

2009

**Lutheran Church
Canada**

**Alberta British
Columbia District
Church Workers
Suggested Salary
Guidelines**

INTRODUCTION

These guidelines are the result of recommendations of the District Salary Review Committee, which were presented to and approved by the District Board of Directors on October 1, 2008.

These guidelines are not to be construed as the “Official Salary Scale” of the Alberta British Columbia District. Recognizing the autonomous nature of each Congregation, it is stressed that these are **GUIDELINES** and are not binding upon any Congregation, but are offered as recommendations. Each Congregation is advised to appoint a Compensation Review Committee to make salary recommendations to their voters in advance of establishing the annual Congregational budget. Where a Worker serves more than one Congregation, a single committee comprising of representation from each Congregation could accept this function.

PARTNERSHIP PHILOSOPHY TO GUIDELINES

When a Church Worker accepts a call to serve in a full-time position, he or she accepts responsibility to perform faithfully the obligations which are stated in the call documents. Similarly, the Congregation accepts the obligation to care for and support the Church Worker in the performance of his or her duties. St. Paul reminds us “The laborer deserves his wages.” (1 Tim. 5:18). This mutual care and support is the basis for the partnership philosophy of these guidelines. This should be undertaken in a positive and co-operative spirit.

With regard to the housing component, this is also an essential part of Church Worker remuneration. When a Congregation does not provide a parsonage but expects the Church Worker to purchase a home, the Congregation must recognize the uncertainties of the housing market. Recent dramatic increases in real estate costs in some parts of the District impose a significant financial burden on newly-called workers. Because of the partnership philosophy, the Congregation should consider assisting the worker to bear the burden. Congregations can both rejoice when their workers are blessed and stand ready to assist in challenging times.

2009 SUGGESTED SALARY GUIDELINES

BASE SALARY

In the interest of simplicity and in an effort to take some of the confusion out of the compensation process we have suggested a Base Salary for each year of service as opposed to a salary range. Year Zero has been adjusted to allow for this change of approach: **\$34,000** for Pastors, **\$26,000** for other workers.

VARIABLE SALARY

By carefully considering the added responsibilities and the education of your Church Workers, this Salary Guide should make compensation consideration a simple and more exacting task.

The Base Salary is cash compensation only. Payments for housing, utilities, insurance, car allowance, and various responsibilities are to be in addition to the Base Salary. Congregations must also contribute the employer's share of Canada Pension Plan (CPP) and Employment Insurance (EI).

All multipliers and % add-ons are calculated on the base salary except the housing allowance. Congregations are encouraged to establish the housing allowance in accordance with the statements

defined below under “**Housing Allowance**”.

Associate/Assistant Pastors - These guidelines may be applied to multiple Pastors within a Congregation. The compensation level of the Senior Pastor should be established first. The guidelines may then be applied to Associate/Assistants. An additional factor, namely the need to establish and maintain a differential reflecting each person’s responsibilities, must be taken into account.

2009 Base Salary Guidelines

PASTORS		LAYWORKERS / TEACHERS	
Years	Base Salary	Year	Base Salary
0	\$34,000.00	0	\$26,000.00
1	\$34,600.00	1	\$27,500.00
2	\$35,200.00	2	\$29,000.00
3	\$35,800.00	3	\$30,500.00
4	\$36,400.00	4	\$32,000.00
5	\$37,000.00	5	\$33,500.00
6	\$37,600.00	6	\$34,100.00
7	\$38,200.00	7	\$34,700.00
8	\$38,800.00	8	\$35,300.00
9	\$39,400.00	9	\$35,900.00
10	\$40,000.00	10	\$36,500.00
11	\$40,600.00	11	\$37,100.00
12	\$41,200.00	12	\$37,700.00
13	\$41,800.00	13	\$38,300.00
14	\$42,400.00	14	\$38,900.00
15	\$43,000.00	15	\$39,500.00
16	\$43,500.00	16	\$40,000.00
17	\$44,000.00	17	\$40,500.00
18	\$44,500.00	18	\$41,000.00
19	\$45,000.00	19	\$41,500.00
20	\$45,500.00	20	\$42,000.00

NOTE: It is recommended that pastors should receive a salary increase of \$400.00 for each year after 20 years in the ministry.

