

# SOUTH DAKOTA DISTRICT - LCMS

## Salary Guidelines for Pastors

### 2009

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	29,822	31,051	21	1.60	47,715	49,682
2	1.03	30,717	31,983	22	1.63	48,610	50,613
3	1.06	31,611	32,914	23	1.66	49,505	51,545
4	1.09	32,506	33,846	24	1.68	50,101	52,166
5	1.12	33,401	34,777	25	1.70	50,697	52,787
6	1.15	34,295	35,709	26	1.72	51,294	53,408
7	1.18	35,190	36,640	27	1.74	51,890	54,029
8	1.21	36,085	37,572	28	1.76	52,487	54,650
9	1.24	36,979	38,503	29	1.78	53,083	55,271
10	1.27	37,874	39,435	30	1.80	53,680	55,892
11	1.30	38,769	40,366	31	1.82	54,276	56,513
12	1.33	39,663	41,298	32	1.84	54,872	57,134
13	1.36	40,558	42,229	33	1.86	55,469	57,755
14	1.39	41,453	43,161	34	1.88	56,065	58,376
15	1.42	42,347	44,092	35	1.90	56,662	58,997
16	1.45	43,242	45,024	36	1.92	57,258	59,618
17	1.48	44,137	45,955	37	1.94	57,855	60,239
18	1.51	45,031	46,887	38	1.96	58,451	60,860
19	1.54	45,926	47,819	39	1.98	59,048	61,481
20	1.57	46,821	48,750	40	2.00	59,644	62,102

#### **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 for worker and family contributions. The preferred health plan is Option A. However if the congregation chooses Option B the congregation is encouraged to reimburse the worker for the individual and/or family deductible paid by the worker to their health providers.
- 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 pay additional compensation to the pastor when the pastor lives in the parsonage in an amount equal to 20% of the fair rental value of the parsonage. This compensation is paid in lieu of the worker realizing the benefit building up equity through home ownership.