a starting point*, and they are *guidelines*: a way to begin the conversation, but not a definitive rule. Ministry settings will use the guidelines, along with recommendations in the Call Agreement Workbook, by adapting as necessary for part-time calls and adjusting for cost-of-living differences throughout the SCNC Conference. Besides cash/housing salary, there are other components of compensation that should be included in a comprehensive package for just and fair compensation, including health insurance, pension contributions and a Social Security offset. Each of these are addressed in the guidelines.

Once an authorized minister has accepted a church call and begun to work in the church setting, regular salary and cost of living reviews are needed to ensure continued fair and just compensation. In the past decade, there have been manageable and steady increases in cost of living. For example, the IRS Cost of Living Adjustment (COLA) increase in 2021 was 1.3%. However, in 2022 the COLA increased to 5.9%. Clearly the costs of basic living and business expenses have risen rapidly in many sectors in the past year (fuel for vehicles and heat are two big ones we are probably all aware of). Authorized ministers (not to mention other church staff) feel these increases as much as anyone. Although we have seen major COLA increases in the past, we understand that such substantial increases may be a stretch for some ministry settings. A yearly increase of less than the COLA might be supplemented by other benefits: more vacation time, fewer hours, increased pension contributions, and so on. Ministers and church leadership can work together to determine ways to address this challenge.

Our Conference Minister, Conference Board, and Committees on Ministry for each association are here to help ministry settings understand and adapt these guidelines for local use as part of the call process or with ministry settings seeking to update their budgets with a current pastor or chaplain. Please do not hesitate to ask for assistance in these conversations, which can be sensitive especially as churches face financial struggles of their own. We are here to serve our ministry settings in this way, and we look forward to supporting your continued future ministries.

Sincerely submitted by the members of the Authorized Ministry Compensation Guidelines Task Group:

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## A Step by Step Guide for Cash Salary Range Guidelines

Begin by calculating the guideline range for cash salary based on the authorized minister you intend to call and the setting that minister will be serving. This is done with the worksheet **Salary Range Guidelines for Full Time Ministers** found in the accompanying spreadsheets **Authorized Minister Guidelines Grid**. Change the example numbers in blue to fit your specific ministry setting. If the church does not have a parsonage, use the sheet “without a parsonage” in Appendix A. If your church does have a parsonage that the clergy member will be using, use the alternate sheet “with a parsonage” in Appendix B to establish the range. The Appendices provide sample worksheets for you to review.

- Step A Minimum Base Salary is based on California legal requirements that an exempt employee be paid double the minimum wage.

Baseline Salary = 2 X minimum wage/hr X 40 hrs/wk X 52 wks/yr  
(\$15/hr in CA and \$12.50/hr in Nevada as of June 30, 2022. Local minimum wage may differ)

When a parsonage is provided by the church, a portion of the minister’s compensation can be considered their housing, thus decreasing the amount of cash compensation to the pastor. In that case, the above calculation is further multiplied by  $\frac{2}{3}$  to get the Effective Salary in Church-Provided Housing. Specifically, minimum salary compensation can be  $\frac{2}{3}$  of above equation if the church is providing housing in a parsonage with the remainder  $\frac{1}{3}$  to be considered housing benefit. The remaining  $\frac{1}{3}$  of minimum compensation is given as housing in lieu of cash. This non-monetary compensation must still be considered when calculating other benefits like pension and disability insurance. Appendix B takes this into consideration when determining Step A.

- Step B Cost of Living Adjustment: Cost of living varies greatly across southern California and Nevada. To help adjust for the variation, an 1-3% adjustment should be calculated based on the median price for a single-family home within the church’s ZIP code. Most ministry settings should use 2% for this calculation. For churches with stretched resources or in economically disadvantaged communities, 1% is appropriate. For those in very expensive areas, with substantial means, 3% is expected. This adjustment is included whether or not there is a parsonage, as other cost of living items are generally higher in places where housing costs are high. The median price of a home can be found from real estate sites like Zillow and Redfin. Consult a few sites to confirm this median price.
- Step C Education Points: It is assumed that all called clergy have a bachelor’s degree, but many ministers have additional education beyond this level. Give 3 points for each master’s degree and an additional +5 points for a doctorate.
- Step D Experience Points: Be sure to include non-clergy related experiences where relevant. Add 1 point for each year of relevant professional experience up to 20, including experience in ministry and other relevant fields. For continuing ministers: +1 point for each year of service in their current call.
- Step E Ministry Setting Points: Ministers in both large and small congregations have varied responsibilities based on the church’s needs. These may include conducting more than one weekly service, supervising employees, or caring for a large number of

congregants. Include 1 point for more than 1 weekly service, 1 point for attendance above 200 and 1 point for each FTE staff supervised by the pastor.