2009 VARIABLE SALARY GUIDELINES

RESPONSIBILITY FACTORS

Pastors: The base salary of a Pastor should be adjusted to reflect additional responsibilities as defined below:

Lutheran School:

- Add 5% to base salary (\$34,000) when a Congregation operates a Lutheran School, that includes an elementary or high school education program with a

student body of 100 or less.

- Add 10% to the base salary when the school enrollment is over 100.

Multiple Staff:

- Add 2% to the base salary (\$34,000), when a senior Pastor has one or more Assistant Pastors, DCE, DPS, Parish Worker, etc, on the ministry team.

Multiple Parish:

- Add 5% to the base salary (\$34,000), for each additional Congregation a Pastor serves.

Size of Congregation:

- Add 5% to base salary (\$34,000) when a Pastor serves a Congregation with more than 300 communicants.

Principals: Principals of a Lutheran School should receive additional salary depending on the number of classrooms and students.

- Add 10% of base salary (\$26,000) when school enrollment is under 100 students.
- Add 15% of base salary (\$26,000) when school enrollment is over 100 students.
- Other factors, such as the amount of classroom time required of the principal, may affect the above percentages by a further 10% to 15%.

EDUCATION FACTORS

Pastors: The base salary of a Pastor should be adjusted to reflect educational qualifications as defined:

- Add 2% of base salary (\$34,000) when a Pastor receives an additional Masters Degree beyond a Master of Divinity.
- Add 5% of base salary (\$34,000) when a Pastor earns a Doctoral Degree.

Deacons: (Teachers, DPS and DCE): The base salary of deacons should be adjusted to reflect educational qualifications as defined:

- Add \$2,000 to annual salary for rostered workers.
- Add \$250 per colloquy course completed for those in the process of colloquizing to a maximum of \$2000.
- Add 2% to base salary (\$26,000) for teachers in recognition of their Post BA Education Degree.
- Add 5% to base salary (\$26,000) for Masters Degree appropriate to vocation.

VACATION TIME

Pastors/Workers (Other than teachers):

Years in Ministry	Weeks of Vacation
0 – 5	3 Weeks
6 – 15	4 Weeks
16 and over	5 Weeks

A week is considered to mean seven (7) consecutive days.

Teachers:

Vacation and days off will be determined in the teacher’s contract.

Statutory Holidays:

This is a matter to be decided between the pastor and the congregation. It is recommended that congregations could consider giving pastors time off after Christmas and Easter and allow time away in lieu of statutory holidays.

VICAR & DPS INTERN SALARIES

Vicar: \$19,000 annually, set by the Council of Presidents for 2009. Housing & utilities are to be provided by the Congregation. This amount includes the Vicarage Fee of \$1200, which Vicars are in turn responsible for paying to their seminary.

DPS Intern: \$17,220 annually, set by the Council of Presidents for 2009. Housing and utilities provided by the Congregation. Congregations are responsible to pay an intern fee of \$1,000 directly to Concordia University College of Alberta.

**For additional information covering DPS internship costs please contact:
Director of Church Work Programs (780) 479-9348**

LAY WORKERS

Salaries for lay workers are to be negotiated by the individual congregation in relation to the type of ministry, education, experience and qualifications of the worker.

HONORARIUM

Occasionally Congregations require the services of a guest preacher or seminary student for supply preaching and the following guidelines are provided for consideration when determining their compensation:

- One Service \$125 + mileage
- Two Services \$150 + mileage
- One Service & Bible Study \$150 + mileage
- Two Services & Bible Study \$175 + mileage

VACANCY PASTORS

Payments to Vacancy Pastors should be based on the Salary Guidelines multiplied by the appropriate percentage of the Pastor's function he is providing to the vacant Congregation. If he is providing 50% of the regular Pastoral duties during the vacancy then he should receive 50 % of the Salary suggested by the Guidelines, excluding housing allowance.

OTHER FORMS OF DIRECT COMPENSATION FOR PASTORS

Payments to the Pastor by members of the Congregation for such things as baptisms, weddings, funerals, etc. are not encouraged as these services should be viewed as part of his normal duties. However, it should be noted that gifts, honorariums etc., are taxable and should be recorded and reported to CRA, by the Worker.

