

# **2024 CLASSIS SALARY SCALE REPORT**

## **CLASSIS OF CENTRAL CALIFORNIA, Reformed Church in America**

### **Base Salary and Housing Allowance: Minister of Word and Sacrament and Commissioned Pastors.**

The recommended minimum salary scale is intended to be a tool for transparency and advocacy, providing a starting point for **base salary** annual reviews for ordained Ministers of Word and Sacrament and Commissioned Pastors.

### **The Case for a Minimum Base Salary Recommendation**

Base salary and benefits that exceed the minimums in the classis salary scale remain under the jurisdiction of each church and subject to fair and reasonable negotiations between the consistory and the pastor, based on annual performance reviews.

A pastor's salary should ensure sufficient support, from all sources of income, such that financial need and time requirements for all roles, do not harm the pastor's health, his family's well-being, or interfere with the work to which the pastor has been called. Compensation and balance should be discussed often and early. In the event that Churches are financially unable to meet the minimum salary scale, they must notify the Stated Clerk prior to establishing a salary for the following year.

Consistories in consultation with the pastor, should develop a well-conceived, fair, and equitable plan that meets the above criteria. The Classis Minister will restart Triennial visits to pastors and consistories to help guide the process and encourage annual reviews. A good practice to consider when conducting an annual review is to ask the pastor, "Do you and your spouse feel adequately compensated?"

### **Churches With Small Budgets**

Churches with small budgets and membership may need an alternate standard for establishing an appropriate salary. Presently, many churches are planted or pastored by bi-vocational pastors. Many churches do not have the resources for what could be described as a historically typical budget. Again, the purpose of an annual review is to ensure sufficient support, from all sources of income. Such a church should consider if they are paying their pastor what a similarly budgeted non-profit organization are paying executive leadership in their community.

### **Minimum Base Salary and Minimum 403(b) Contribution Calculation**

Given our season of transition, the Classis base salary recommendation for 2024 is simplified to two methods, like other classes:

- METHOD 1 - Continue utilizing the Consumer Price Index (CPI) to increase your pastor's salary.
- METHOD 2 - Use the RCA Board of Benefits Services (BOBS) Effective Buying Power per Household (EBPH) minimum base salary.

METHOD 1: For decades traditional churches have utilized the Classis Salary Scale based upon the Consumer Price Index (CPI) produced by the Bureau of Labor Statistics, U.S. Dept. of Commerce to guide recommendations (*See APPENDIX*). The big takeaway from the appendix charts is that the CPI no longer indicate a disparity between the Bay Area and the Western Region.<sup>1</sup> If anything prices in the valleys are accelerating. Notwithstanding, it is prudent to simply recommend one CPI increase for our entire classis.

For the 12-month period ending July 2023 the CPI for Bay Area and Western Region, was up on average 3.2% year over year. Using this method, simply increase your pastors present salary by 3.2%. **However, all churches served by Ministers of Word and Sacrament (MoWS) will eventually need to catch up to the EBPH minimum or exceed it, to align with BOBS guidance.**

METHOD 2: The EBPH minimum base salary scale (*see below*) is the scale the RCA/Classis requires for “new pastors” and fulfills the requirements of the RCA’s Book of Church Order Call to a Minister of Word and Sacrament (Formulary #5), subscribed to by all calling consistories, and aligns with BOBS annual calculation of required “contributions” paid to the minister’s Reformed Church in America retirement plan.

This two-method guidance for 2024 is given with the “understanding” that several of our churches are not able to meet this guidance – this is a historic reality. Nonetheless, any deviation should only be made in consultation with the Classis Minister, Stated Clerk and the pastor to develop a well-conceived, fair, and forward-looking plan for pastoral compensation.

The EBPH minimum base salary and the retirement contribution amount payable to the RCA 403(b) retirement account of eligible ministers for 2024 is calculated as the **greater** of 11% of eligible pay **or** the 2023 Effective Buying Power per Household (EBPH) minimum base salary, whichever is larger. **Benefits and base salary minimums are not required but are encouraged for Commissioned Pastors.**

**The EBPH base salary amount for 2024 is \$74,873, the minimum 403(b) contribution amount is \$8,236.**

This amount is established annually and approved by the Board of Benefits Services. It is updated based on the change in the Consumer Price Index over the 12-month period ending in June.

