

ON CLERGY COMPENSATION — 2016

BE IT RESOLVED:

That range midpoints of cash compensation (*Note 1*) for full-time clergy with five years of Credited Service effective January 1, 2016, be:

I. FULL-TIME CLERGY

SALARY RANGE MIDPOINTS FOR FULL-TIME CLERGY			
Church Pension Fund National Size Category	DioPa Congregation Size Category (Note 2)	Residence Not Provided (Note 3)	Residence Provided (Note 3)
Interns and Assistants / Associates			
Transitional Deacon	0	\$59,236	\$ 46,412
Assistant / Associate	1	\$65,562	\$ 49,110
Rectors, Vicars, Interims, Priests-in-Charge			
Family	2	\$73,159	\$54,801
Pastoral	3	\$82,026	\$61,443
	4	\$90,893	\$68,085
Transitional	5	\$99,761	\$74,727
	6	\$108,628	\$81,369
Program	7	\$117,495	\$88,011
Resource	8	\$126,362	\$94,653

Ranges shall extend two salary categories above and below the midpoint.

It is the policy of the Diocese of Pennsylvania that that the range midpoint is the appropriate salary for a thoroughly competent incumbent. Merit increases thereafter shall be added to cost-of-living increases, as warranted by periodic reviews.

Transitional Deacons use “0” as the factor for computing an initial salary. Upon ordination to the Priesthood the factor becomes “1”.

You may use the online salary calculator at <http://www.diopa.org/clergy-calculator-2016> to determine mid-point compensation, once this resolution is approved at convention.

RESOLVED:

II. PART-TIME CLERGY

That total compensation (*Note 4*) for priests who are employed part-time (other than as supply priests) shall be proportional to the total compensation for a priest holding the same position on a full-time basis.

RESOLVED:

III. SUPPLY CLERGY

That the 2016 guidelines for priests who supply or cover particular services in a congregation be as follows
(Note 5):

PER DAY CASH COMPENSATION GUIDELINES		
Compensation Range	Single Service	Multiple Services
Minimum	\$125	\$162
Usual Range	\$143-234	\$172-287
Maximum	\$264	\$326

Mileage, paid at the current IRS rate, and/or other related expenses should be paid in addition to cash compensation.

Explanatory Notes:

(Note 1)

"Cash compensation" shall be defined as cash salary plus housing allowance plus 50% SECA. Cash compensation does **not** include reimbursement for expenses, (e.g., for automobile use or continuing education,) nor health, dental, life or other insurance premiums and pension contributions.

(Note 2)

Compensation for a rector/vicar/interim/priest-in-charge shall be based upon the corresponding Congregational Size Category as defined by the following formulas. Parochial Reports due March 2015 shall be used for these calculations.

People Index # = (Parochial Report Page 3, Number 1 + P.R. Page 2, Number 6) divided by 2
Financial Index # = (Parochial Report Page 3, Letter E + P.R. Page 3, Number 3) divided by 2
Compare to size chart and use the higher of the two.

The table below relates Congregational Size Categories to the corresponding People and Financial Indices for 2015:

CONGREGATIONAL SIZE CATEGORIES FOR CLERGY COMPENSATION			
National Size Category	Congregation Size Category	People Index	Financial Index (\$000s)
Family	2	0- 84	0-198
Pastoral	3	85-110	198-248
	4	111-140	248-308
Transitional	5	141-172	308-369
	6	173-225	369-476
Program	7	226-325	476-678
Resource	8	326+	678+
The Congregation Size Category is the Higher of the People and Financial Index			

(Note 3)

The 2016 salary figures for full-time clergy have been changed from the 2015 figures to reflect an increase of 0.2 percent based on the Philadelphia area cost of living increase for the 12-month period ending June 30, 2015. Each vestry should ratify, by resolution recorded in official minutes, the specific portion of cash compensation designated by the clergy member to be treated "housing allowance" in order to permit eligible clergy to exclude from federal taxable income any housing costs that are paid directly from gross income. (Housing costs include furnishings, mortgage payments, all utilities, and any items normally covered by rent.)

