

**Compensation and Benefit
Recommendations
for
Professional Church Workers**

**ORDAINED WORKER
SALARY SCHEDULE
2023 - 2025**

GENERAL SALARY GUIDELINES - ORDAINED

Introduction

This section includes specific guidelines for pastors as congregations seek to offer an objective salary and benefit package. The first part of this guideline deals with what is considered a basic salary and benefit package (salary, housing & utilities, benefits, vacation) followed by additional compensation considerations. For convenience, a worksheet for calculating compensation and expenses is provided at the end of this guideline.

Treasurer's Manual

The Lutheran Church – Missouri Synod releases a Congregational Treasurer's Manual annually. It is a helpful tool for understanding the complexities of housing, benefits, and other payroll issues. It also covers congregational accounting and financial reporting. The manual & CD is available for purchase from the District Office and can be viewed electronically on the LCMS website at www.lcms.org/ctm.

Salary

The base salary can be determined by consulting the 2023-2025 Ordained Ministers Salary Schedule found at the end of this document. Entry level salary (year 0) assumes an ordained minister with a Seminary Degree and no related work experience. Housing and utilities are not included in the scheduled full-year salaries. For pastors who have previous secular or church work experience before being ordained (e.g. LCMS Christian Day School Teachers, DCEs, or directors of Evangelism), it is recommended that at least one-half of those years of previous experience be added to their service year on the salary scale.

In addition, each congregation is encouraged to recognize such factors as congregational size and adjust the senior pastor's compensation as the situation warrants. Those situational adjustments are as follows:

COMMUNICANT MEMBERSHIP	SALARY ADJUST PER YEAR
300 to 500	\$700 to \$1,300
500 to 1,000	\$1,300 to \$1,900
1,000+	\$1,900 to \$2,500
Dual Parish	\$1,900 to \$2,500

An adjustment for advance degrees is also recommended and is shown in the table below:

ADVANCED DEGREE	SALARY ADJUST PER YEAR
STM	3% of salary (service year)
DMin	5% of salary (service year)
Earned PhD, Earned ThD	7% of salary (service year)

Housing & Utilities

Each congregation is encouraged to provide an appropriate housing and utilities package for a pastor where church-owned housing is not provided. An appropriate housing and utilities allowance which reflects the value of homes in that community should be offered.

To comply with IRS guidelines, each congregation must pass an annual resolution before the end of the year to set the housing allowance for all ministers of religion. The IRS does not limit the amount of housing allowance established by a congregation or claimed by a worker.

A housing allowance should be designated also for workers who live in church-owned housing because it provides tax free money for the purchase of furniture, appliances, lawn care, etc. Refer to the Congregational Treasurer's Manual, Chapter 2.

Benefits

Concordia Plan Services is the LCMS benefits provider of choice for all LCMS entities. Concordia Plan Services offers an employer the opportunity to join The Church's Plan, a comprehensive package of benefits. The Church's Plan includes: 1) the Concordia Health Plan-CHP; 2) the Concordia Retirement Plan-CRP; 3) the Concordia Disability and Survivor Plan-CDSP; and 4) the Concordia Retirement Savings Plan-CRSP. More information can be found on their website: www.concordiaplans.org. Whatever benefit package is offered, it must be applied consistently to all workers within Concordia Plans guidelines.

Each congregation is encouraged to provide for full payment of premiums for the Concordia Health and Retirement Benefit Plans for full-time workers. For congregations not enrolled in Concordia Plan Services, the worker's total compensation should be adjusted upward to reflect participation in the Concordia Plans.

403(b) Retirement Plans

Congregations are encouraged to offer a tax-deferred savings plan to the worker. It should be the worker's election to determine what portion of the before-tax compensation is to be made. Congregations are encouraged to provide this benefit and the optional match. To view the complete information about the 403(b) plans, regulations, and other benefit information, go to www.concordiaplans.org.

Vacation

Congregations are encouraged to establish a definite policy to grant full-time workers annual vacations. The following serves as a guide:

SERVICE YEARS	VACATION WEEKS
1 to 10	3
11 to 20	4
21+	5

Social Security Tax

Each congregation is encouraged to provide for 50% of payment of the Federal Social Security Tax applicable to the self-employment program.

ADDITIONAL SALARY CONSIDERATIONS

Annual Review

Congregations are encouraged to review and discuss compensation issues with all workers on an annual basis.

Direct Reimbursement of Professional Expenses / Mileage

Mileage Reimbursement for business use of a personal car, out-of-town travel, and other expenses related to employment are the cost of doing business for the congregation and are not considered as salary or a benefit. They should be budgeted separately as a business expense and directly reimbursed upon being presented proof of personal payment for those items. This direct reimbursement is not reported as compensation on Form W-2. The congregation should adopt a resolution outlining the terms of an accountable reimbursement policy to meet the requirements of the Internal Revenue Code. Congregations are also encouraged to adopt the standard mileage rate set forth by the Internal Revenue Service for mileage expense reimbursement. See the Congregational Treasurer's Manual, Chapter 6, section 6.110 for more detailed information.

Church Worker Gifts

The congregation may provide gifts to its workers such as Christmas bonus. Such gifts are taxable to the worker if paid from the church treasury, even if paid only from designated receipts. Direct gifts from the parishioner to the worker are not taxable to the worker, but are not deductible for the donor.