Step F Point Value: To calculate the Total Adjustment for Education, Experience and Ministry Setting, add up all of the points from Steps C - E and multiply them by \$750.00 per year or \$0.36 per hour.

Step G **Maximum Cash Compensation:** The maximum cash compensation is calculated by adding the Minimum Baseline Salary (Step A), Cost of Living Adjustment (Step B), and the Point Value (Step F).

Line A and G represent the range of fair compensation for a pastor/church combination and should be used in negotiation with the minister. Most ministry settings should be able to provide compensation in the upper half to upper 1/3 of this range.

## Step by Step Budgeting

There are several items beyond cash compensation that must be included in the church's budget to both fairly compensate the authorized minister and to make sure there are sufficient resources for the minister to effectively carry out their ministry. To plan for these additional expenses, use the Budgeting worksheets found in the accompanying spreadsheets **Authorized Minister Guidelines Grid**, either Appendix C (no parsonage) or Appendix D (with a parsonage) to make sure these items are covered.

Step H Cash Compensation: This is the amount agreed upon by the minister and the ministry setting. It should fall between the minimum and maximum salaries calculated on lines A & G from the Salary Range Guide. (For churches without a parsonage, the minister may designate a portion of this as housing for IRS purposes, which has no effect on budgeting by the church.)

Step I Cash in Lieu of Benefits: When a minister declines coverage for health insurance because they have coverage elsewhere, an amount equivalent to the PBUCC Plan B for an individual should be given to the minister in lieu of the actual benefits.

Step J Social Security & Medicare Offset: 7.65% of the Cash Compensation and Cash in Lieu of Benefits, up to a maximum determined by the IRS (\$147K for 2022).

Step K Annual Pension: 14% of Cash Compensation (Step H). The minister should be enrolled in a pension plan through PBUCC or another similar pension program. (For churches with a parsonage, multiply by 1.5 for non-cash compensation.)

Step L Life and Disability Insurance: The minister should be enrolled in Life and Disability insurance. PBUCC offers this for 1.5% of the Cash Compensation (Step H). (For churches with a parsonage, multiply by 1.5 for non-cash compensation.)

Step M Health Insurance: The church should provide coverage for the Authorized Minister and their family equivalent to UCC Plan A. Dental and Vision plans should also be offered.

- Step N Professional Expenses should be budgeted to reimburse the minister for reasonable things needed to carry out their ministry. This could be used for personal technology like a laptop or a cell phone or other items agreed upon by the minister and the ministry setting.
- Step O Continuing Education: an annual amount should be set aside to help the pastor defray the costs of professional development each year.
- Step P Travel Expenses (mileage): The pastor should be reimbursed for the actual miles traveled on church business, not including travel to the church. Reimbursement is based on IRS rates and was set to 62.5 cents per mile as of July 2022. This rate changes annually or more frequently if necessary.
- Step Q Supply Preaching: There will be Sundays when the pastor does not preach. The church will likely need to pay for an alternate preacher on those Sundays.
- Step R Sabbatical Fund: The ministry setting should have a plan for how they will manage during the minister's sabbatical. One way is to set aside a fixed amount each year prior to the sabbatical to be used to pay for substitute coverage while the minister is on sabbatical. The minister should continue to receive their regular salary and benefits during the sabbatical.
- Step S Background Check for New Call: A background check should be conducted and paid for by the minister. Once the minister is hired, the cost of the background check should be reimbursed to the minister.
- Step T Parsonage utilities, insurance, repairs, maintenance and any other expenses associated with the parsonage must be paid by the church.

## **Non-Budgeted Items to consider when issuing a call**

There will be additional items that should be discussed with the minister that may or may not affect the budgeting for the ministry setting. When a church is unable to provide adequate financial compensation, some of these recommendations could be augmented in lieu of additional compensation. These items can be either part of the official Call letter or listed as part of the employee handbook. If a conflict arises between two documents, the minister's Letter of Call should always take precedence.

- Days Off: 2 full days per week with no church responsibilities. Ideally these two days will be in a row, for example Friday and Saturday.
- Annual Leave (Vacation): 25 working days to include a minimum of 4 Sundays.
- Holidays: All federal holidays plus 3 floating holidays. Current Federal Holidays include New Year's Day, MLK Day, President's Day, Memorial Day, Juneteenth, July 4, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, and Christmas Day. The pastor should be granted the day after Christmas in lieu of Christmas if the church holds a service on Christmas Day.
- Study Leave: 15 working days including a minimum of 2 Sundays.
- Sabbatical Leave: 3 months after 5 years of service at a given call.
- Paid Family Leave: up to 2 months annually for warranted circumstances.

