

September 28, 2023

To the Churches and Pastors of the Classis of Central Iowa:

The Classis of Central Iowa is responsible for annually reviewing and updating compensation requirements and other recommendations for use by churches in the Classis. For 2024, the Classis of Central Iowa Stewardship Team and Culture Team recommended a 3.5% increase in salary minimums. This recommendation was submitted for approval at the September 28, 2023 Classis meeting.

The 3.5% increase is consistent with a recommendation from the Administrative Team of the Synod of the Heartland, which developed their recommendation after consideration of recent numbers for the Cost of Living index (COL) and the Consumer Price Index (CPI). The increase in salary minimums for 2023 was 6%. The attached document provides details of the compensation requirements and other recommendations for 2024, including both salary and benefits.

Beginning in 2021 and continuing for 2022, 2023 and 2024, a new method is used to determine the table of base minimum salaries for ministers when a parsonage is provided (page 10). It is now calculated using the same amount as for ministers having a housing allowance (page 9) and adjusted to deduct that housing allowance. This change results in slightly larger minimums on page 10 than would have been the case using the old methodology. This affects a small number of ministers in the Classis.

Please note the "years of service" factor for salary minimums as found on pages 9 and 10. Examples are provided and a spreadsheet named "2023 CCI Minimum Salary Calculator" is available to assist with this calculation. Considering the 3.5% base increase along with the years of service factor, **the Classis-required minimum compensation amount for a given individual would increase by more than 3.5% from 2023 to 2024. Note: "Years of service" means all of the minister's years of service, not just those served in their current church.**

We also encourage churches to recognize other factors such as extraordinary performance, increased responsibility or other unique factors, which should be considered when determining salary. **As always, churches are encouraged to give increases over the minimum requirements when justified by performance evaluations.**

In addition to the changes in salary minimums, there is a change for 2024 to the required minimum contribution to the RCA Benefit Plan with respect to the Effective Buying Power per Household (EBPH) amount. The EBPH amount for 2024 is \$8,236. See page 6 for details.

Please contact me if you have questions. Thank you.

Andy Nielsen, Chair  
Classis of Central Iowa Stewardship Team  
anielsen1020@gmail.com  
515-669-1510

**CLASSIS OF CENTRAL IOWA**

**Reformed Church in America**

**FOLLOWING CHRIST IN MISSION**

**2024**

**Compensation Requirements**

**and**

**Other Recommendations**

Approved at the September 28, 2023 Classis Meeting

## **Glossary**

### **Congregation Size**

Churches measure size and extent of ministry in different ways. Definition of “membership” varies from a conventional concept to a more restrictive qualification. The concept of signing a covenant is used by some congregations. The scope of ministry may be determined by the community being served. If a large number of unchurched families (homes) look to that church as needs arise, this is a ministry to be recognized.

Each church should determine its scope of ministry to determine size.

### **Location Type**

- Metro – Large population areas such as Des Moines, having the highest cost of living.
- Mid-Size – Communities with population size less than metro – perhaps even similar in size to rural – but located on the edge of a metro area or having community characteristics more similar to metro. Medium cost of living.
- Rural – Located in small towns and having the lowest cost of living.

Each church should consider their particular situation and determine which of the above three location types best describes their community.

### **Salary**

Salary is basic compensation determined each year for pastoral services. Salary does not include the cost or value of medical insurance, pension, automobile expenses, other pastoral expenses, or any other benefits stated or implied.

### **Housing**

An adequate parsonage or housing allowance shall be provided.

If a parsonage is provided, the congregation shall assume all costs of maintenance and utilities (other than personal long-distance calls). In addition, the congregation should provide and maintain major appliances in the parsonage, and establish a regular review of maintenance and upkeep.

**Minimum Compensation Requirements  
for Full-Time Ordained Ministers of Word and Sacrament who are  
Pastors\* or Ministers\* Serving a Church Under a Call  
Classis of Central Iowa  
2024**

\* Includes Senior/Lead Pastor, Associate Pastor, Minister of Evangelism, Youth Pastor, Children's Pastor, etc. if they are full-time ordained Ministers of Word and Sacrament who have been installed at a church based on a call.

**The Call**

The call issued to a pastor is a covenant, which addresses the relationship between a pastor and a congregation. The pastor is expected to perform certain services in his/her ministry among the congregation, and the congregation is expected to provide remuneration to the pastor in a manner that may keep him/her from pre-occupation with financial concerns. This covenant normally limits the pastor's employment to the church and is an obligation clearly undertaken by the church.

**Goals**

Every consistory needs to be involved with their pastor(s) in setting specific goals for both the pastor(s) and the church in order to lead the church in mission for Jesus Christ. Financial considerations are part of this two-way accountability and communication.

