

**West Virginia-Western Maryland Synod  
Pastoral Compensation/Expenses/Benefits Package Expectations For 2025  
27 July 2024**

The typical pastoral compensation/expenses/benefits package, as contained in most congregational budgets, usually looks something like this:

**Defined Compensation:**

- (1) Base Salary \_\_\_\_\_
- (2) Housing Allowance, Utilities, Furnishing Allowance \_\_\_\_\_
- (3) Educational Debt Reduction \_\_\_\_\_
- (4) Social Security Allowance \_\_\_\_\_

**Expenses:**

- (5) Automobile Allowance \_\_\_\_\_
- (6) Continuing Education Allowance \_\_\_\_\_
- (7) Publication & Media Resources \_\_\_\_\_
- (8) Official Meetings \_\_\_\_\_

**Benefits:**

- (9) Pension & Other Benefits \_\_\_\_\_
  - (10) Additional Benefits \_\_\_\_\_
- (e.g. Optional Pension, annuity, additional life insurance)

(1) **Base salary** recommendation by Synod Council for pastors (minister of Word & Sacrament) starting in 2025 in a first-call congregation setting is \$42,723. This is the minimum recommendation. Please review the second and third bullets below for seniority adjustments and alternatives.

- **Rationale:** This represents a 4% increase from 2024. This recommended 4% increase is, in part, a response to estimates for the Social Security Administration's Cost-of-Living Adjustment (COLA) for 2025.
  - The currently projected COLA for 2025 is 2.63%. Why, then, is the Synod Council recommending a 4% increase? To explain, we need to track recommendations going back to 2021.
    - For 2022, news outlets projected a COLA of more than 6%. Believing a 6% increase would be too much of a strain for congregations, Synod Council recommended 3% increases in compensation with a stated intent to make up the remaining 3% in 2023.
    - The projected COLA for 2023 came in at over 10%. Synod Council, still concerned with the strain on congregations but also with the slippage in compensation vs. inflation, recommended an 8.25% increase to compensation. This number was a combination of 3% to be made up from 2022 and half of the projected COLA for 2023. Again, there was intent to make up the remaining 2023 5.25% in 2024.
    - Actual COLAs for 2022 and 2023 ended up being less than projections, yielding a cumulative shortage of COLA compared to the compensation package of 3.32%. It was this 3.32% that was recommended as the compensation increase for 2024. At the time compensation guidelines were being developed for 2024, projected COLA was 3%. This projected 3% increase was not included in the

49 recommendation for minimum base salary, but it was included in the alternate  
50 recommendation for those congregations wanting to keep pace with COLA. When  
51 COLA was finally set by the Social Security Administration, it was 3.2%. This  
52 has been factored into the cumulative COLA.

- 53     ▪ For 2025, the projected COLA is currently at 2.63%.
- 54     ▪ Synod Council’s recommended base represents a 4% increase as an incremental  
55 attempt to catch up with the cumulative COLA. It does not cover the whole  
56 distance; that would require a 6.15% increase over the 2024 base salary.
- 57     ▪ *N.B.*, no increase to clergy compensation was recommended for 2021 on the basis  
58 of the projected COLA of 0.3%; COLA was set by the SSA 1.3% for 2023, and  
59 that has not been included in any of these numbers.
- 60     ○ Congregations wanting to keep pace with COLA should set the base salary at  
61 \$43,606. Of course, a congregation unable to match the \$43,606 level but able to do  
62 more than the minimum recommended base salary is free to select a figure in  
63 between.
- 64     ○ For the first decades of this synod, a practice of annual 3% increases were followed.  
65 COLA was sometimes higher, sometimes lower, but it tended to average close to 3%  
66 over time. This eliminated wild swings. In response to financial pressures on  
67 congregations caused by The Great Recession (2008-2009), the Synod Council's no-  
68 increase recommendation broke with that practice. When compensation increases  
69 resumed, Synod Council began following COLA estimates. The effects of the recent  
70 pandemic resulted in the largest 2-year COLA since 1978-1980. The estimate for  
71 2022 was a shock to our system, and the attempt to blunt that shock compounded the  
72 shock of 2023. Moving forward, consideration of returning to a consistent 3% (or  
73 whatever number makes sense) will be on the table.
- 74     ○ It must be acknowledged that the challenges faced are not primarily a matter of  
75 inflation. If it were simply a matter of COLA, congregations would, theoretically, be  
76 able to keep pace with inflation. Setting aside the question of stewardship, the  
77 problem becomes one of diminishing membership. Per capita giving might keep pace  
78 with inflation or even exceed it, but a lower headcount will quickly undermine a  
79 congregation's ability to maintain pastoral compensation in whatever its current  
80 pastor-parish configuration happens to be. Stewardship is, of course, something that  
81 should be addressed. Rethinking pastor-parish configuration may also be necessary in  
82 some settings.
- 83     ○ Synod Council publishes our compensation guideline based upon projections for the  
84 COLA. We do this because many congregations begin budgeting processes before  
85 SSA announces the COLA for the upcoming year (anticipated in October for 2025).
- 86     • Seniority: When reviewing an experienced pastor’s package, also consider the years of  
87 service the pastor has given to the congregation. \$400 per year of active ordained service  
88 should be added to the base salary for first call recommended above. Periodic  
89 recalculation, especially for a pastor that has been in place for several years, should be  
90 done to make sure that salary is commensurate with guidelines.
- 91     • Alternatives: Increases to compensation (whether COLA or seniority) may not always be  
92 realistic for the congregation. Alternatives such as (but not limited to) additional vacation  
93 time and/or other benefits (tangible and intangible) should be considered in cases of fiscal  
94 hardship on the part of the congregation.
- 95

