2027

Rostered Leaders

FAIR COMPENSATION AND BENEFITS

WORKBOOK

Southwest California Synod
Evangelical Lutheran Church in America

Rostered Leaders
Fair Compensation and Benefits Workbook
2027

Recommendations for Benefits and Expense Reimbursement

for Rostered Leaders serving congregations of the Southwest California Synod in 2027

This workbook is provided to encourage adequate and equitable compensation for Rostered Leaders in congregations. It will be updated and available at the **socalsynod.org** website in the fall of each year for the upcoming year.

Compensation increases in this workbook are based on the Consumer Price Index for All Urban Consumers (CPI-U) Selected Areas All Items Index for the Los Angeles-Long Beach-Anaheim areas from June to June. This year's increase is 3.3%.

Compensation and Benefits Components:

Base Salary for Ministers of Word and Sacrament is the amount paid including paid housing allowance. Thus, it does not include pension and other benefits, which are listed in section B or expenses in Section C. Thus, amounts with B and C are expenses for the congregation, but they are not to be considered as part of base salary under compensation. A sample Housing Allowance Resolution can be downloaded at:

Housing Allowance Agreement
http://www.socalsynod.org/resources/congregations/

Pension and Other Benefits includes retirement, disability, survivor, and medical-dental coverage for the covered member and family and is based on the salary when it includes the paid housing allowance **OR** the salary plus 30% when a parsonage is provided. This may also include optional coverages and substitutes, such as a tax-sheltered annuity or optional pension plan, if insurance coverage is waived.

Expenses include the costs of auto, moving, continuing education, professional expenses, official meetings, etc. for the coming year.

Agreement will include the time and provided coverage for vacation, continuing education, participation in First-Call theological education, on-going care through a Mutual Ministry Committee, ongoing salary and benefits in case of disability, parental, medical emergency, or bereavement leave, and sabbatical leave provisions.

Pension and Other Benefits

ELCA or equivalent pension contributions at the annual defined percentage of defined pension compensation. ELCA or equivalent medical-dental insurance.

Self-employed Social Security allowance for Ministers of Word and Sacrament is 7.65% of base salary (including housing allowance). *Ministers of Word and Sacrament are eligible for a federal and state tax-free housing allowance.*

Congregations are required to pay 7.65% of a lay employee's salary for social security benefits. Lay Rostered persons do not qualify for housing allowances.

Housing Equity Allowance when housing is provided up to 3% of the defined compensation, but not less than $650.00 per year.

An equity allowance should be provided if the pastor lives in a congregation-owned home. The equity allowance provides the financial resources for a pastor to purchase housing, whether during his/her active ministry or upon retirement, when a parsonage will no longer be available. When the pastor lives in a

parsonage, it is the congregation that is enjoying any equity buildup in that home, not the pastor. When the pastor leaves the parsonage, he/she has no equity with which to finance new housing. In paying the equity allowance to the pastor, it is helpful for the congregation to pay directly into a tax-deferred plan which delays the income tax due until the funds are actually withdrawn for use. When the pastor leaves the congregation for another call, the funds in the equity allowance may be used by the pastor to purchase a home in his/her new community or the funds may be transferred by the congregation to the new congregation where they are again placed in a tax deferred account, not to be used by the pastor until he/she is ready to purchase a home.

Other allowances that may be considered are: childcare, medical expenses and savings account, school tuition for children, additional continuing education allowance, additional annuities and insurance, additional pension contributions, and additional vacation.

I. Reimbursement of Professional Expenses

A policy for reimbursements should be decided upon. Reimbursements are certainly not pay for the rostered leader, even though they are a cost to the congregation for having a rostered leader. The congregation's goal should be full reimbursement of all costs incurred by the rostered leader to perform his/her job. These are costs incurred for the benefit of the congregation, such as car expenses, church supplies, gifts to members of the congregation (e.g., Confirmands), books, subscriptions to professional journals, continuing education, dues, etc. Keep in mind that even though reimbursements are paid to the rostered leader they are an expense of the congregation. They should never be seen as income. These expenses should not be in the salary/benefits section of the budget. Moving expenses are an exception for tax purposes: under current federal tax law, moving expenses paid or reimbursed by the congregation are taxable income to the rostered leader and must be reported as wages on Form W-2. State tax treatment may differ. Rostered leaders should consult a tax professional.

Automobile Allowance

By far, the largest of all a rostered leader's professional expenses is the cost for using his/her personal automobile for church business.