## Appendix A: Salary Range Guidelines for Full Time Ministers Without a Parsonage

Base Salary and Housing adjustments	<u>Items needed for Calculation</u>	<u>Calculations</u>
	Minimum wage in the church's state and city. As of 2022, \$15 for CA, \$12.50 for Nevada	<b>\$15.00</b>
A	<b>Minimum Salary Guide</b> (includes portion designated as housing by clergy)	<b>\$62,400.00</b>
	<u>Local Cost of Living Calculations:</u> median house cost in church zipcode. Can be found on Zillow or other real estate website	<b>\$750,000.00</b>
	Percentage of house price used for adjustment 1-3%. Most churches should use 2%.	<b>2</b>
B	<b>Adjustment for local living costs</b>	\$15,000.00
<b>Education, Experience, and Church Setting Adjustments</b>		
C	<b>Education Points:</b> +3 points for each master's degree, and +5 points for a doctoral degree.	<b>3</b>
D	<b>Experience Points</b> (Be sure to include non-clergy related experience where relevant): Add 1 point for each year of professional experience up to 20, including experience in ministry and other relevant fields. [ <u>Continuing ministers</u> : +1 point for each year of service in one's current call]	<b>15</b>
E	<b>Ministry Setting Points:</b> +1 point for each weekly service over 1. +1 point for average weekly attendance above 200. +1 for each FTE staff supervised by the pastor.	<b>3.5</b>
	Total Points for Education, Experience and Church Setting	21.5
F	<b>Total Adjustment for Education, Experience and Ministry Setting</b>	\$16,125.00
G	<b>Recommended Maximum Minister Compensation</b>	<b>\$93,525.00</b>

Lines A and G represent the range of compensation for this church/clergy pair. Negotiation with the clergy should result in a package that is both fair to the pastor and affordable to the congregation. Most churches should offer a package that is in the middle to high portion of the range. Congregations that cannot offer this should consider other means of compensation, like additional vacation days, early or more extended sabbaticals, or a portion of responsibilities shifted to lay leaders.

## Appendix B: Salary Range Guidelines for Full Time Ministers With a Parsonage

Base Salary and Housing adjustments	<u>Items needed for Calculation</u>	<u>Calculations</u>
Minimum wage in the church's state and city. As of 2022, \$15 for CA, \$12.50 for Nevada		<b>\$15.00</b>
<b>Minimum Salary Guide</b> (1/3 of comp is in the form of housing provided by the congregation. Remaining 2/3 is actual cash compensation)	min wage/hr x 2 x 40hrs/wk x 52 wks/yr x 2/3	<b>\$41,600.00</b>
<u>Local Cost of Living Calculations:</u> median house cost in church zipcode. Can be found on Zillow or other real estate website		<b>\$750,000.00</b>
Percentage of house price used for adjustment 1-3%. Most churches should use 2%.		<b>2</b>
<b>B Adjustment for local living costs</b>		\$10,000.00
<b>Education, Experience, and Church Setting Adjustments</b>		
<b>C Education Points:</b> +3 points for each master's degree, and +5 points for a doctoral degree.		<b>3</b>
<b>D Experience Points</b> (Be sure to include non-clergy related experience where relevant): Add 1 point for each year of professional experience up to 20, including experience in ministry and other relevant fields. [ <u>Continuing ministers</u> : +1 point for each year of service in one's current call]		<b>15</b>
<b>E Ministry Setting Points:</b> +1 point for each weekly service over 1. +1 point for average weekly attendance above 200. +1 for each FTE staff supervised by the pastor.		<b>3.5</b>
Total Points for Education, Experience and Church Setting		21.5
<b>F Total Adjustment for Education, Experience and Ministry Setting</b>	Multiply total points by \$750 per point	\$16,125.00
<b>G Recommended Maximum Minister Compensation</b>	Add Minimum Baseline Salary, Local Cost of Living Adjustment, and Adjustments for Ed, Ex and Church Settings	<b>\$67,725.00</b>

Lines A and G represent the range of compensation for this church/clergy pair. Negotiation with the clergy should result in a package that is both fair to the pastor and affordable to the congregation. Most churches should offer a package that is in the middle to high portion of the range. Congregations that cannot offer this should consider other means of compensation, like additional vacation days, early or more extended sabbaticals, or a portion of responsibilities shifted to lay leaders.