96 (2) **Housing** is an expectation of the Synod Council, but there is no one way to provide this.  
97 Traditionally, housing was provided through a parsonage, and that parsonage included utilities,  
98 any fees (e.g., fire fees, trash removal, *etc.*), major appliances, and repairs & maintenance. When  
99 a parsonage is not provided, the housing allowance should reflect parity with a parsonage.

- 100 • **Parsonage:** A parsonage is a property owned by the congregation with the associated  
101 expenses normally covered by the congregation.
  - 102 ○ **Special notes about a parsonage:**
    - 103 ▪ When a parsonage is provided, the Synod Council recommends that part of the  
104 pastor's cash salary be designated as a furnishings allowance, if desired by the  
105 pastor, by reducing the cash salary and setting the furnishings allowance at that  
106 value. *N.B.*, when this is done, remember to reinstate the original values when  
107 calculating the next year's budget and compensation agreement.
    - 108 ▪ In some rare cases, a congregation opts to provide a utilities allowance rather than  
109 cover the cost of utilities; this approach is not recommended by Synod Council.  
110 When this is done, the amount provided as a utilities allowance should be  
111 sufficient to cover the reasonable expenses associated with the parsonage.
    - 112 ▪ When a parsonage is provided, the congregation might also consider providing an  
113 equity allowance.
  - 114 ○ **Total housing value when a parsonage is provided** is the sum of the fair market rental  
115 value of the parsonage plus furnishings allowance (if any) plus utilities allowance (if  
116 any).
- 117 • **Housing allowance:** When a housing allowance is provided, Synod Council expects that  
118 allowance to be equal to the fair market rental value for an unfurnished residence  
119 appropriate to the pastor's household size including utilities in the congregation's  
120 community.
  - 121 ○ **Special notes about a housing allowance:**
    - 122 ▪ The housing allowance must be explicitly set through either the budget action of  
123 the congregation or special action of the Congregation Council. It may not be set  
124 retroactively.
    - 125 ▪ The housing allowance, even when set by budget, may be adjusted by mutual  
126 consent of the pastor and the Congregation Council by reducing the cash salary  
127 and increasing the housing allowance by the same amount. *N.B.*, when this is  
128 done, remember to reinstate the original values when calculating the next year's  
129 budget and compensation agreement.
  - 130 ○ **Total housing value when a housing allowance is provided** is the amount of housing  
131 allowance provided.

132  
133 (3) **Educational debt reduction** of \$1,000 a year (if applicable) has been identified by the  
134 Synod Council as an option for a congregation to consider. An educational debt allowance is  
135 applied to existing loans for past education. It is not to be confused with continuing education  
136 allowance and expenses. *N.B.*, if a congregation establishes this allowance, it is considered  
137 taxable income by the IRS.

138  
139 (4) **Social Security allowance** for pastors, assuming the pastor's engagement follows the normal  
140 pattern of self-employment, is expected by the Synod Council. Social Security allowance is  
141 8.2837% of the sum of the base salary and total housing value.