Under the current rules, congregations may choose **accountable** or **non-accountable** plans for managing a rostered leader's car allowance. Under the **accountable** plan, the rostered leader reports mileage driven each month to the treasurer. The treasurer reimburses the rostered leader for the miles driven on church business at a rate not to exceed the **standard mileage rate allowed by the IRS**. Currently, the IRS standard rate for 2026 is **76 cents per mile** (effective July 1, 2026). The 2027 IRS rate will be announced in December 2026. Under this plan, the rostered leader does not report as income any of the reimbursement. The rostered leader also does not take any deductions for car expenses on his/her tax return. If the church pays mileage at a rate less than the standard mileage rate allowed by the IRS, the difference generally cannot be deducted on the rostered leader's federal income tax return, because unreimbursed employee business expenses are no longer deductible under current federal tax law. Full reimbursement at the IRS rate is recommended.

Under the **non-accountable** plan, the congregation pays a fixed amount per month for mileage. The pastor is not required to account to the congregation for any business miles. The reimbursement must be included in the pastor's wages in box 1 on form W-2. It is reported as taxable income and is subject to social security taxes. Under current federal tax law, unreimbursed employee business expenses, including car expenses, are no longer deductible as an itemized deduction on Schedule A, so the pastor generally cannot offset this income for income tax purposes. Pastors should consult a tax professional about their own situation.

NOTE: The **accountable** plan is the best approach for being equitable to both the pastor and the congregation and for minimizing the pastor's taxes.

Books and Journals

Most congregations provide the pastor with a yearly allowance from which reimbursement is made for books and journals.

NOTE: It is suggested that this allowance be no less than $250 per year.

Assemblies, Conferences, Conventions

Rostered leaders are expected to attend the official assemblies/conferences of the church/synod. Expenses incurred at those events are the responsibility of the congregation and should always be seen as a reimbursement of expenses incurred on behalf of the congregation.

Continuing Education

In addition to vacation time each year, congregations should make available a minimum of two weeks of continuing education time. Normally, continuing education time is allowed to accrue for up to three years, making a total of six weeks available to the rostered leader to allow time for extended study.

In some congregations, continuing education funds are seen as a "reimbursement" for expenses incurred. That is, the rostered leader pays the expenses, produces receipts/vouchers and is reimbursed. In other congregations this is treated more like a "Benefit" and a fixed amount is placed in a special account until the rostered leader requests reimbursement.

NOTE: It is recommended that the congregation have budgeted at least $1,000.00 per year (accruable for up to three years) to provide part of the cost for tuition, travel, and books for the rostered leader. In addition, the rostered leader may contribute from his/her own funds for continuing education.

Church Supplies, etc.

Often, supplies may be required on an immediate basis for the operation of the church. This is a reimbursable expense upon presentation of receipts or documentation.

II. Agreement - Non-Financial Benefits

A. Four weeks vacation, including four Sundays to be used within the fiscal year. Vacation may be accumulated with the permission of the Congregational Council.

B. Continuing education leave of 2 weeks, including Sundays, per year - may be accumulated up to 6 weeks in continuing education agreement developed by the rostered leader and the congregation council. Supporting documents can be downloaded from the Synod webpage, www.socalsynod.org, under "*Congregations."*

2027 Contribution Rates, Portico, Taxes and clergy housing can be found at Portico's web-page, https://employerlink.porticobenefits.org/resources/calculators/benefit-costs-calculator#/

Compensation and Benefits Worksheet

Prepared by _____

For _____

For the period _____to_____
(Usually a one-year period)

A. Compensation

Compensation owed to rostered leaders should be treated as a priority obligation of the congregation. In the event that a congregation is unable to compensate rostered leaders for more than a 30-day period (or in the event that a pastor's salary/housing/benefits drop by 30% or more in a 30-day period), both rostered leader and congregation should notify the synod office immediately to discuss plans of action to restore compensation. This is to protect both the rostered leader and the congregation.

The congregation will provide the following annual compensation:

1. Base Salary $_____
2. Housing Allowance (*if provided*) $_____
3. Self-employed Social Security payment allowance (*if provided*) $_____
4. If parsonage is provided:
   a. Utilities allowance $_____
   b. Furnishings allowance $_____
   c. Housing equity allowance $_____
5. Total $_____

If parsonage is not provided:

For pastors who own their homes, the housing allowance may be any portion of their church compensation that is necessary to cover anticipated housing expenses. The amount must be designated by the pastor to the Congregation Council prior to January of each year. However, churches are free to amend a housing allowance during the year if it proves to be inadequate to cover actual housing expenses. This amendment would not be retroactive to the beginning of the year. Housing allowance is nontaxable only in computing federal and state income taxes.

