

SOUTH DAKOTA DISTRICT - LCMS

Salary Guidelines for Pastors

2008

Authorized by the 1978 South Dakota District Convention, these guidelines have been developed by the District Board of Directors to offer assistance to congregations in determining proper pastors' salaries. They are intended to provide a measure of consistency throughout the District while also allowing for consideration of the varying circumstances in each parish.

It should be noted that adjustments to the base salary amount from year to year are cost of living increases and should not be considered a "raise" in salary. Recommended percentage increments and communicant membership factors are likewise intended to merely recognize years of experience and extent of responsibility. Congregations are therefore encouraged to exceed recommended salary levels when there is interest in recognizing exemplary service above and beyond the strong faithful service which is an expectation of all District pastors.

"The faithful laborer is worthy of his wages." (Luke 10:7)

A. CASH SALARY DETERMINATION

<i>Year In Ministry</i>	<i>% of Increment</i>	<i>Suggested Range</i>		<i>Year In Ministry</i>	<i>% of Increment</i>	<i>Suggested Range</i>	
		<i>From</i>	<i>To</i>			<i>From</i>	<i>To</i>
1	1.00	28,675	29,857	21	1.60	45,880	47,771
2	1.03	29,535	30,753	22	1.63	46,740	48,667
3	1.06	30,396	31,648	23	1.66	47,601	49,563
4	1.09	31,256	32,544	24	1.68	48,174	50,160
5	1.12	32,116	33,440	25	1.70	48,748	50,757
6	1.15	32,976	34,336	26	1.72	49,321	51,354
7	1.18	33,837	35,231	27	1.74	49,895	51,951
8	1.21	34,697	36,127	28	1.76	50,468	52,548
9	1.24	35,557	37,023	29	1.78	51,042	53,145
10	1.27	36,417	37,918	30	1.80	51,615	53,743
11	1.30	37,278	38,814	31	1.82	52,189	54,340
12	1.33	38,138	39,710	32	1.84	52,762	54,937
13	1.36	38,998	40,606	33	1.86	53,336	55,534
14	1.39	39,858	41,501	34	1.88	53,909	56,131
15	1.42	40,719	42,397	35	1.90	54,483	56,728
16	1.45	41,579	43,293	36	1.92	55,056	57,325
17	1.48	42,439	44,188	37	1.94	55,630	57,923
18	1.51	43,299	45,084	38	1.96	56,203	58,520
19	1.54	44,160	45,980	39	1.98	56,777	59,117
20	1.57	45,020	46,875	40	2.00	57,350	59,714

B. ADJUSTMENT FACTORS:

COMMUNICANT MEMBERSHIP FACTOR

0 - 100	Communicant Members, add 0%
101 - 250	Communicant Members, add 1%
251 - 400	Communicant Members, add 2%
401 - 650	Communicant Members, add 3%
651 - 950	Communicant Members, add 4%
951 -	Communicant Members, add 5%

-OR-

MULTIPLE PARISH FACTOR

Add 5% to
15%

Total Communicant Membership of the multiple parish should be considered, with larger parishes tending toward the upper region of the adjustment factor range.

- In cases of multiple workers in a congregation, the head pastor's salary should reflect the added responsibility.
- The cash salary figures listed above are the base salary excluding any housing allowance.

II. EXPENSE REIMBURSEMENTS

- A. **Automobile and Business Expenses** Changes in IRS regulations make it advisable to reimburse pastors on a cents-per-mile basis according to a specific mileage record kept and submitted along with other business expense receipts by the pastor, paid separately from salary. Alternative: Congregation provides pastor with an automobile, pays other business expenses from receipts submitted by pastor.
- B. **Housing** (The housing allowance is over and above the salary noted on page 1.)

When pastor owns his own home, congregation should determine fair cost of housing and all utilities including business related telephone, to be included in pastor's remuneration. It is suggested, however, that in a separate official action, the congregation designate 50% of the salary and housing total as a housing allowance, giving opportunity to the pastor to include other housing expenses up to that amount to benefit him in his tax considerations.

When a parsonage is provided, the congregation should determine cost of all utilities and business-related telephone, to be included in the pastor's remuneration except when paid directly by the congregation. It is suggested, however, that the congregation, in a separate official action, also formally designate 25% of the pastor's salary as housing allowance to enable the pastor to claim other housing expenses to benefit him in his tax considerations.

III. OTHER CONSIDERATIONS

A. **Vacation Time**

1 - 5 years in Ministry - 2 Sundays, up to 20 days
6 -10 years in Ministry - 3 Sundays, up to 27 days
10 + years in Ministry - Congregations may wish to grant additional vacation time

- B. **Conference Expenses** Attendance at official conferences and conventions is not only mandatory for pastors, but also beneficial for pastors and their wives. Congregations should reimburse for all ordinary expenses for pastor and wife.

- C. **Continuing Education** Congregations are encouraged to provide a fixed annual sum to be set aside for the pastor's use in continuing his education. Time off for this purpose should not be considered vacation time.

- D. **Health and Retirement** The entire cost of The Church's Plan should be assumed by the congregation.

- E. **Social Security** Categorized as self-employed by the IRS, all Ministers of Religion, Ordained (pastors) or Commissioned (teachers, DCE, etc.) bear a significant tax load due to Social Security obligations alone. Congregations are encouraged to compensate rostered workers to offset increased expense due to self-employed status. It is suggested that congregations contribute these monies to the Concordia Retirement Saving Plan (CRSP) of Concordia Plan Services in the worker's name.

- F. **Housing Equity** The congregation is encouraged to invest for the pastor living in the parsonage an amount equal to 20% of the housing value of the parsonage to build for him housing equity, since he is unable to realize this benefit through home ownership.