

## SYNOD OF ALBERTA AND THE TERRITORIES COMPENSATION GUIDELINES FOR ROSTERED MINISTERS FOR 2019

The following MINIMUM GUIDELINES are provided to assist congregations in planning the compensation for rostered ministers (pastors and diaconal ministers). **It should be noted that these are minimum expectations and that individual circumstances, experience and work load of the individual should be considered and higher amounts paid where necessary.** Where it is impossible for the congregation to pay a minimum salary according to the scale, other options for compensating the individual should be considered, for example, extra holiday time, or availability for part-time employment outside the parish.

The level of compensation paid to an individual in today's society is arrived at in a variety of ways. In private enterprise compensation results from profits gained from the selling of goods and services. In the labour movement and in some professions, collective agreements, usually negotiated by professional negotiators, are binding on both parties. In other areas, an individual may negotiate a contract based on the perceived value of that individual's services. In very few areas today does an individual rely solely on the good will of a constituency for their compensation. The pastor, diaconal minister and other church staff are among these few.

However, rostered ministers should be paid sufficiently so that they can attend to their ministry without concern for their families' material welfare. As well, it is fair that for congregations within a synod there be established a comparable salary and benefits package.

Compensation guidelines are updated annually. The salary scales need to reflect that our rostered ministers are well-educated professionals, many with at least seven or more years of post-secondary study and training. It is reasonable that compensation levels be comparable with other professions with similar educational experience, and with those in other Synods of the ELCIC and other denominations.

Annual increments in compensation reflect the understanding that an individual grows in confidence, skill acquisition and skill application with experience in a call. The increases in the compensation guidelines are meant to reflect the increased service potential of the individual with more parish experience. **After reaching the maximum years of service on the guidelines, compensation increases should be based on economic conditions (e.g., an increment for cost of living increases) and the satisfaction of the parish.**

Parishes want to have pastors and diaconal ministers who effectively serve, lead and minister to the needs of the community and are adequately compensated for their services. Concerns about salaries, allowances and benefits need to be viewed with regard to the very special nature of the service that a rostered minister is called to provide. It is very important that local grievances concerning a pastor's/diaconal minister's service be addressed locally, and not through general reductions in the guidelines. The compensation guidelines help us to bring order to the Synod so that God's people can grow and the Gospel can be shared.

**For 2017, and subsequent years, harmonized guidelines for all items listed under "Other Benefits" have been implemented. By mutual agreement by all synods these benefits are identical across the ELCIC. Each Synod will set its own scale for annual base salary and housing allowances.**

**Base Salary Amounts for 2019**  
**(excluding housing allowance amounts)**

	Level 1	Level 2	Level 3	Level 4	Level 5
Start	39,410	40,480	41,550	42,680	43,815
Year 1	40,480	41,550	42,680	43,815	44,955
Year 2	41,550	42,680	43,815	44,955	46,185
Year 3	42,680	43,815	44,955	46,185	47,425
Year 4	43,815	44,955	46,185	47,425	48,620
Year 5	44,955	46,185	47,425	48,620	49,885
Year 6	46,185	47,425	48,620	49,885	51,100

\*Level 1: Basic Theological Education; Level 2: Bachelor of Theology (B.Th.); Level 3: Master of Divinity (M.Div.); Level 4: Master of Sacred Theology (S.T.M.) or Doctor of Ministry (D.Min.) \*Level 5: Doctor of Theology (Th.D.) or Doctor of Philosophy (Ph.D.)

**Year 1 is defined as the first full calendar year following ordination; all subsequent years are calendar years.**

**For rostered ministers with service beyond the 6<sup>th</sup> year the increment for 2019 should be the GREATER OF:**

(a) \$551/year for each additional year of service under call after the 6<sup>th</sup> year (e.g. for 15 years the base amount is \$53,580 for Level 3); **OR**

(b) 1.5% above the actual 2018 base salary paid

**In no event should the base salary amount for any rostered minister for 2019 be less than it was for 2018.**

A 10% addition to the base salary amount, or equivalent consideration (such as time off), for rostered ministers required to conduct more than two services in different localities each Sunday **OR** for pastors required to conduct two services in different languages on a regular basis and whose ministry is conducted largely bilingually.