**Performance Review**

The performance review requirement of the Book of Church Order (BCO) (Chapter 1, Part 2, Article 7, Sec 1h) should be conscientiously pursued on an annual basis. An important component of performance evaluations of all positions relates to the job description, goals, and objectives.

**Personnel Committee**

We encourage that each consistory appoint a personnel committee to work with all church staff members. Realizing there are differences from church to church, the details of the personnel committee are left to the individual congregation. The following guidelines identify the basic tasks/duties of a personnel committee:

- a. Meets at least annually with each pastor and staff member, including spouses.
- b. Reviews goals set for each position and discusses with each pastor and staff person how the goals fit into the vision of the church.
- c. Reviews the past performance of the pastor(s) and staff persons, with the senior pastor to be responsible for the review of associate pastors and staff, in consultation with the personnel committee.
- d. Acknowledges superior achievements and extraordinary service with public recognition and affirmation.
- e. Discusses general employment concerns with pastor(s) and staff persons.
- f. Discusses specific financial needs, which include salary, housing, insurance, continuing education, retirement, transportation reimbursement, etc., as applicable.

- g. Considers financial needs beyond the day-to-day living expenses such as medical expenses, education costs, and emergencies.
- h. Discusses other needs such as family crisis, illness, marital stress, emotional health, and job satisfaction.
- i. Gives support and encouragement.
- j. Seeks to facilitate and build good relationships among church staff members.
- k. Serves as the committee link between staff and consistory.

### **Compensation**

Compensation must be practical and fair. Attention should be given to similar service positions in the community. The salary scale is a minimum standard only. In addition to fulfilling this standard, workload, recognition of job performance, and attention to special needs should be considered within the process of salary determination. Compensation should assure sufficient support so that financial problems do not interfere with the pastor's best work!

**Minimum Compensation Requirements (continued)  
for Full-Time Ordained Ministers of Word and Sacrament who are  
Pastors\* or Ministers\* Serving a Church Under a Call  
Classis of Central Iowa  
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**RCA Retirement Plan**

Mandatory contributions of 11% of salary plus housing allowance (or fair market housing value), or the Effective Buying Power per Household (EBPH) as determined by the Board of Benefits Services, whichever is greater. The 2024 amount for EBPH is \$8,236. The EBPH minimum does not apply to part-time personnel. If parsonage is provided, the 11% contribution calculation uses a base amount of 140% of salary. The RCA Board of Benefit Services has determined the EBPH for 2024 to be \$8,236. Check <https://www.rca.org/airb> for the 2024 version of this document, which contains examples of RCA Retirement Plan calculations.

**Social Security**

As of January 1, 2007, pastors in the Classis of Central Iowa are to be reimbursed for Social Security and Medicare payments at the rate of one-half of the rate payable by a self-employed person. This reimbursement is calculated on the base salary plus housing. Pastors are encouraged to be a part of the Social Security system. However, if the pastor opts out of the program, an equal allowance is to be made for another appropriate retirement program. The church shall require evidence that this retirement concept has comparable benefits. The Stewardship Team members are available to answer questions, and assist in assuring compliance.

**Medical and Dental Insurance for pastor and family**

This changed in 2014. The requirement still stands, but it can be satisfied in a number of ways. The best coverage choices may vary considerably from one pastor to another, and each should look to the RCA Board of Benefits and other sources for guidance.

**RCA Long Term Disability Insurance for pastor**

**RCA Life Insurance for pastor**

**RCA Long Term Care Insurance**

The current plan from UNUM will no longer be open to new enrollees. Due to that

and the uncertainty in the Long-Term Care insurance market and the variation in needs of pastors, maintaining this coverage became recommended rather than required effective January 1, 2014. Consistories are encouraged to continue assisting pastors in paying for Long Term Care insurance, but each consistory should determine the extent and means of this support, assuring that this does not cause a reduction in a pastor's overall compensation. Before dropping out of the UNUM plan pastors are encouraged to make certain they would be eligible for a plan that may better meet their needs.

**Vacation: Minimum four weeks (Four Sundays)**

**Professional Development**

A minimum of one week with a stipend equal to no less than 1/52 of the annual base salary (excluding housing allowance). By mutual agreement, this time and money can be accumulated up to the maximum equivalent of four years of service. This program of study must be approved by the Consistory and should be mutually beneficial to the church and the pastor.

**Car Allowance**

Use of car for ministry purposes reimbursed at the IRS mileage rate.

**Fees and Honoraria**

- The pastor is entitled to retain fees and honoraria for his/her personal services except the fees for classical appointments shall be delivered to his/her church treasurer.
- It is recommended that pastors receive a minimum honorarium of \$150 for a morning service (with appropriate adjustment for multiple services), and \$150 for evening services as well.
- Mileage reimbursement at the current IRS rate will be paid to the pastor.

