

ON CLERGY COMPENSATION – 2021

Designated contact person for this resolution:

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BE IT RESOLVED:

That minimum cash compensation (*Explanatory Note*) for full-time clergy effective January 1, 2021 be:

	Minimum Residence Not Provided	Minimum Residence Provided
Rector, Vicar, or Priest-in-Charge	\$76,724	\$57,472
Rector, Vicar, or Priest-in-Charge of Yoked Parishes (Combined)	\$76,724	\$57,472
Curate / Assistant / Associate	\$68,757	\$51,503
Transitional Deacons	\$62,122	\$48,673

When full-time assistants or associates have responsibilities or experience that meet or exceed those of a rector, vicar, interim, or priest in charge their compensation should be adjusted accordingly. Merit increases including adjustments for experience shall be added to cost-of-living increases as warranted by periodic reviews which should occur at least annually.

Cash compensation of transitional Deacons upon ordination to the priesthood or completion of one (1) year or more of service (whichever occurs first), should increase to match the minimum cash compensation of the office to which they are called, whether it be rector/vicar/priest-in-charge or curate/assistant/associate.

Merit increases for all clergy including adjustments for experience shall be added to cost-of-living increases as warranted by periodic reviews which should occur at least annually.

These new guidelines are in keeping with many years of policy in our diocese while simplifying our guidelines.

This simplification acknowledges the rapid changes many congregations are experiencing. It sets cash compensation standards based on the level of education, preparation, and varied skills and competencies of our clergy. It also reduces the sense some might have that congregations with larger financial resources or more people in the pew are intrinsically or necessarily more challenging settings for ordained ministry. The new guidelines are not retroactive, but they should inform periodic compensation reviews in diocesan congregations.

RESOLVED:

II. PART-TIME CLERGY

That cash compensation for priests who are employed part-time (other than as supply priests) shall be proportional to the cash compensation for a priest holding the same position on a full-time basis. Any clergy person who is compensated at a level lower than the minimum for the size category of their congregation is understood as part-time and should negotiate duties/responsibilities with their employer as appropriate. 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.

RESOLVED:

III. SUPPLY CLERGY

That the 2021 guidelines for priests who supply or cover specific services in a congregation be \$200.00 for Single Service and \$270.00 for two services. 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.

Churches may contribute to the sponsoring organization e.g., clergy from the Offices of the Diocese, ECS, etc.) or respective clergy's discretionary fund at their discretion.

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

Explanatory Note:

For this resolution "cash compensation" shall be defined as cash salary plus housing allowance plus SECA contribution. Cash compensation does not include reimbursement for expenses, (e.g., for automobile use or continuing education, health, dental, life, or other insurance premiums and pension contributions.) The minimum data reflect the Diocesan policy of churches contributing 50% of the clergy's SECA liability,

The data are for the traditional curate or assistant in their first year of ordained ministry. Churches should adjust actual compensation for full-time assistants/associates based on their responsibilities. Some assistants and associates have more responsibility than the rector of smaller churches and should be compensated accordingly.

2019 Total Cash Compensation (Including Housing Allowance and SECA contribution):

	Median Cash Compensation	Median High Cash Compensation	Top 8 Cash Compensation
Rector, Vicar, or Priest-In-Charge	\$102,834	\$117,009	\$145-185,000
Assistants & Associates	75% of median paid to rector, vicar, or priest-in-charge		

Housing Provided - In line with Church Pension Group policy the value of church-provided housing is 30% of cash compensation.

Housing Not Provided - A portion of cash compensation may be designated as a "Housing allowance" in accordance with the Internal Revenue Code. The designation must be voted upon by the vestry prior to implementation and must be explicitly noted in the minutes of the meeting. The cleric is responsible for tracking qualified housing expenditures and declaring any excess "housing allowance" as income. The maximum amount of the allowance is the lowest of the following three (3) amounts:

- The fair market rental value of the house
- The actual amount spent to provide housing (including furnishings and utilities)
- The amount designated by the vestry.

Yoked Parish Compensation - In view of the increasing number of yoked parishes in the Diocese the Commission will commence a study to assess compensation arrangements to ensure that clergy receive equitable pay. The commission will make recommendations for consideration by the Diocese to support clergy serving Yoked Parishes.

Supply Priest Compensation - a growing number of parishes in the Diocese are being served by supply priests. The Commission will commence a study to assess compensation arrangements to ensure that clergy receive equitable pay in compliance with the compensation guidelines for Supply Priests defined in Section III of this Resolution.

Recommendations Related to Total Compensation versus Cost of Living Adjustments

The CoW uses an industry-standard approach to update minimum clergy compensation levels on an annual basis in compliance with the Diocesan Canons. Each year, the change in the Consumer-Price-Index (CPI-U) for the Philadelphia Market is calculated from June to June, using data from the United States Bureau of Labor Statistics (BLS). June to June data are used as they are the most current dataset that is consistently available prior to convention. Minimum compensation levels are adjusted based on the CPI-U and submitted annually to Diocesan Convention for review and approval for the subsequent year's Clergy Compensation standards.

The proposed 2021 minimum compensation proposed is based upon June 2019 CPI-U to June 2020 CPI-U data resulting in 0% increase.

This ends the formal text for resolution RB 2021.

The information that follows includes Diocesan Policy and Commission on Wellness recommendations for organizations employing Diocesan clergy. Policy statements are to be followed by employers and are enforceable by the Bishop. Recommendations are advisory only and are intended to serve as guidelines for clergy and vestries who are responsible for setting and managing clergy compensation. You are encouraged to review, discuss, and act in a way that is consistent with the spirit of these guidelines.

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 Wellness (CoW). 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 CoW, and information is available on the Diocesan website. The parity provisions of the DHP became 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 inadequate 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 CoW, 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.

RECOMMENDATIONS BASED ON DIOCESAN AND NATIONAL CHURCH COMPENSATION STUDIES

The CoW and the Episcopal Church (TEC) conduct periodic clergy compensation studies to understand trends and to provide context for compensation planning. The Commission acknowledges that there are many challenges in determining fair and equitable clergy compensation - particularly given the size and diversity of our congregations, and the trends toward hiring more part-time clergy. Based on ongoing review of the available data, the CoW makes a series of recommendations to parishes and other employers of clergy to consider when determining clergy compensation levels. They are recommendations, not policies, and do not require review or approval by Convention.

RECOMMENDATION TO PAY SPECIAL ATTENTION TO GENDER AND/OR RACE EQUALITY

The CoW recommends that vestries and other employers ensure that clergy compensation packages are appropriately adjusted to reflect the work clergy are called to do in their congregations, their communities, and the broader church. Differentiating compensation based on size, responsibility, and performance within the guidelines, while working to eliminate gender and/or racial inequality is essential.