- 142 • **Rationale:** For Social Security purposes, most pastors are considered to be self-employed,  
143 thus requiring the pastor to pay a self-employment tax that essentially mimics the sum of

144 an employee's and employer's shares for Social Security contributions. The Social  
145 Security allowance figure above is algebraically derived to replicate what would be an  
146 employer's contribution were the pastor an employee.

- 147 • Total housing value: Total housing value is discussed above in greater under the  
148 "housing" heading. While, for the most part, the value of housing provided in connection  
149 with pastoral engagement is not subject to federal income tax, it is subject to self-  
150 employment tax.

151  
152 (5) Travel support is also expected by the Synod Council, as travel is an integral part of  
153 providing pastoral ministry in most situations. The form of travel support may vary from  
154 congregation to congregation.

- 155 • Reimbursed road travel by POV: A congregation and pastor may agree to reimburse  
156 mileage driven by the pastor in his/her personal operating vehicle. The pastor must  
157 submit an account of the miles driven that is then reimbursed at the prevailing IRS  
158 business rate at the time the travel took place.
- 159 • Allowance for road travel by POV: A congregation and pastor may agree to the providing  
160 of an annual allowance for road travel. In this case, the pastor receives the allowance and  
161 is responsible directly to the IRS for justifying travel expenses with appropriate  
162 documentation. When determining the amount of the allowance, the congregation should  
163 consider travel expectations associated with the discharge of the ministry. Distance to  
164 hospitals, parishioner residences, anticipated frequency of visitations, mileage for polity  
165 functions such as synod/conference/cluster meetings, *etc.* should be factored in. If the  
166 IRS changes the business rate at any point during the year, the congregation should adjust  
167 the allowance accordingly.
- 168 • Company vehicle: Some congregations opt to provide a company car through either  
169 congregation ownership or lease.
- 170 • Travel other than by POV: There can be occasions when a pastor may need to travel by  
171 air, rail, bus, *etc.* Examples may include accompanying youth to Youth Gathering,  
172 attending Camp Luther as a staffer, or a PRT to support transit between the WVU  
173 campuses. Such expenses should be reimbursed if reasonably associated with the duties  
174 of the office. If anticipated, it may be included in the travel allowance.

175  
176 (6) Continuing education support is also expected by the Synod Council.

- 177 • Routine continuing education: At minimum, the congregation should provide at least  
178 \$1000 and 14 days for continuing education purpose annually for routine continuing  
179 education. It is common to allow unspent funds to carry over for three years. It is the  
180 expectation of the ELCA that pastors engage in a minimum of 50 hours of continuing  
181 education each year.<sup>1</sup>
- 182 • Sabbaticals: The 2000 Synod Assembly adopted a Sabbatical Policy (Guideline)  
183 applicable to all clergy. The expectation is that each congregation/parish will adopt a  
184 Sabbatical Policy for itself, using the synod policy as a guideline.
- 185 • First Call Theological Education: Clergy, in their first three years of ordained ministry,  
186 are required by the ELCA to participate in First Call Theological Education. In this  
187 synod, this includes an annual regional retreat as well as monthly meetings. The  
188 congregation is expected to pay \$200 toward the annual regional retreat; the synod

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<sup>1</sup> N.B.: The continuing education allowance is being increased from \$800 to \$1000.

189 matches this amount and covers any excesses associated with registration, boarding, and  
190 lodging. The \$200 is to be in addition to the \$1000 annual support recommended above.  
191

192 (7) **Publication and media resources** allowance is provided by some congregations. Such  
193 resources may include professional journals, specialized worship resources, *etc.* It is an option.  
194

195 (8) **Official meetings** sometimes have registration fees attached to them. For those meetings that  
196 are constitutionally mandated, *e.g.*, Synod Assembly, coverage of registration fees and associated  
197 expenses not built into other lines of the package is expected by the Synod Council.  
198

199 (9) **Pension contributions** to support clergy retirement are expected by the Synod Council. The  
200 Synod Council's recommendation for congregational contribution rate to the ELCA pension plan  
201 through Portico is 12%. As this number may be different than the default setting on the Portico  
202 interface, be sure to select/enter 12%.

