

COMPENSATION WORKSHEET
NORTHEASTERN IOWA SYNOD
Definition of Compensation, Benefits and Responsibilities of the Pastor

Congregation(s) _____

Name of Pastor _____

Effective Date: from _____ to _____
(Only if a term call)

A. COMPENSATION/SALARY

1. Base salary paid to pastor \$ _____

(Note: For First Call pastors, base salary increases will follow synod guidelines for at least the first three years.)

2. Housing

a. Option 1: Housing Allowance Paid to Pastor. \$ _____

For the initial calculation, this is the base salary x 30%. Once the call is issued, the pastor may raise or lower the amount of the housing allowance as needed. If the housing allowance is raised, the base salary is lowered by the same amount. If the housing allowance is lowered, the base salary is raised by the same amount. The pastor is responsible for determining the Fair Rental Value of the home with the assistance of a realtor or tax professional.

OR

b. Option 2: Parsonage Provided for Pastor. Parsonage Value. \$ _____

For the initial calculation, this is the base salary x 30%. This amount is **NOT** paid to pastor. It is only used to determine Defined Compensation. It is recommended that the ministry site and pastor seek the services of a realtor or tax professional in determining the Fair Rental Value of the parsonage if it were a fully furnished rental property.

i. Basic utilities are to be paid by the ministry site (internet, gas, electricity, sewer, garbage). The pastor and congregation may negotiate whether cable/satellite are paid by the congregation. In some cases, a tax professional may recommend that a pastor receive a utilities allowance instead. If that is the case, list the utilities allowance paid to the pastor here: _____.

ii. A pastor may choose to designate some of the base salary as a Furnishings Allowance. This provides a tax advantage to the pastor by reducing taxable income for expenses related to furnishing the parsonage and covering monthly expenses like internet service. If the pastor is designating an amount of salary as a housing allowance, list that amount here: _____.

3. FICA Allowance Paid to Pastor as Additional Salary: (line 1 + 2a **OR** 2b) x 7.65% \$ _____

Our nation's tax policy treats pastors as self-employed persons for FICA purposes. Where straight W-2 employees pay 7.65% of their income for FICA Tax, with the employer providing the remaining 7.65%, ordained clergy are required to pay the full 15.3% FICA Tax on income and housing. Congregations must provide a FICA Tax offset equivalent to the employer's portion of this tax which is paid as regular salary.

TOTAL DEFINED COMPENSATION (Add lines 1-3) \$ _____

B. REIMBURSEMENTS

Required:

1. Travel
Annual Allowance **or** \$ _____
Per Mile Reimbursement at current IRS rate

2. Official required meetings (Synod Assembly & Fall Conference) \$ _____

3. Continuing Education (\$900 recommended for full-time call) \$ _____

4. Moving Expenses _____

(Note: Under the current federal tax code, moving expenses are considered a fringe benefit and must be included as taxable income on the pastor's W-2)

Recommended:

1. Publications and Professional Expenses (\$700 recommended for full-time call) \$ _____

2. Amount set aside annually for Sabbatical Leave (\$400 recommended) \$ _____

(This is set aside by the congregation to pay for coverage while pastor is on sabbatical.)

C. BENEFITS

To calculate retirement & medical you must sign into your Portico EmployerLink account, select "Resources" then "Understanding Portico's Benefits" and select "Calculators," or call Portico Customer Care at 800.352.2876.

1. Required Retirement Plan Contributions

Indicate percentage: 10% 11% 12% (% x Total Defined Compensation) \$ _____

2. Health + Disability + Basic Group Life

\$ _____

Plan Option: (Platinum+; Gold+; Silver+ A or B) _____

☐ Member only ☐ Member & spouse ☐ Member & children

☐ Member, spouse, children ☐ Coverage waived

3. Housing Equity Allowance paid as additional retirement contributions

\$ _____

(only applicable when a parsonage is provided)

4. Reimbursement for medical expenses not covered by medical plan up to

\$ _____

5. Vacation

Four weeks including four Sundays

6. Continuing education

Two weeks including two Sundays

7. Sabbatical Leave ____ weeks after ____ years of service in this congregation

8. Parenting leave of _____ weeks with full salary, housing, and benefits.

(Recommended 6 weeks)

D. AGREEMENTS

YES NO

1. We presently have or will establish a Mutual Ministry Committee.

2. Congregation has or will establish a Sabbatical Leave Policy.

3. Other _____

4. When calling a new seminary graduate, the congregation(s) must fully support the pastor participating in the Synod First Call Theological Education Program.

E. OTHER PROVISIONS

1. During this time period, the pastor will give special attention in ministry to the following:

a. _____

b. _____

c. _____

d. _____

e. _____

2. The congregation will encourage this pastor's ministry in the following ways:

a. _____

b. _____

c. _____

d. _____

e. _____

3. Other matters:

CONTACT PERSON:

Name: _____ Phone: _____

Address: _____