

## ON CLERGY COMPENSATION – 2023

Designated contact person for this resolution:

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### BE IT RESOLVED:

That minimum cash compensation (See *Explanatory Note*) for full-time clergy, effective January 1, 2023, be:

	Minimum Residence Not Provided	Minimum Residence Provided
Rector, Vicar, or Priest-in-Charge	\$87,566	\$65,593
Rector, Vicar, or Priest-in-Charge of Yoked Parishes (Combined)	\$87,566	\$65,593
Curate / Assistant / Associate	\$78,473	\$58,781
Transitional Deacons	\$70,901	\$55,551

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.

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.

Compensation 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. Increases for incumbent clergy are recommended and are based on the June 2021 CPI-U to June 2022 CPI-U data resulting in an 8.8% increase from 2022.

Parishes located within the City of Philadelphia should consider the impact of the City Wage Tax rate in their calculation of clergy compensation.

**MOVING TOWARD EQUITABLE PAY:** These new guidelines are in keeping with many years of policy in our Diocese while simplifying our guidelines. They also reflect the ongoing pursuit of equity in clergy compensation.

This resolution sets minimum compensation standards that reflect the minimum required education, preparation, skills, and competencies for clergy serving in these roles. These minimum standards do not account for education, or experience beyond or exceeding canonical requirements for duly ordained clergy. These standards are meant to eliminate gender, race, family constellation, disability, language, or sexuality disparities.

Due to the pandemic, 2020 and 2021 were unusual years financially and will likely impact parish finances for the foreseeable future. The demands and expectations encountered by our clergy have been extremely challenging. It is recommended that parishes make efforts to increase cash compensation accordingly - especially those parishes which did not offer a Cost-of-Living Allowance or other compensation increase to their clergy during this period.

**RESOLVED:**

## **II. PART-TIME CLERGY**

That cash compensation for priests 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 compensated at a level lower than the minimum is understood as part-time and should negotiate duties/responsibilities with their employer as appropriate. A congregation must pay Church Pension Fund assessments for part-time clergy employed for three months or more based on Church Pension Group (CPG) policy.

**RESOLVED:**

## **III. SUPPLY CLERGY**

That the guidelines for priests who supply or cover specific services in a congregation be \$200.00 for Single Service and \$270.00 for two services. Based upon requirements for participation by Church Pension Group, a congregation could be obligated to pay Church Pension assessments. Questions of eligibility should be addressed to the Diocesan CPG Benefits Administrator.

Churches may contribute to the sponsoring organization (e.g., clergy from the Offices of the Diocese, Episcopal Church Services (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" includes cash salary, housing allowance, and 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 cash compensation reflects churches contributing 50% of the clergy's SECA liability.

Below are charts providing specific compensation data for clergy in our Diocese. The data presented 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.

2022 Total Cash Compensation (Including Housing Allowance and SECA contribution):

	Median Cash Compensation	Median High Cash Compensation	Top 8 Clergy Cash Compensation
<b>Rector, Vicar, or Priest-In-Charge</b>			
• 2020	\$102,834	\$117,009	\$145-185,000
• 2021	\$101,400	\$118,450	\$143-186,000
• 2022	\$97,792	\$115,400	\$142-191,197
<b>Assistants &amp; Associates</b>			
• 2021	77% of median paid to rector, vicar, or priest-in-charge		
	Median Cash Compensation	Median High Cash Compensation	Top 8 Clergy Cash Compensation
• 2022	\$73,799	\$76,993	\$100,000

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

*Housing Not Provided* - In line with CPG policy a portion of cash compensation should be designated annually as a housing allowance in accordance with the Internal Revenue Code. The designation

must be acknowledged by resolution of the vestry before implementation and must be explicitly noted in the meeting minutes. The cleric is responsible for following federal and state tax rules that apply to the housing allowance.

*Yoked Parish Compensation* - Because of the increasing number of yoked parishes in the Diocese, the Commission continues to assess compensation arrangements to ensure that clergy receive equitable pay.

*Supply Priest Compensation* - a growing number of parishes in the Diocese are being served by long-term supply priests. The Commission continues 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 Commission on Wellness uses an industry-standard approach to update minimum clergy compensation levels annually in compliance with the Diocesan Canons. Each year, the Consumer-Price-Index (CPI-U) change for the Philadelphia Market is calculated from June to June, using data from the United States Bureau of Labor Statistics (BLS). 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.

**This ends the formal text for resolution RB 2023.**

The following information 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 responsible for setting and managing clergy compensation. You are encouraged to review, discuss, and act consistently 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.

The CoW required and available benefits, contribution levels, related policies, and information are available on the Diocesan website. The parity provisions of the DHP became mandatory on 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*.

### **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 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.

Members of the CoW, in concert with the Canon for Finance and the Canon for Transitions, are available to consult with vestries, search committees, and clergy to offer recommendations

regarding clergy compensation at the beginning of a call or for adjustments during clergy tenure. They are recommendations, not policies, and do not require review or approval by Convention.

Each year, the CoW will send the approved compensation resolution to all Diocese wardens for budgeting purposes and to encourage open, ongoing conversation between vestries and their clergy about healthy, generous ministry.