B. Pension And Other Benefits (*See Portico 2027 Contribution Rates)*

The congregation will sponsor rostered leaders in the Pension and Other Benefits Program of the Evangelical Lutheran Church in America (Portico), which provides retirement, disability, survivor, and medical-dental coverage. (Sponsorship will include medical-dental coverage for the rostered leader's spouse and children unless they have other employer-provided group medical insurance coverage and the rostered leader consents to waiving medical-dental coverage for them under the ELCA Pension and Other Benefits Program. *When health and dental benefits are waived, there may be an administrative fee. For specific information, call Portico at 1-800-352-2876 or 1-800-ELCA-876.)*

1. ELCA pension at _____% of defined percentage of base salary and housing.
   ☐ 10% ☐ 11% ☐ 12%
2. ELCA Medical-and-Dental Insurance (*check one):*
   ☐ *a. Member only* ☐ *c. Member and children* ☐ *e. Coverage waived*
   ☐ *b. Member and spouse* ☐ *d. Member, Spouse, and Children*
3. Other Insurance or Benefits: _____ $_____
   (Example: Tax sheltered annuity or optional pension plan in place of insurance coverage if available through another employer-provided group coverage)

C. Expenses

The congregation will provide for the following expenses related to this rostered leader's ministry:

1. Automobile and travel expense $_____
2. Expenses for official meetings of the synod $_____
3. Continuing education as recommended $_____
4. Other reimbursable professional expenses $_____
5. Pay the moving expenses to this field of service as follows: _____
   _____

D. Agreement

1. Vacation time of _____per year, including __Sundays. *(4 weeks are highly recommended);*
2. Continuing education time of _____per year, including _____Sundays (recommended minimum of two weeks per year that may be accumulated up to three years) as reflected in a continuing-education agreement developed by the pastor and congregation council;
3. Participation in a First-Call Theological Education Program where applicable;
4. On-going care through a Mutual Ministry Committee;
5. Up to two months of continued salary and contributions to the ELCA Pension and Other Benefits Program in a 12-month period in the event that the pastor is physically or mentally disabled*;
6. Where applicable, parental, medical emergency, or bereavement leave up to six weeks with full salary and benefits;
7. An established sabbatical leave policy.

**Provision may be made for the further unpaid time for disability recovery as agreed by the congregation, but with the stipulation that unused accumulated sick leave will not be compensated at the end of this call.*

TABLE 1A	Word and Sacrament Salary Range	
Effective Years of Service	Lower End	Upper End
0-5	$85,500	$102,500
6-10	$98,800	$121,000
11-15	$107,900	$133,400
16-20	$115,800	$144,700
21-25	$124,400	$156,700
26-30	$134,300	$176,800
31-35	$145,300	$201,200
36-40	$145,300	$201,200

These salary guidelines include base salary, housing, and social security allowance, where provided

TABLE 1B	Word and Service Salary Range			
	Bachelor's Degree or Equivalent		Master's Degree or Equivalent	
Effective Years of Service	Lower End	Upper End	Lower End	Upper End
0-5	$65,300	$78,500	$78,400	$93,100
6-10	$65,300	$89,500	$78,400	$106,300
11-15	$74,100	$95,000	$87,300	$115,500
16-20	$79,700	$104,400	$97,100	$126,900
21-25	$85,900	$121,100	$104,400	$143,400
26-30	$93,500	$137,900	$112,100	$162,200
31-35	$99,300	$158,600	$119,400	$184,300
36-40	$106,900	$158,600	$128,000	$184,300

Factors considered in determining these recommended ranges, include: local cost of living, repayment of student loans, and salaries of other professions requiring comparable levels of education. Many newly ordained pastors and newly rostered leaders have previous work experience and education that is impossible to measure and quantify yet, which significantly impacts their calling and performance of duties. The effective years of service for ordained clergy is usually at least the number of years since ordination. The Congregation Council is strongly urged to consider advanced degrees, certifications and continuing education relevant to the rostered leaders' duties and responsibilities when determining salary. Additionally, effective years of service prior to ordination/consecration/commissioning should be considered.

If a rostered leader's salary falls below the guidelines, the congregation should adopt a three-year plan to increase salary by the annual change in the Los Angeles-Long Beach-Anaheim Consumer Price Index (CPI) plus 6% each year until the guideline is reached.

The guidelines shown are upper and lower limits as a function of years of service. To determine a recommended salary between the bounds, the size of the congregation and the financial resources available to the church should be taken into consideration.

As a guideline for considering the size of the church and the financial resources for the senior/solo pastor, Tables 2 and 3 **may** be used. These provide recommended points as a function of average attendance and church receipts. The church should also allocate points for the additional factors – this allocation is necessarily subjective.