In addition to the base salary amount annual compensation shall include:

a) Cash housing allowance equivalent to fair rental value of housing in the locale. Fair rental value includes rent and basic utilities. Congregations are strongly encouraged to review annually the amount of fair rental value by comparison to published advertisements for renting comparable premises or in consultation with qualified realtors. Tax regulations allow for housing allowance to be up to 50% of the base salary so long as this amount does not exceed market value rent.; **OR**

b) Provision of a parsonage or rental accommodation maintained in good repair; plus \$160 per month as a housing equity allowance. Housing equity allowance is subject to CPP, EI and income tax deductions. Effective for 2017 and subsequent years the fair value of a parsonage will no longer be applied in determining the basis for life and disability benefits. It is recommended effective for 2017, and subsequent years, that those congregations providing a parsonage pay a cash housing allowance to the individual and then charge rent to the individual equal to the cash allowance. The cash housing allowance will be included in the calculation of life and disability benefits. Such an arrangement would be cash neutral to both the congregation and the individual.

c) Moving costs for an incoming rostered minister shall be paid and should include per km travel plus reasonable accommodation and meal costs. A settling-in allowance of up to \$895 should be considered.

d) Expenses for conference, synod and national church events where the individual is required to attend should be paid by the employer.

Diaconal ministers may qualify for a non-taxable housing allowance in situations where they fulfill the same function test required of an ordained minister. Consult the ELCIC Treasurer's Information Booklet for a description of the requirements as published by the Canada Revenue Agency.

**In order for a rostered person to qualify for reduced tax at source they must qualify for the "Clergy Residence Deduction" Persons must submit Form T1213 to CRA in advance and receive written approval from CRA to have their housing allowance excluded from tax withholding by their employer. Where a diaconal minister does not qualify for a non-taxable housing allowance, the appropriate figure above should be increased by 30% to compensate for this fact.**

### **Supply Pastors**

Supply pastors should be paid \$175.00 for the first service, \$75.00 for a second service (\$150.00 for a second service in a different language), plus travel reimbursement on a per km basis using the rates specified elsewhere in these guidelines.

Deductions and withholdings may apply to these amounts, depending on the circumstances (including ELCIC pension if the individual is still an active member of the ELCIC pension plan). Consult the CRA guide T4001 for payroll deductions and remittances for statutory requirements. A T4 slip must be issued if annual remuneration is more than \$500.00, or if withholdings (including ELCIC pension) are made. Contact ELCIC Group Services to determine the pension plan status of the individual.

## Other Benefits (harmonized within the ELCIC effective 2017)

**These other benefits and related recommendations apply to all those subject to the ELCIC pension and benefits plans – both rostered and lay members of the plans.**

### Vacation and other days off

Vacation time is based on the calendar year (i.e. January to December) and cannot be accumulated or paid out unless it is approved in writing by the council prior to the year end of the year that the vacation was not taken. Unused vacation credits accumulated within the final year of employment will be paid out on termination of employment. Vacation entitlement as per the table includes Sundays.

Years of Service as a Rostered Minister	Vacation
Up to 10 years	4 weeks
11 to 20 years	5 weeks
21 + years	6 weeks

Rostered employees are entitled to two days off per week, plus days in lieu of Statutory Holidays taken within a reasonable time of the actual holiday as mutually agreed with council.

### Leaves of Absence

- A. Sick Leave – Illness and Disability – a policy for sick days is detailed in Appendix One. Short Term and Long Disability is insured for members of the ELCIC Group Benefits Plan. These other benefits and related recommendations apply to all those subject to the ELCIC pension and benefits plans – both rostered and lay members of the plans.
- B. Bereavement & Compassionate Care Leave – with pay for death or critical illness of:
  - a. your spouse or child - 2 weeks
  - b. your or your spouse's parent, grandparent, sibling, or grandchild – 1 week

Council may allow additional days with pay. Please visit the Services Canada website for more information and your provincial labour website for unpaid leave entitlements.

- C. Parental Leave – a policy for salary replacement while on parental leave is detailed in Appendix Two.
- D. Sabbatical Leave – as per Synod Sabbatical Guidelines for Pastors Serving under Call.
- E. Statutory Leaves – for any other leaves, refer to your provincial labour laws.