## Appendix C: Church Budgeting for Minister Compensation Package Without a Parsonage

### Cash compensation, SS Offset, and Cash in Lieu of Benefits

H	Cash compensation	Negotiated Compensation agreed upon by the minister and the ministry setting. Use lines A & G from Salary Range Guidelines in negotiations.	<b>\$70,000.00</b>
I	Cash in lieu of benefits	For those declining coverage, an amount equivalent to PBUCC Plan B for a single person	
J	Social Security Offset	7.65% of Total or Effective Salary up to IRS maximum SS taxable income (\$147K for 2022)	\$5,355.00
<b>Total Cash Payments to Minister</b>			<b>\$75,355.00</b>

### Authorized Minister Benefits

K	Pension Annuity*	14% of base compensation	\$9,800.00
L	Life and Disability Insurance*	Through PBUCC 1.5% of comp.	\$1,050.00
M	Health, Dental, Vision	Annual cost of PBUCC Plan A, Dental, Vision for minister, spouse, children (or equivalent coverage as agreed upon with the Authorized Minister). A rate estimator from the PBUCC website can be used.	<b>\$12,000.00</b>
<b>Total Authorized Minister Benefits</b>			<b>\$22,850.00</b>
<b>Total Authorized Minister Compensation Package (Cash and benefits)</b>			<b>\$98,205.00</b>

### Additional Budget Items needed to support the work of the minister

N	Professional Expenses		<b>\$1,200.00</b>
O	Continuing Education Expenses		<b>\$2,000.00</b>
P	Travel Expenses (mileage)	Should be reimbursed to the minister for actual miles traveled on church business, not including travel to the church (62.5 cents per mile as of July 2022)	<b>\$2,000.00</b>
Q	Supply pastor costs for vacations and study leave	Multiply number of non preaching Sundays x \$150 (or standard rate)	<b>\$900.00</b>
R	Sabbatical Fund	Set aside an amount each year to be used to cover for the minister during a sabbatical.	<b>\$750.00</b>
S	Background Check for new call	Generally paid by the minister and reimbursed by the ministry setting	<b>\$75.00</b>
<b>Total Minister Support Budget</b>			<b>\$6,925.00</b>

**Total Minister-related Budget for one year of ministry** **\$105,130.00**

## Appendix D: Church Budgeting for Minister Compensation Package With a Parsonage

### Cash compensation, SS Offset, and Cash in Lieu of Benefits

H	Cash compensation	Negotiated Compensation agreed upon by the minister and the ministry setting. Use lines A & G from Salary Range Guidelines in negotiations.	<b>\$45,000.00</b>
I	Cash in lieu of benefits	For those declining coverage, an amount equivalent to PBUCC Plan B for a single person	
J	Social Security Offset	7.65% of Total or Effective Salary up to IRS maximum SS taxable income (\$147K for 2022)	\$3,442.50

**Total Cash Payments to Minister** **\$48,442.50**

### Authorized Minister Benefits

K	Pension Annuity*	14% compensation x 1.5 for non cash compensation (parsonage)	\$9,450.00
L	Life and Disability Insurance*	Through PBUCC 1.5% of cash comp x 1.5 for non cash compensation (parsonage)	\$1,012.50
M	Health, Dental, Vision	Annual cost of PBUCC Plan A, Dental, Vision for minister, spouse, children (or equivalent coverage as agreed upon with the Authorized Minister). A rate estimator from the PBUCC website can be used.	<b>\$12,000.00</b>

**Total Authorized Minister Benefits** **\$22,462.50**

**Total Authorized Minister Compensation Package (Cash and benefits)** **\$70,905.00**

### Additional Budget Items needed to support the work of the minister

N	Professional Expenses		<b>\$1,200.00</b>
O	Continuing Education Expenses		<b>\$2,000.00</b>
P	Travel Expenses (mileage)	Should be reimbursed to the minister for actual miles traveled on church business, not including travel to the church (62.5 cents per mile as of July 2022)	<b>\$2,000.00</b>
Q	Supply pastor costs for vacations and study leave	Multiply number of non preaching Sundays x \$150 (or standard rate)	<b>\$900.00</b>
R	Sabbatical Fund	Set aside an amount each year to be used to cover for the minister during a sabbatical.	<b>\$750.00</b>
S	Background Check for new call	Generally paid by the minister and reimbursed by the ministry setting	<b>\$75.00</b>
T	Parsonage utilities, insurance, repairs, maintenance, etc	All expenses for the parsonage are paid by the church	<b>\$12,000.00</b>

**Total Minister Support Budget** **\$18,925.00**

**Total Minister-related Budget for one year of ministry** **\$89,830.00**