# Worksheet for 2018-2019 Guidelines for Pastors' Salaries
# Mennonite Church USA – Leadership Development

**Name of pastor:** _____

**Effective dates of agreement: From** _____ **to** _____

**Date prepared:** _____

**Prepared by:** _____

These guidelines provide a resource that is supportive of ministers and their families and is also fair to the congregation and conference. Commitment to quality ministry is reflected in part in the level of compensation offered to those who serve and in the process of determining compensation.

## I. Pastoral Salary Base for 2018-2019

1 **$31,015**

## II. Unit Value for Salary Adjustment - $775

### A. Experience Units

Add one unit for each year of accumulated pastoral experience for years 1-20. Add one-half unit for each year for years 21-30. Related experience may be allowed for at the discretion of the congregation, normally one unit for every two years of full-time experience.

Maximum experience units - 25 #_ x $775= 2 _____

### B. Education Units

Select the number of units for the highest completed degree less than a doctorate from the chart. Then add one unit for each graduate degree other than seminary or for four terms of S/CPE.

Maximum education units - 8 #_ x $775= 3 _____

| ***Units for Undergraduate Degree***: | | ***Units for Graduate Degree:*** | |
|---|---|---|---|
| AA | 2 | MA in theological studies | 6 |
| AA in Pastoral Min. | 3 | MDiv, BD | 7 |
| BA, BS, BTh | 4 | Add one salary unit for DMin, MTh, MA, PhD, ThD, or four terms of S/CPE | |

### C. Responsibility Units

Add units according to the following chart for levels of responsibility. (Conference Ministers receive maximum units.)

Maximum responsibility units - 9 #_x $775= 4 _____

| Attendance Average | 1-99 | 100-199 | 200-399 | 400 + | Area Conf |
|---|---|---|---|---|---|
| Solo Pastor / Co-pastor / Church Planter | 1 | 2 | 3 | 5 | n/a |
| Lead Pastor of a team | 2 | 3 | 4 | 6 | n/a |
| Associate Pastor | 1 | 1 | 1 | 2 | n/a |
| Executive or Solo CM | n/a | n/a | n/a | n/a | 9 |
| Associate or Regional CM | n/a | n/a | n/a | n/a | 7 |

### D. Geographical Units

Add 1-15 units related to effective buying income by selecting state and county from Geographical Units table. This is an item for local determination. See *Interpretative Comments* for additional assistance.

Maximum geographical units - 15 # _x $775= 5 _____

E. Optional Other Units (See *Interpretive Comments*)

# _ x $775= 6 _____

Total Unit Value — Add lines 2, 3, 4, 5 & 6 — 7 _____

Salary Subtotal — Add lines 1 & 7 — 8 _____

Percentage of full-time equivalent (FTE) 9 _____

Multiply line 8 by line 9 — 10 _____

## III. Self Employment Tax Adjustment

Recognizing that the pastor is self-employed for purposes of Social Security, some congregations choose to add to the salary an amount equal to half the self-employment tax.

Add 7.65% of the salary subtotal (line 10) — 11 _____

**Total Salary before Housing Adjustments** — Add lines 10 & 11 — 12 _____

## IV. Housing Adjustments for Parsonage

A. Parsonage

If parsonage is provided, you will need to deduct an appropriate percentage from line 12. This amount can be determined by local rental value of parsonage or no more than 25% of line 12. 13 _____

B. Housing Equity

If housing equity fund is provided alongside of a parsonage, indicate an amount here. Suggested amounts to be considered might be 5% of line 12 or 2% of assessed parsonage value. 14 _____

Total Housing Adjustments — Subtract 14 from 13 — 15 _____

**Total Salary after Housing Adjustments** — Add lines 12 & 15 — 16 _____

Church officials are encouraged to separate benefits from salary (I-IV) and expenses (VI) when reporting to the congregation.

## V. Benefits

A. Medical Health Plan

Single or family health insurance provided through The Corinthian Plan through Mennonite Church USA (including life and disability) or another insurance carrier. Cost information for The Corinthian Plan is available by contacting Denise Henke at Denise.Henke@Everence.com. Information on premium assistance is available from The Corinthian Plan Director at DuncanS@MennoniteUSA.org. 17 _____

B. Pension Plan / Retirement Fund

Annual contributions amounting to 8% to 10% of line 12 to the Mennonite Retirement Trust (Everence is plan administrator) or another plan but cannot exceed line 16. 18 _____

C. Life & Disability Insurance

Life insurance, accidental death and disability and long-term disability are included in The Corinthian Plan. If another medical plan is used in A above, show additional cost of other life or disability insurance here. 19 _____

D. Continuing Education Allowances

The congregation should annually provide funds for pastoral growth and continuing education. Suggested range of $600 to $1000. 20 _____

E. Other Benefits

E.g. some congregations contribute to a Health Savings Account. See *Interpretive Comments*. 21 _____

Total Benefits Add lines 17, 18, 19, 20 and 21 22 _____

**Total Salary and Benefits (Pastor's Total Compensation Package)** Add lines 16 & 22 23 _____

Church officials are encouraged to separate the following expense items from salary (I-IV) and benefits (V) when reporting to the congregation. Financial reporting should not leave the impression that expenses are part of salary.

## VI. Expense Allowances

A. Auto Expense

Auto expense for church related travel should be reimbursed at the current level of allowance by US Internal Revenue Service, currently at 54.5 cents per mile. (Estimate) 24 _____

B. Conference Expense

The pastor's attendance at area and denominational conference sessions is part of the pastor's responsibility. Therefore, it is strongly recommended that registration, least expensive form of travel, lodging, and food costs for the pastor be paid by the congregation. 25 _____

C. Professional Expense

Dues for professional groups and costs incurred on behalf of the congregation should be reimbursed to the pastor. Lunch or dinner meetings or visits for church or pastoral care would be another example. 26 _____

D. Other Expense

Pastors are usually encouraged by their financial advisors to shift expenses to reimbursement categories whenever possible. 27 _____

**Total Expenses** Add lines 24, 25, 26 and 27 28 _____

**Total Salary, Benefits, and Expenses (What it costs the church)** Add lines 23 and 28 29 _____

Housing Allowance Designation $ _____

In order for the housing allowance to be tax-deductible for the pastor, the governing body must approve the amount of the housing allowance and record the action prior to the time the income is received. The designation of the housing allowance does not affect other calculations of salary, benefits or expenses. See *Interpretive Comments.*