**Other Compensation Recommendations (but not required)  
for Full-Time Ordained Ministers of Word and Sacrament who are  
Pastors\* or Ministers\* Serving a Church Under a Call  
Classis of Central Iowa  
2024**

\* Includes Senior/Lead Pastor, Associate Pastor, Minister of Evangelism, Youth Pastor, Children's Pastor, etc. if they are full-time ordained Ministers of Word and Sacrament who have been installed at a church based on a call.

**Sabbaticals:**

Consistories are encouraged to adopt a policy of granting pastors at least a six-week sabbatical after seven years of service. The sabbatical would be scheduled at a time mutually agreed upon by the pastor and consistory. The plan of study would be validated by an accountability agreement in the pastor network, and the details would be approved by the consistory with the clear intention that the sabbatical benefit both the church and the pastor.

**Leave of Absence:**

Occasionally staff members need a significant amount of time off from work for important, compelling, or emergency personal reasons. Pastors or fulltime staff members with 12 months of continued employment may request a Leave of Absence (LOA).

Reasons considered for a LOA may include:

- Birth of a child
- Placement of a child with the staff member for adoption or foster care
- Caring for a spouse, child, or parent with a serious health condition
- A serious health condition of the pastor or staff member

Leaves may be granted for periods from 14 days up to 90 days during any given 12-month period, depending on individual circumstances. In this sense, LOA differs from, and is used after, other forms of absence (i.e. vacation, sickness, study, funeral, or holiday leave, etc.). When possible, a request for a LOA will be completed in advance, submitted to the appropriate church leadership, and approved by the consistory.

The LOA is uncompensated time off. Pastors and staff members are asked to indicate an estimated time of absence and are required to give a two-week notice of intent to return to work. Absences for personal medical reasons may require a medical release statement outlining any restrictions or special conditions of work, and an approved return to work authorization. Upon return, the staff member will be restored to his/her position, or an equivalent position.



**Required Minimum Salary Including Housing Allowance  
for Ministers of Word and Sacrament who are  
Full-Time Senior Pastors Serving a Church Under a Call**

**Required Minimum Salary Including Housing Allowance  
Congregation Size**

<u>2024</u>	<u>Up to 250</u>	<u>250 - 500</u>	<u>500 - 750</u>	<u>750+</u>
<b>Metro</b>	<b>\$79,482</b>	<b>\$87,952</b>	<b>\$98,873</b>	<b>\$109,794</b>
<b>Mid-Size</b>	<b>\$74,274</b>	<b>\$82,254</b>	<b>\$92,108</b>	<b>\$101,959</b>
<b>Rural</b>	<b>\$70,526</b>	<b>\$78,182</b>	<b>\$87,465</b>	<b>\$96,747</b>

See Glossary on page 3 for definitions of Congregation Size and Location Type.

The salaries above include housing allowance using the following schedule:

Metro	<b>\$20,400</b>
Mid-Size	<b>\$17,700</b>
Rural	<b>\$15,000</b>

The minimum cash salary (excluding housing allowance) shall be adjusted by an additional 0.75% per year to recognize years of service. A spreadsheet named “2024 Minimum Salary Calculator” will be available to assist with this calculation. Two examples are provided here:

Examples for Senior Pastors with a Housing Allowance Provided:

(A) The minimum salary for a Senior Pastor in a Metro church with a congregational size of 400, and with 11 years of service, would be computed as follows:

Amount from above table (Base Salary):		\$	87,952	
Less housing allowance included in table			20,400	
Base salary without the housing allowance		\$	67,552	
Years of service	11			
Adjustment factor - years of service times .75%	8.25%		1,0825	(100% plus 8.25%)
Minimum required cash salary prior to adding the housing allowance		\$	73,125	
Add back housing allowance			20,400	
Minimum required cash salary with housing allowance		\$	93,525	

(B) The minimum salary for a Senior Pastor in a Rural church with a congregational size of 200, and with 9 years of service, would be computed as follows:

Amount from above table (Base Salary):		\$	70,526	
Less housing allowance included in table		\$	15,000	
Base salary without the housing allowance		\$	55,526	
Years of service	9			
Adjustment factor - years of service times .75%	6.75%		1,0675	(100% plus 6.75%)
Minimum required cash salary prior to adding the housing allowance		\$	59,274	
Add back housing allowance			15,000	
Minimum required cash salary with housing allowance		\$	74,274	

**Required Minimum Salary When Parsonage Is Provided  
for Ministers of Word and Sacrament who are  
Full-Time Senior Pastors Serving a Church Under a Call**

**Required Minimum Salary When Parsonage Is Provided  
Congregation Size**

<u>2024</u>	<u>Up to 250</u>	<u>250 - 500</u>	<u>500 - 750</u>	<u>750+</u>
<b>Metro</b>	<b>\$59,082</b>	<b>\$67,552</b>	<b>\$78,473</b>	<b>\$89,394</b>
<b>Mid-Size</b>	<b>\$56,574</b>	<b>\$64,554</b>	<b>\$74,408</b>	<b>\$84,259</b>
<b>Rural</b>	<b>\$55,526</b>	<b>\$63,182</b>	<b>\$72,465</b>	<b>\$81,747</b>

See Glossary on page 3 for definitions of Congregation Size and Location Type.