The procedure for calculating a recommended salary is, to first calculate the points for the average attendance from Table 2. Calculate the points for church receipts from Table 3, and add the points together, along with any additional points that the congregation council feels should be included for accomplishments such as advanced or continuing education relevant to pastoral duties or additional duties.

Table 2. Recommended points for average attendance.

attendance	points
1-24	0
25-49	5
50-74	10
75-99	15
100-149	20
150-199	25
200-249	30
250-299	35
300-399	40
400-499	45
500+	50

Table 3. Recommended points for church receipts. *Receipts may include income from such sources as: tithes, pledges, plate offerings, schools, endowment funds, and property rentals. If church receipts vary substantially from year to year, they should be averaged for use in this table. If bequests are placed in trusts from which only interest is used for church expenses, only the interest should be allocated to receipts for use in this table.*

church receipts (in thousands)	points
$0-$49	0
$50-$99	5
$100-$149	10
$150-$199	15
$200-$249	20
$250-$299	25
$300-$399	30
$400-$499	35
$500-$749	40
$750-$999	45
$1,000+	50

The number of points is the percentage level where the recommended salary would lie between the lower and upper recommended salaries given in Table 1, for example 30 points would give a recommended salary 30% of the way between the lower and upper recommended salaries and 50 points would give a recommended salary halfway between the lower and upper recommended salaries.

Recommended 2027 salary is found as an entry in Table 4 by selecting the row for effective years of service and the column with total number of points.

TABLE 4	0	5	10	15	20	25	30	35	40	45	50
0-5	$85,500	$86,350	$87,200	$88,050	$88,900	$89,750	$90,600	$91,450	$92,300	$93,150	$94,000
6-10	$98,800	$99,910	$101,020	$102,130	$103,240	$104,350	$105,460	$106,570	$107,680	$108,790	$109,900
11-15	$107,900	$109,175	$110,450	$111,725	$113,000	$114,275	$115,550	$116,825	$118,100	$119,375	$120,650
16-20	$115,800	$117,245	$118,690	$120,135	$121,580	$123,025	$124,470	$125,915	$127,360	$128,805	$130,250
21-25	$124,400	$126,015	$127,630	$129,245	$130,860	$132,475	$134,090	$135,705	$137,320	$138,935	$140,550
26-30	$134,300	$136,425	$138,550	$140,675	$142,800	$144,925	$147,050	$149,175	$151,300	$153,425	$155,550
31+	$145,300	$148,095	$150,890	$153,685	$156,480	$159,275	$162,070	$164,865	$167,660	$170,455	$173,250

	50	55	60	65	70	75	80	85	90	95	100
0-5	$94,000	$94,850	$95,700	$96,550	$97,400	$98,250	$99,100	$99,950	$100,800	$101,650	$102,500
6-10	$109,900	$111,010	$112,120	$113,230	$114,340	$115,450	$116,560	$117,670	$118,780	$119,890	$121,000
11-15	$120,650	$121,925	$123,200	$124,475	$125,750	$127,025	$128,300	$129,575	$130,850	$132,125	$133,400
16-20	$130,250	$131,695	$133,140	$134,585	$136,030	$137,475	$138,920	$140,365	$141,810	$143,255	$144,700
21-25	$140,550	$142,165	$143,780	$145,395	$147,010	$148,625	$150,240	$151,855	$153,470	$155,085	$156,700
26-30	$155,550	$157,675	$159,800	$161,925	$164,050	$166,175	$168,300	$170,425	$172,550	$174,675	$176,800
31+	$173,250	$176,045	$178,840	$181,635	$184,430	$187,225	$190,020	$192,815	$195,610	$198,405	$201,200

Example: **Consider a pastor with 22 years of service in a church with an average attendance of 115 and annual receipts of $263,000.**

From Table 2, for an average attendance of 115 parishioners, allocate 20 points. From Table 3, for annual receipts of $263,000, allocate 25 points. Adding the points calculated from Tables 2 and 3, gives a total of 20+25=45 points. Using the column for 45 points and the row for 21-25 years of service in table 4 gives a recommended 2027 salary of $138,935.

SUPPLY PASTORS

Compensation to visiting pastors is the responsibility of the host congregation. The Southwest California Synod has a wealth of clergy to choose from when a congregation is in need of a supply pastor. Congregations should consider the following to be a guideline in compensating supply pastors:

One Service of Worship $300
Two Services of Worship (same day) $365
Preparing for and Teaching Bible Class/Adult Forum $145
In addition, mileage should be reimbursed at the same rate as documented under REIMBURSEMENT OF PROFESSIONAL EXPENSES (Section I).
Example: A supply pastor serving at a Saturday evening worship service and two Sunday morning worship services should receive $300 + $365 = $665 + travel

Supply pastors should be paid on the day they provide the service.