(Note 4)

"Total compensation" is defined as cash compensation (as defined in *Note 1*) plus provisions for pension and for health and life insurance if required in accordance with *Note 5*.

(Note 5)

Cash compensation for supply clergy is based on full-time compensation. It reflects an increase of 0.2 percent from 2015. (The table is based on the proposition that there are 263 working days per year. A congregation is obligated to pay Church Pension Fund assessments for clergy employed for three months or more and who earn \$50 or more per month, unless already on pension.

The following policy statements have been approved by previous Conventions and directed by Convention to be placed in delegate packets for their information.

POLICY ON MAJOR MEDICAL INSURANCE

Employers must offer health benefits to eligible full-time employees, consistent with the requirements of the Denominational Health Plan (DHP) of the Episcopal Church, and the related DHP Parity Provisions as defined and implemented by the Diocese of Pennsylvania by the Commission on Clergy Compensation and Employee Benefits (CCCEB). Employers may offer access and contribution to available benefits for qualified part-time employees.

Required and available benefits, contribution levels and related policies are defined by the CCCEB and information is available on the Diocesan website. The parity provisions of the DHP will be mandatory January 1, 2016, and the Diocesan policies are available on the Diocesan website.

See Health Insurance Policy Standards for further information on eligibility and coverage requirements.

POLICY ON AUTOMOBILE AND OTHER EXPENSES

The policy on allowances and reimbursements for work-related expenses is reaffirmed as follows:

All "business" expenses, e.g., those expenses that would normally be reimbursed in secular employment, shall be reimbursed and provided for in adequate allowances in congregation budgets.

The Internal Revenue Service generally recognizes two methods of accounting for Automobile Expenses. In Method One, which is recommended by the Commission on Clergy Salaries and Pensions, in consultation with the *Manual of Business Methods in Church Affairs*, and financial counsel to the Commission, The Rev. Canon William Geisler, CPA, appropriate automobile expenses, including mileage, tolls, parking and other related expenses are reimbursed to the clergy. Mileage is to be paid at the current IRS rate.

The older method, a monthly automobile allowance, is still permissible under IRS guidelines; however, all records of the use of Automobile Allowance, including mileage, parking, tolls and other related expenses, must be documented. At the end of each year, any automobile allowance which has been disbursed but not used, must be included by the cleric as taxable income.

In both methods, timely, documented, reimbursement requests are to be submitted by the clergy, approved by the appropriate Warden or Vestry, and kept on record by the Parish.

**RECOMMENDATION TO PAY SPECIAL ATTENTION TO GENDER EQUALITY
IN COMPENSATION AND BENEFITS**

A 2015 Diocesan clergy compensation study revealed that a significant portion of female clergy across all congregation size categories receive lower compensation than comparable male clergy. The Diocesan data is similar to national trends for Episcopal clergy compensation. The CCCEB recommends that Vestries pay particular attention to gender equality and work to ensure that female clergy are paid appropriately for their service to the Church and community.



19 East 34th Street
New York, NY 10016
www.cpg.org

Report of Change in a Cleric's Compensation

Complete this form if a cleric's compensation changes. Accurate information is essential in calculating assessments and subsequent retirement benefits for clergy and their beneficiaries, so inform us of any changes as soon as possible. **Corrections to compensation and/or employment records will only be accepted for two years immediately preceding the current calendar year unless interest is paid on any assessment that becomes payable as a result of a correction.**

How to complete this form:

Please provide or correct the following information for all changes in compensation. Even if the compensation in a category has not changed, include that amount anyway. For example, if the cash salary increases but the utility allowance remains the same, be sure to include the utility allowance anyway. As you complete the form, the following definitions may be helpful:

- **Source:** The church (or church-related unit) that pays any or all of the cleric's compensation. Include full name, mailing address, and contact information.
- **Effective Date:** The effective date of the change, which is the date the new compensation began or will begin.
- **Cash Stipend:** Wages and/or stipends received on a regular basis; usually weekly, bi-weekly, or monthly.
- **Social Security Tax Reimbursements:** Amounts provided by the employer to offset self-employment taxes imposed by the Internal Revenue Code.
- **ER Paid Tuition for Dependents:** Amount paid by the employer for clergy dependents' tuition.
- **ER Paid 403(b) Contributions:** Employer contributions made to a **qualified** defined contribution retirement plan (e.g., 403(b), 401(a), IRA, etc.).
- **Other Taxable Income:** Other income taxable under the Internal Revenue Code, as determined by the Plan Administrator.
- **Utilities:** Amounts paid by the employer to cover the cost of utility bills, including but not limited to fuel, gas and electricity, or amounts paid on the cleric's behalf.
- **Housing Equity Allowance:** Employer contributions (funded or not funded) to a **non-qualified** deferred compensation plan or a sum stated in a "promise to pay" agreement.
- **Cash Housing Allowance:** Amount provided by the employer to cover the cost of the cleric's housing. Report only an amount that is **in addition to** the Cash Stipend, not the portion of the Cash Stipend that has been designated as a housing allowance. If the cleric receives **both** a Cash Housing Allowance and housing rent-free, see the rule below.
- **Church-Provided Housing and/or Meals:** Indicate whether or not housing and/or meals are provided. This is important for us to know in calculating the total compensation on which assessments are based (called **Total Assessable Compensation**).
 - **If housing is provided rent-free**, the value of housing added to Total Assessable Compensation will be assumed to be 30% of the total of the Cash Stipend, Social Security Tax Reimbursements, ER Paid Tuition for Dependents, and Utilities (referred to as the "**30% Housing Rule**").
 - **If both housing and meals are provided free-of-charge**, the value of housing added to Total Assessable Compensation will be assumed to be 40% of the Cash Stipend, Social Security Tax Reimbursements, ER Paid Tuition for Dependents, and Utilities.
 - **If housing is provided rent-free and the cleric receives an additional Cash Housing Allowance**, the value of housing added to Total Assessable Compensation will be assumed to be the **greater of** (a) the 30% Housing Rule or (b) the actual Cash Housing Allowance received.
 - **If the cleric receives compensation from more than one church or church-related unit but only one provides housing**, all employers are assessed for a proportionate share of the cleric's housing.
- **One-Time Payments:** Includes Bonus, Overtime, Severance, and Special Service Fees.

Do not include insurance premiums, reimbursement of auto expenses, travel expenses, or continuing education expenses in the compensation if they are not taxable income. **Show all amounts on an annual basis.**



Report of Change in a Cleric's Compensation

Source

Organization Name _____

Address _____

City _____ State _____ Zip _____

Phone _____ Email _____

	\$ _____	\$ _____	\$ _____	\$ _____
Effective Date	Cash Stipend	Social Security Tax Reimbursements	ER Paid Tuition for Dependents	ER Paid 403(b) Contribution
	\$ _____	\$ _____	\$ _____	\$ _____
	Other Taxable Income	Utilities	Housing Equity Allowance	Cash Housing Allowance
	Housing provided?	Yes No	Meals provided?	Yes No

One-Time Payments

	\$ _____	\$ _____	\$ _____	\$ _____
Effective Date	Bonus	Overtime	Severance	Special Service Fees

Please sign, date and return this form to **The Church Pension Fund, 19 East 34th Street, New York, NY 10016, Attn: Client Services Operations**. We strongly recommend that the cleric also review and sign this form. If you have any questions, call us at **(866) 802-6333, Monday – Friday, 8:30AM – 8:00PM ET** (excluding holidays).

Cleric's Name _____ Diocese _____

Cleric's Signature _____ Date _____

Church Representative's Signature _____ Date _____

Please note that this document is for informational purposes only and should not be viewed as investment, tax or other advice. In the event of a conflict between this document and the official plan documents, the official plan documents will govern. The Church Pension Fund and its affiliates retain the right to amend, terminate or modify the terms of any benefit plans described in this document at any time, without notice and for any reason.