*For all leaves, please refer to the ELCIC Group Services website to determine the requirements regarding pension and benefits during the leave.*

### Pension Plan for Clergy and Lay Workers of the ELCIC 0533240

All Rostered and Lay employees (meeting minimum eligibility) become members of the ELCIC Pension Plan and contributions are forwarded monthly to *ELCIC Group Services*. Contributions rates are applied to the annual salary plus housing allowance or the fair rental value (excluding utilities) for employees living a congregationally owned residence. Employees working less than full time or providing supply may still be required to contribute if eligibility has been previously met.

For details regarding the ELCIC Pension Plan, please visit the *ELCIC Group Services* website: <http://www.elcicgsi.ca/>  
Please call for any questions regarding eligibility or requirements for contributions for specific pastors. 877-352-4247.

**Group Benefits Plan** Extended health, dental, life, disability, counselling etc.

All Rostered and Lay employees (meeting minimum eligibility) join the ELCIC Group Benefits Plan and premiums are paid by the employer monthly to **ELCIC Group Services**. Premiums on life and disability insurance are calculated on annual salary plus housing allowance (fair rental value for employees living a congregationally owned residence will not be insured). Benefits are not maintained for employees reduced to working permanently below the minimum criteria nor for those providing supply services. Premiums are paid by the employer.

For details regarding the coverages in the ELCIC Group Benefits Plan and premium rates which may vary annually, please visit the *ELCIC Group Services* website: <http://www.elcicgsi.ca/>

### **Continuing Education**

A Continuing Education Plan (“CEP”) has been established to accumulate funds for further education. The policy, which details required contributions and use of the funds, can be found on the *ELCIC Group Services website*.

The time required to undertake professional development shall be provided with pay up to two weeks annually and can be accumulated to a maximum of six weeks.

If time is not used for professional development it cannot be paid out in lieu of time taken.

In addition to CEP contributions, an amount of \$500 per year shall be provided for learning resources such as book purchases, on line subscriptions, webinars or other materials.

#### **Options and Tax tips**

- A. Allowance – the flat-rate amount is a taxable benefit and must be included on the T4. Income tax should be withheld; CPP and EI must be paid on this amount. If the employee intends to claim resources purchased with the allowance as work expenses on their personal income tax return, the employer must complete form T2200 and the employee must keep receipts as CRA may request them when assessing the return.

#### **OR**

- B. Reimbursement - When the employee submits receipts to the employer and is reimbursed for resource purchases related to their employment responsibilities, no taxable benefit assessed. (Note: Retention or disposal of the resources at termination of employment is not a factor.)

#### **OR**

- C. The above noted amount (or some portion thereof) may be submitted to the employees CEP account for book purchases connected with courses or resources for alternate learning opportunities.

Note: Group Pension and Group Benefits are not paid on CEP contributions or education resource allowance /reimbursement.

## Travel Policy

Employees required to travel as part of their work shall be reimbursed for travel, meals and accommodations. Compensation options specific to an employee's vehicle are as follows:

- A. Vehicle Expenses KM Rate Paid - When the employee is required to use their own vehicle a per kilometer rate as set by CRA may be paid. The rate is specified for the first 5,000 km driven and then at a reduced rate on km driven thereafter for the balance of a calendar year. These amounts are updated annually and can be found on the CRA website.

<http://www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/tmbllwnc/rts-eng.html>

**OR**

- B. Vehicle Allowance - When the employee is required to use their own vehicle the employer may provide a flat annual amount for the cost of using the vehicle. This is a taxable benefit to which income tax, CPP and EI deductions apply.

Note: Group Pension and Group Benefits are not paid on compensation for travel.

## Government Requirements

Federal: All statutory withholdings and remittances must be made as per Canada Revenue Agency requirements. Please visit their website for more information. <http://www.cra-arc.gc.ca/esrvc-srvce/tx/bsnss/pdoc-eng.html>

Provincial: Employers are responsible to understand labour laws of their province and comply accordingly with requirements for workers' compensation, provincial medical premiums, etc.

**Appendix One – Sick Leave Policy :** [http://www.elcicgsi.ca/?page\\_id=1912](http://www.elcicgsi.ca/?page_id=1912)

**Appendix Two - Parental Leave Policy:** [http://www.elcicgsi.ca/?page\\_id=1912](http://www.elcicgsi.ca/?page_id=1912)