

PASTORAL SALARY AND BENEFIT GUIDE

1. Due to the great diversity within churches, these recommendations are offered as broad principles, not as specific rules to be applied as particulars. As an example of this diversity, a church of 100 could own their building debt free, worship in rented facilities, or have a mortgage on a building. Each of these variables impact funds available for other disbursements.
2. Pastors and church boards are urged to give attention to the ministry of administration so strong church structures can be developed which God can use to fulfill the Great Commission. A key responsibility of a church is the compensation given to pastors and staff.
3. We recommend the following principles for pastoral salary development, that:
 - a) Pastoral compensation be developed in accordance with the following broad parameters:
 - i) The financial ability of the local church (church size and growth),
 - ii) Some consideration of inflationary trends,
 - iii) The number of staff the Pastor is responsible to motivate and coordinate,
 - iv) The number of volunteer lay ministers lead by the pastor and staff,
 - v) Other principles unique to the local church.
 - b) Since salary packages for pastors, staff and other employees that exceed 50% of the total operating expenditures of the church could be financially problematic, church boards and pastors endeavour to keep total expenditures for salaries at no less than 40% and a maximum of 50% of total operating expenditures. We recommend that in order to adequately finance local congregation ministry, the expense budget be distributed according to the following:

Employment expenses: Salaries, Allowances and associated position costs. *	40% - 50%
IIM Allocations	20%
Administration, program, facility and capital expenditures.	30%
Total	90% - 100%

*Although items such as car allowance, entertainment accounts, continuing education allowances, etc. are considered to be local church expenses, we recommend that in calculating the percentage for employment expenses the following be included: salaries and housing, position costs, and all allowances associated with the pastor(s), staff and contract people be included in that total.

- c) A basic structure be maintained, and that the reimbursement package for all pastoral staff contain at least a minimum in each of the following categories
Pastoral Compensation Categories:
 - (1) Salary (gross salary)

(a) Cash Per Week _____ x 52 = per Year \$ _____

(2) Cash value of benefits paid by local church including

:

(a) Provincial Health Care Ins. _____
(b) Church of the Nazarene Group Ins. _____
(c) Other _____
(i) Subtotal \$ _____

(3) Housing:

Parsonage arrangements if provided by church:

(a) Utilities _____
(b) Telephone _____
(c) Other _____
(d) Fair rental value _____
(i) Subtotal \$ _____

(e) The fair rental value of the parsonage is calculated on the rental costs of similar dwellings in the community. This figure will also be used for the Income Tax T4 slip and reported in Box 14 as part of the total employment income. It is specified in Box 30. This amount is used in calculating E.I. deductions but not in income tax and C.P.P. deductions.

Cash Housing Allowance if the pastor is providing his or her own housing.

(f) Per month _____ x 12 = Per Year \$ _____
Sub-Total Pastor's Compensation \$ _____

(4) National Board Group R.R.S.P.

(*3% = 3% of this total) \$ _____
Total Pastor's Compensation \$ _____

*Funding for the R.R.S.P. is calculated on a minimum annual matching contribution of not less than 3% of the sub-total pastor's compensation by both church and pastor, for a total of 6%. Churches are encouraged to ensure the pastor's compensation is sufficient to enable the pastor to make his/her 3% contribution, or the church could decide to contribute the total 6%. Churches whose pastors live in a church owned parsonage should consider increasing their contribution to the R.R.S.P. by an additional 2% (i.e. the 3% becomes 5%) to compensate the pastor for the inability to build equity in his own home.

(5) Other expenditures such as car allowance, professional development allowances, public relations expenses, etc., are local church expenses related to the position of the pastor and not to be considered as pastoral compensation.

4. It is a helpful benefit to pastors for their salary package to be disbursed with flexibility at different times of their lives. One example of flexible disbursement of the salary package is as follows: when a pastor has younger and teenage children, a larger percentage of the salary package in cash is more helpful. In the

mid-life and senior years, a larger percentage of the salary package placed in the R.R.S.P. might be of greater value.