The salaries above do not include a housing allowance because a parsonage is provided.

The minimum cash salary (excluding the value of providing a parsonage) shall be adjusted by an additional 0.75% per year to recognize years of service. A spreadsheet named “2024 Minimum Salary Calculator” will be available to assist with this calculation. Two examples are provided here:

Examples for Senior Pastors with a Parsonage Provided:

(A) The minimum salary for a Senior Pastor in a Metro church with a congregational size of 400, and with 11 years of service, would be computed as follows:

Amount from above table (Base Salary):		\$	67,552	
Years of service	11			
Adjustment factor - years of service times .75%	8.25%		1.0825	(100% plus 8.25%)
Minimum required cash salary		\$	<u>73,125</u>	

(B) The minimum salary for a Senior Pastor in a Rural church with a congregational size of 200, and with 9 years of service, would be computed as follows:

Amount from above table (Base Salary):		\$	55,526	
Years of service	9			
Adjustment factor - years of service times .75%	6.75%		1.0675	(100% plus 6.75%)
Minimum required cash salary		\$	<u>59,274</u>	

**Minimum Compensation Requirements and Recommendations  
for Other Ministry Categories  
Classis of Central Iowa  
2024**

**Full-Time Ordained Other Pastors and Ministers Serving a Church Under a Call**

**Requirement:** Full-time ordained Ministers of Word and Sacrament, who have been installed at a church based on a call but who are not the senior (lead) pastor, shall receive at least 70% of the applicable base salary shown on page 9 or 10, plus .75% per year of service, and shall be provided the standard RCA benefit package as shown on pages 6 and 7. Examples of positions in this ministry category include Associate Pastor, Minister of Evangelism, Youth Pastor, Children’s Pastor, etc. if they are full-time ordained Ministers of Word and Sacrament, who have been installed at a church based on a call.

**Full-Time Commissioned Pastors**

**Recommendation:** Commissioned Pastors who serve as the senior pastor of a congregation are recognized as having the same calling and giftedness. For this reason, we recommend that the same salary/benefit schedules listed earlier in this document for Ministers of Word and Sacrament be considered for full-time commissioned pastors. For commissioned pastors who are associates rather than senior pastors, we recommend using the same 70% rule as above. All contracts with commissioned pastors require the approval of the Classis.

**Ordained Pastors Serving a Church Under a Contract**

**Recommendation:** Pastors serving part-time or full-time under a contract are not bound by the salary schedule, because such contracts can vary significantly. However, the principles of fairness, compensation for workload, and rewarding job performance need to be considered when determining compensation. Any provisions or payment of provisions in lieu of base salary may be negotiated between the pastor and the church. All contracts with ordained ministers serving under a contract require the approval of the Classis.

**Other Full-Time and Part-Time Church Personnel**

**Recommendation:** Because communities vary in size and cost of living, it may be helpful to identify the compensation paid for comparable positions in your community, such as at your local school. Remember, churches set examples for their congregations and their communities. If church consistories do not provide their employees fair and equitable compensation and benefits which are commensurate with the duties of the position, and do not provide equal pay for equal work regardless of other variables including, but not limited to, gender, they fail to set good examples for their congregations and communities and are likely violating government wage laws.

## ADDENDUM I

Increasingly, pastors are given the privilege of purchasing their own home. Churches, as well as Classes and Regional Synod may be asked to consider making loans for down payments on homes, or for other major purchases. Charging no interest or a low rate below the market rate creates problems for the following reasons:

1. Many state nonprofit corporation laws prohibit loans to officers and directors. No loans should be made (even at a reasonable rate of interest) to a minister who is an officer without first confirming that such loans are permissible under state law.
2. No interest or low interest loans to ministers may be viewed as “inurement” of the church’s income to the minister. This can potentially jeopardize the church’s tax-exempt status.
3. A church must determine the value of no interest or low interest loans, and add this amount to the minister’s reportable income. This must be reported to the IRS on the minister’s W-2, or 1099-MISC.
4. If a judicatory determines it can make loans, care must be taken to assure that this does not require qualification and reporting as a financial institution.