**EBPH Minimum Base Salary Scale – 2024**

	<b>Years of Ministry Service</b>			
	<b>0-2 Years</b>	<b>3-5 Years</b>	<b>6-10 Years</b>	<b>11+ Years</b>
<b>EBPH</b>	\$74,873	\$78,664	\$81,233	\$83,889

<sup>1</sup> Historically Central CA Classis has used data to support a separate scale for Bay Area, Sacramento and San Joaquin Valleys based upon the CPI for Bay Area and Western Region, from the 2021 salary report, “*For traditional churches the Classis Salary Scale has utilized the Consumer Price Index (CPI) produced by the Bureau of Labor Statistics, U.S. Dept. of Commerce to guide recommendations. The CPI for the Western Region for the past 18+ years.*”

## **Housing Allowance**

Churches are encouraged to continue and or begin building into their minister's total compensation package a fair and equitable housing allowance, which is on top of their salary. The RCA Board of Benefit Services recommends the value of housing be based on the average rent of a 3-bedroom, 2-bath home within a 5-mile radius of the church, including utilities, or 40% of the base salary.

## **Automobile Mileage Allowance**

The recommended **auto mileage allowance beginning January 2023** is **\$0.655 per mile** (IRS tax limit as of this date).

## **Insurance**

Medical insurance shall be provided for Ministers of Word and Sacrament and their dependents through the Reformed Benefits Association (RBA). Equivalent medical insurance coverage shall be provided through the Affordable Care Act. Group life, long-term disability shall also be provided for the Ministers of Word and Sacrament and Commissioned Pastors through the RCA Board of Benefits Services.

## **Professional Development**

Minimum one week of study leave, ***plus*** 1/52 of salary for books and course/seminar fees.

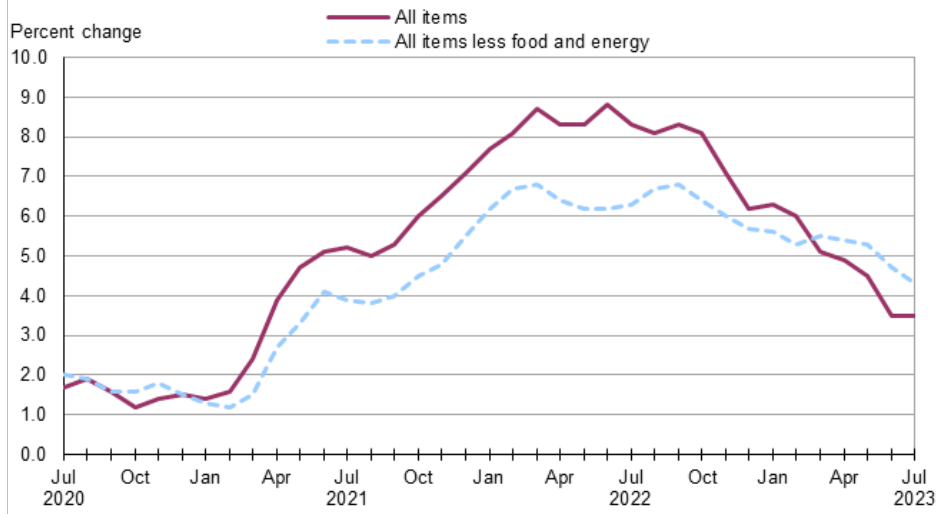
The annual contribution for part-time minister's retirement plan account is calculated using the 11% formula described above except the minimum annual contribution does not apply.

Please remember the calculations for EBPH purposes are based on cash base salary and housing, and do not include other benefits such as vehicle, or education assistance allowances, or salary gross ups to assist with Social Security obligations. Base salary does include taxable compensation added beginning in 2014 for those ministers who are purchasing medical insurance for themselves and their families through a federal or state Marketplace in accordance with the provisions of the Affordable Care Act.

For more information on the RCA benefit plan, visit website: **[benefits@reformedbenefits.org](mailto:benefits@reformedbenefits.org)**.

*Compiled: August 30, 2023*

**Chart 1. Over-the-year percent change in CPI-U, West region, July 2020–July 2023**



**Chart 1. Over-the-year percent change in CPI-U, San Francisco-Oakland-Hayward, CA, June 2020–June 2023**