203 • **Special notes on pension:**

- 204 ○ The congregation may elect a higher contribution rate than 12%.
- 205 ○ The pastor and congregation may agree to augment Portico pension through various  
206 instruments such as 401(k), IRA, *etc.*
- 207 ○ The pastor and congregation may agree on a lower contribution rate with the  
208 difference being invested by the pastor in an alternate instrument such as 401(k),  
209 IRA, *etc.*
- 210 ○ When a change of total defined compensation occurs, be sure to adjust the nominal  
211 pension compensation accordingly through the Portico interface.  
212

213 (10) **Other benefits** may be included in the compensation package. For example, one  
214 congregation purchased a health club membership. Another congregation maintained a  
215 membership at the local golf course for the pastor. Congregations are free consider benefits  
216 beyond those outlined here.  
217

218 (11) **Health insurance** for clergy and clergy family is also expected by the Synod Council.  
219 Portico is the principal health insurance provider for the ELCA. Annually, congregations and  
220 pastors have to select the level of health plan. The Synod Council recommends the Gold Plus  
221 plan.

222 • **Special notes on health insurance:**

- 223 ○ While Gold Plus remains the primary recommendation of the Synod Council, the  
224 Portico Silver Plus plan coupled with an HSA contribution by the congregation may  
225 be considered as an option when a comparable level of service is provided.
- 226 ○ In some cases, a pastor may inform the congregation that he/she does not need full  
227 coverage because primary health coverage is provided through a spouse, military,  
228 Medicare, *etc.* In such a case, the congregation and pastor might agree on a  
229 supplemental health insurance plan. When health insurance costs are significantly  
230 lower as a result of another source of health insurance coverage, the congregation  
231 may consider some increase in salary or some other benefit.
- 232 • **Disability:** Portico's health plans include disability insurance, but Portico's disability plan  
233 kicks in at two months. The congregation is expected to provide full compensation  
234 (though allowances may be prorated) for the first two months of an illness or injury that  
235 results in either temporary or permanent disability. The pastor should, at the first  
236 suspicion that such an illness or injury (even if temporary) may qualify for disability, file

237 a disability claim. Disability takes time to process. Waiting until the beginning of the  
238 second month is waiting too long.

- 239 • **Sick leave:** When asked about sick leave, the Synod Council stated, “Illness and family  
240 emergencies do arise. Our Synod Pastoral Compensation Guidelines address such  
241 situations with the strong recommendation that sick leave and family emergencies be  
242 granted without docking pay and within a reasonable period of time that does not take  
243 time away from the granted vacation time (SC22.04.16).”

244  
245 (12) **Paid vacation** time is also expected by the Synod Council in the amount of four weeks,  
246 including four Sundays. Congregations should consider giving one additional week of vacation  
247 for each 10 years of rostered service. As mentioned previously, additional paid vacation time in  
248 lieu of an increase in compensation may be considered. Vacation arrangements and policies may  
249 vary from congregation to congregation (*e.g.*, some congregations allow accrual of unspent  
250 vacation time, some have caps on the amount that may be accrued, a congregation might allow  
251 unpaid vacation/leave, or a congregation might offer to cash out unspent vacation time);  
252 whatever agreement is reached between congregation and clergy, it should be clearly recorded in  
253 the policies of the congregation or the minutes of the Congregation Council or Congregation  
254 Meeting.

255  
256 (13) **Family leave** is expected by the Synod Assembly. Such family leave may be reasonable in  
257 cases of maternity/paternity, major illness on the part of a family member, *etc.* Synod Assembly  
258 adopted a policy (guideline) on family leave that can be reviewed on the synod’s website. The  
259 expectation is that each congregation/parish will adopt a policy for family leave, using synod  
260 policy as a guideline.

261  
262 (14) **Mutual Ministry Committee** is recommended in the Model Constitution for  
263 Congregations. Synod Assembly 2021 recommended that all congregations establish a  
264 mechanism for mutual ministry work, commending the *Driesen Manual* as a resource. Contact  
265 your conference dean or the Synod Mutual Ministry Committee for more information.

266  
267 **On behalf of the clergy of the synod, the Synod Council expresses its**  
268 **appreciation to those congregations who have been taking the Council's**  
269 **recommendations seriously each year and who have sought to implement**  
270 **them.**

## 271 272 273 **Frequent Questions**

### 274 275 **Who should decide the pastor’s salary?**

276  
277 In most congregations, the final recommendation to the congregation regarding the salary for  
278 the pastor will be made by the church council. Resource material for this decision should  
279 include the synod expectations, a local survey of pastors’ salaries in the surrounding area,  
280 and any data one can find on merit increases currently being given in local industry. **Please**  
281 **keep in mind that in calculating base salary for the pastor, housing allowance is NOT**  
282 **included.**

283

284 If it is the practice for the pastor not to be present at the Finance Committee or Congregational  
285 Council meeting when the pastor's compensation is discussed or voted upon, the congregation  
286 should have a Pastoral Support or Mutual Ministry committee (which usually does not include  
287 members of the council), where the pastor would have an opportunity to indicate fully and  
288 confidentially any concerns in the area of his/her compensation. The Pastoral Support Committee  
289 can then pass on these concerns to the Congregational Council.