BENEFIT PROGRAMS

The Congregation will pay the full cost of the Synodical Benefit Program for workers and the employer portion of Canada Pension and Employment Insurance plan.

We encourage Congregations to enroll in the Federal Government's Supplementary Unemployment Benefits (SUB) plan. For more information about this plan visit Service Canada's web site: ww1.servicecanada.gc.ca/en/cs/sub/010.shtml.

In addition, the District offers an assistance program that will compensate the Congregation for its share of the Worker's wages above what is provided by Employment Insurance in the Federal Governments SUB Plan, when the worker misses work due to disability or illness.

TRAVEL

To carry out the duties of their office, Church Workers will incur expenses of various kinds, not the least of which will be the operation of an automobile. These should be borne by the Congregation and should not be viewed as an addition to their compensation package. It is recommended that reimbursement be based on kilometers driven at the rate suggested by the District.

The District's suggested reimbursement rate is 85% of the Federal Government's posted rate for the current year for the first 5000 driven (.52/Km X 85% = .44/Km). This rate is usually available in February of each year.

Canada Revenue Agency Automobile allowance rates for 2008 are 52¢ per kilometre for the first 5,000 kilometres, and 46¢ per kilometre thereafter. In the Northwest Territories, Yukon, and Nunavut, there is an additional 4¢ per kilometre for travel. **Federal Government Posted Mileage Rate can be found at:** <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/tmbll/wnc/menu-eng.html>.

Travel reimbursement must be based on business travel logs submitted by workers in order to be considered a non-taxable benefit. A **Travel Log** must be maintained **by the Church Worker** for income tax purposes.

CONTINUING EDUCATION

Workers are encouraged to enroll in Continuing Education Programs and Congregations should provide an allowance for Workers books and Continuing Education. For details contact the LCC office in Winnipeg.

HOUSING

A Congregation is expected to provide adequate housing for its Pastor and his family. This can include utilities (hydro, water and heat), repairs, and property taxes on the building and property. The Congregation may offer the Pastor the option of a parsonage or a housing allowance.

This year's example calculation uses the full amount of the worker's mortgage payment. This is a change from previous years. The committee feels this better reflects the fact that the Worker has already invested a considerable sum in providing the down-payment for their house. (As well, the committee felt that Canada Revenue Agency granted church-workers a tax benefit with special treatment afforded the Housing Allowance in recognition of their lower base salary by comparison to how the secular world rewards workers with similar education and skills.) For further information, see attached.

Parsonage Provided - When a parsonage is provided for the Pastor, the Pastor has no way of building equity should he need to purchase a home later in his ministry. For this reason it is suggested that where a parsonage is provided, an equity allowance should be considered for the Pastor, and a minimum of **\$2500** annually should be placed in a CEF account to build equity for the Pastor's future needs.

Housing Allowance - The allowance should be an amount sufficient to cover the cost of a Pastor owning his own home, and should be based on the average cost of houses in the local community. Determination of this amount should be based on housing prices within the community, factored by a reasonable down payment (10% - 15%), and using an appropriate amortization period (25-30 years) to establish the base housing allowance prior to adjustment for utilities and property taxes. Housing prices obtained should be based on the average cost of a three-bedroom home in the Congregation's community. The following is an example of this calculation:

Information for Suggested Housing Allowance Calculation		
Accommodation used in example = 3 bedroom bungalow or 2 story house, approximately 1200 sq ft		
Community	Example 1	Example 2
*Average Housing Cost	\$250,000	\$350,000
Mortgage less 15% down payment	\$212,500	\$297,500
**Monthly Mortgage Payments @ 6% amortized over 25 years	\$1,370	\$1,917
Taxes monthly @ .125% of Monthly Mortgage payment	\$170	\$240
Utilities Monthly	\$300	\$300
Monthly Housing Allowance	\$1,840	\$2,457

*Contact a local Real Estate Broker to obtain an “average” cost for the defined house in your community.

**A mortgage calculator can be found at:

<http://www.moneychimp.com/calculator/popup/calculator.htm>

Attachments Include:

1. Canada Revenue Agency Clergy Residence Deduction Form & Employer Certification
2. Clergy Residence Deduction Guide to Completing FORM T1223
3. Pastor's, Teacher's and Worker's Salary Calculation
4. Housing Allowance Worksheet