- The following **suggestions** for the Sr. Pastor's salary, organized according to commonly understood church sizes be used as a guide for salary development and not be considered as an absolute rule. These church size names were first used by Lyle E. Schaller.

Suggested Sr. Pastor compensation ratio

Church Size	Av. Worship. Attendance	Compensation Examples
Cat	34	18,000
Collie	35 - 99	19,250 - 35,000
Garden	100 - 174	35,000 - 45,000
House	175 - 224	45,000 - 52,000
Mansion	225 - 449	52,000 - 65,000
Ranch	450 - 699	65,000 - 78,000
Nation	700 +	78,000 and up

***Note:** the above chart is for the Senior Pastor's Salary only and is calculated on an average income of \$1,100. per capita of average worship attendance. The first compensation number is 50% of the projected income of the first attendance number, the second compensation number is 50% of the projected income of the second attendance number (less the following exclusions). Excluded from the figure is allowance for secretarial and ministerial staff support. A staff-to-attendance ratio of one pastor per 125-150 persons in average attendance and a half-time secretary for each pastoral staff is calculated into the example. This is a **suggestion only** and is based on financial ability of the church not either the educational level or tenure of the pastor.

The following are suggestions to assist in calculating pastor and staff compensation:

- Due to the great variety and uniqueness of the pastoral role in the Ranch and Nation church sizes, local churches prayerful and carefully develop these pastoral compensation packages. The principles used to arrive at the compensation suggestions will assist the church in salary development when it grows to these Sunday Morning attendance sizes.
- The minimum compensation amount to qualify as full-time is \$30,000. We suggest that Churches unable to meet this criteria enter into a bi-vocational pastoral arrangement. In all instances, we urge our churches to follow or exceed the above examples.
- That the pastor be reimbursed for automobile expenses related to the performance of pastoral duties. This is a local church expense and not to be considered as pastoral compensation. We further recommend the reimbursement be calculated on a basis that fairly reimburses for the portion of automobile expenses used for ministry including wear and tear, replacement, insurance, fuel

and etc. This should be reimbursed on a regular monthly basis. The reimbursement may be calculated in one of two ways:

- a) a reasonable per km reimbursement such as the current maximum government allowance in the income tax act. (i.e. 41c per km for the first 5,000 km, 35c per km thereafter; an additional 4c per km for travel in NWT, Yukon and Nunavut).
 - b) a regular monthly allowance . If provided as an allowance, this amount is included in the pastor's taxable income and the pastor **must keep records** to justify an employment expense deduction on his tax return. The church should issue a form T2200 (conditions of employment form) in order to justify using this method.
4. That each individual employed in a full-time position be granted at least one week per year (including Monday through Sunday) for professional development which includes further education, personal spiritual enrichment, and special speaking assignments. All appropriate expenses incurred for the above week be written into the church budget.
 5. That the local church provides an annual vacation with pay and pulpit supply. At least two of those weeks should be consecutive and include Sundays. Years of service to be based on total years of full-time service in the ministry. The following is a minimum guideline:
 - a) Up to 10 years of service, three weeks.
 - b) Over 10 years of service, four weeks.
 - c) Over 20 years of service, five weeks
 6. Local congregations are urged to include a vacation carry-over policy in their *Written Understandings*. We suggest that vacation be completed in the year subsequent to earning the vacation, and carry-over to the next year be limited to one week.
 7. That the local church provide expense money for the pastoral staff and spouses to attend District Assembly, Clergy Conference, the Pastors' Prayer Retreat in January and Pastoral Coaching Training.
 8. That when a pastor is a Licensed Minister, the church provide expense money for the pastor and spouse to attend the yearly Board of Ministry interviews, until he or she is ordained.
 9. That each church is to provide one work week by their pastor and/or staff to the district summer camp program and each pastor and staff attend their provincial Family Camp. These weeks shall not be considered as holiday or professional development time nor as general participation as a camper.
 10. That church boards and pastors place their focus on local church ministries and evaluate the amount of time spent out of the local church. As an example the church board should be informed as to pastoral ministries out of the church and as much as possible our pastors limit their service on district and/or national boards to two responsibilities.