290

### 291 **How do we use the synod expectations?**

292

293 The first thing to recognize is that the expectations are designed to indicate minimum salary.  
294 Such things as average worship attendance, number of congregations served, years since  
295 ordination, cost of living in your area, the knowledge and skill needed by the pastor, and the  
296 current salary of an incoming pastor should all be factored in to decide where your pastor should  
297 start. **These expectations only give you a starting point.**

298

### 299 **If we cannot afford to pay at the current expectations, what should we do?**

300

301 First, recognize that paying your pastor below the synod expectations often results in friction  
302 between the pastor and the council. Turnover may result, and you will be faced with difficulty in  
303 replacing your pastor. The best advice is to lay out a two-to-three-year plan and work toward  
304 bringing your pastor's salary in line with synod expectations. Sharing this plan with the pastor  
305 will create an open environment based on trust and understanding; then, follow through with your  
306 commitment to the ongoing relationship. Of course, such a plan may involve retooling (or even  
307 beginning) a stewardship program.

308

### 309 **How do we get feedback from the pastor regarding his/her compensation?**

310

311 The first thing to do is to build an atmosphere of trust and openness. We suggest that you form a  
312 mutual ministry committee, which includes the pastor. The purpose of this group is to look at all  
313 issues such as working with the congregation, spiritual needs of the pastor, physical needs, and  
314 family needs. A mutual ministry committee can be the advocate for the pastor and provide  
315 recommendations to the council. However, it is assumed that matters discussed with the pastor  
316 remain with the committee, and confidences must not be violated.

317

### 318 **We have members in our congregation who believe that the total package is too high. How do** 319 **we explain a total package in a way that makes sense?**

320

321 You need to distinguish between cost to the congregation and what the pastor receives. A large  
322 part of the cost to the church comes in the form of pension, medical benefits, and travel expenses.  
323 For those of you who worked in industry, you probably received these same items but never  
324 considered them part of your compensation. These are expenses to the congregation much like  
325 the expense a corporation has for the work of an employee. Therefore, it is not fair to consider  
326 them part of the pastor's salary. Base pay plus housing constitutes the bulk of what your pastor  
327 actually receives.

328

329 **How do we reward the pastor for holidays worked or missed days off or days off interrupted by**  
330 **congregational emergencies?**

331  
332 1) Insist that your pastor take days off to compensate for the lost time. Make sure the  
333 congregation respects this time off. Pastors need time away to refresh themselves, and we need to  
334 respect that. Inform your congregation of the pastor's personal time and ask them to respect this  
335 need for time away.

336  
337 2) Insist that your pastor take a sabbatical leave on a regular basis.

338  
339 3) An alternative not preferred or to be encouraged, is to consider pay in lieu of vacation days.

340  
341 **In case of an illness longer than 20 days, but not catastrophic, what should we do?**

342  
343 Every case needs to be reviewed on its own merits. Your church council should be the final judge  
344 of what is right. They know the pastor best and the effort he or she extends on behalf of the  
345 congregation. Decide based on what is fair and appropriate for the circumstances and for  
346 everyone involved. Nothing can substitute for good judgment.

347  
348 **Do clergy expectations apply to Associate Pastors?**

349  
350 The basic intent of the expectations would stay the same, but the specifics need to be modified or  
351 factored to reflect the differing roles each staff member has in the church.

352  
353 **What about Deacons?**

354  
355 At present, the synod has no deacons serving in congregational settings. We also have no  
356 congregations currently seeking to engage a deacon. There have been conversations about what  
357 this might look like and where it might make sense in our context with our contingent situation.

358  
359 **What about non-congregational settings?**

360  
361 It is unreasonable to develop a guideline for non-congregational settings as the type of work can  
362 vary wildly and the required skill sets, and experience can vary as well. The secular employment  
363 market, considering comparable work for the setting, should be examined.