Continuing Education

Congregations are encouraged to support the Continuing Education of all pastors by granting financial support and appropriate time to attend workshops, conferences, and other educational opportunities. Congregations are also encouraged to develop a policy of granting their pastor a paid sabbatical after serving the congregation for a period of years.

Conventions / Retreats Expense

Congregations are urged to provide workers funds to cover all required Convention and Conference expenses to include registration, travel, housing, and meals. Appropriate time should be granted to attend these functions.

Vacancy Pastor

Vacant congregations should adequately compensate a vacancy pastor for services to them. A recommended level of compensation would be 50% of the "Year 0" salary amount and should be prorated for the period served. This compensation covers all traditional pastoral responsibilities. Travel expenses, round-trip mileage, telephone calls, and other out-of-pocket expenses should be reimbursed by the vacant congregation as well. The congregation should report compensation on a Form W-2 at the end of the year. Additional expense reimbursements are not reported as income on the Form W-2.

Pulpit Supply

The recommended pulpit supply remuneration is as follows:

Service	Amount
One Service	\$ 150
Two Services	\$ 200
Sunday Bible Class	\$ 75
Saturday Evening w/Bible Class in addition to Sunday Service	\$ 150

Round-trip Mileage for each trip should always be paid.

Moving Expenses

When a congregation calls a professional church worker, it should pay all necessary and reasonable moving expenses for the worker and family, along with sufficient funds to cover the reasonable tax burden which such moving expenses will cost the worker.

Salary Planning Worksheet

Base Salary	\$ _____
Situation Adjustment	\$ _____
Housing & Utilities	\$ _____
Advanced Degree	\$ _____
Sub-Total	\$ _____
50% of Social Security/Medicare	\$ _____
Total	\$ _____
Concordia Plans	\$ _____
403(b) Optional Match	\$ _____
Auto Allowance / Mileage Reimbursement	\$ _____
IRS Housing Declaration @ _____% <i>Designation for tax purposes (no cost to congregation)</i>	
Continuing Education	\$ _____
Convention / Retreats Expense	\$ _____
Total Compensation (Salary & Benefits)	\$ _____

IDE Pastor Salary Guidelines 2023-2025

Annual % Increase	
1 - 10 years	3.0%
11 - 15 years	3.0%
16+ years	2.0%

Base	\$ 41,635	\$ 42,468	\$ 43,317	
Service Year	2023	2024	2025	Factor
0	\$ 41,635	\$ 42,468	\$ 43,317	1
1	\$ 42,884	\$ 43,742	\$ 44,617	1.03
2	\$ 44,133	\$ 45,016	\$ 45,916	1.06
3	\$ 45,382	\$ 46,290	\$ 47,216	1.09
4	\$ 46,631	\$ 47,564	\$ 48,515	1.12
5	\$ 47,880	\$ 48,838	\$ 49,815	1.15
6	\$ 49,129	\$ 50,112	\$ 51,114	1.18
7	\$ 50,378	\$ 51,386	\$ 52,414	1.21
8	\$ 51,627	\$ 52,660	\$ 53,713	1.24
9	\$ 52,876	\$ 53,934	\$ 55,013	1.27
10	\$ 54,126	\$ 55,208	\$ 56,312	1.3
11	\$ 55,375	\$ 56,482	\$ 57,612	1.33
12	\$ 56,624	\$ 57,756	\$ 58,911	1.36
13	\$ 57,873	\$ 59,031	\$ 60,211	1.39
14	\$ 59,122	\$ 60,305	\$ 61,510	1.42
15	\$ 60,371	\$ 61,579	\$ 62,810	1.45
16	\$ 61,203	\$ 62,428	\$ 63,676	1.47
17	\$ 62,036	\$ 63,277	\$ 64,542	1.49
18	\$ 62,869	\$ 64,127	\$ 65,409	1.51
19	\$ 63,702	\$ 64,976	\$ 66,275	1.53
20	\$ 64,534	\$ 65,825	\$ 67,141	1.55
21	\$ 65,367	\$ 66,675	\$ 68,008	1.57
22	\$ 66,200	\$ 67,524	\$ 68,874	1.59
23	\$ 67,032	\$ 68,373	\$ 69,740	1.61
24	\$ 67,865	\$ 69,223	\$ 70,607	1.63
25	\$ 68,698	\$ 70,072	\$ 71,473	1.65
26	\$ 69,530	\$ 70,922	\$ 72,339	1.67
27	\$ 70,363	\$ 71,771	\$ 73,206	1.69
28	\$ 71,196	\$ 72,620	\$ 74,072	1.71
29	\$ 72,029	\$ 73,470	\$ 74,938	1.73
30	\$ 72,861	\$ 74,319	\$ 75,805	1.75
31	\$ 73,694	\$ 75,168	\$ 76,671	1.77
32	\$ 74,527	\$ 76,018	\$ 77,537	1.79
33	\$ 75,359	\$ 76,867	\$ 78,404	1.81
34	\$ 76,192	\$ 77,716	\$ 79,270	1.83
35	\$ 77,025	\$ 78,566	\$ 80,136	1.85