

August 2023

Dear Clerks and Consistories,

A continuing responsibility given to the Regional Synods is developing and modifying compensation guidelines for use by classes and churches. We want to again emphasize these are *guidelines*. The Regional Synod of the Heartland does not determine compensation, that is the responsibility of the classis as it approves calls and contracts. We encourage classes and congregations to have a good and thoughtful process which would include collaborative conversation engaging pastors and church leaders around Biblical mission and purpose, and which focuses on congregational health and mutual ministry goals.

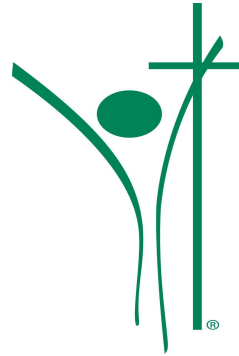
Our process for evaluating the compensation tables includes study of the Cost-of-Living index (COL) and the Consumer Price Index (CPI), using figures from the Bureau of Labor Statistics through June of 2023. We then collectively make our best evaluation on the probable values at the end of the year. The overall rate recognizes all factors, including housing and utilities. Unfortunately, our economy can be hard to predict, making our task difficult. Based on the data analyzed, including an inflation rate of 3% (most recent CPI number) and the fact that 6% was low for 2023, our recommendation is to increase the compensation tables at a rate of 3.5%.

We continue to study our system by checking comparison data available from other Regional Synods and market place reviews in different areas of the Synod. We compare very favorably.

As outlined in the BCO, the Regional Synod of the Heartland is a resource. Synod staff are available for questions and to provide service and direction.

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**SYNOD OF THE HEARTLAND
Reformed Church in America
FOLLOWING CHRIST IN MISSION**

Compensation Guidelines for 2024

Congregations receive their pastors as servants of Christ and proclaimers of the Gospel, and similarly they receive their other ministers and staff members as people entrusted with a particular ministry in service to the Gospel.

Scripture directs us to responsibly recognize our pastors and employees with appropriate compensation.

Luke 10 vs 7: "...for the laborer deserves his wages."

I Corinthians 9 vs 14: "The Lord commanded that those who proclaim the Gospel should get their living by the Gospel."

I Timothy 5 vs 18: "The laborer deserves his wages."

The Synod of the Heartland offers these guidelines to classes and congregations in order to help them provide adequate and fair compensation for those who labor for us in the Gospel.

GLOSSARY

Congregational 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 the church as needs arise, this is ministry to be recognized.

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

Salary – Salary is the 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. Annual basic cost of living adjustments should not be considered as a basic salary increase.

Housing – An adequate parsonage or housing allowance shall be provided.

If a parsonage is provided, the congregation shall assume all costs for maintenance and utilities. In addition, the congregation should provide and maintain major appliances in the parsonage, and establish a regular review of maintenance and upkeep.

If a “total compensation” package is used, the compensation should recognize appropriate housing for the clergy’s family needs.

SYNOD OF THE HEARTLAND

2024 MINISTERIAL COMPENSATION GUIDELINES

GUIDELINES FOR DETERMINING THE SALARY AND PROVISIONS FOR MINISTERS OF WORD AND SACRAMENT

The Synod of the Heartland each year recommends guidelines for its classes. Each classis then considers this guideline as it establishes a minimum standard for salaries, in order that pastors in the classis are adequately and appropriately compensated. While these guidelines do not apply to non-ordained personnel, certain elements of administration are applicable to all personnel. Accordingly, some reference to both pastor and staff will be included.

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, m) 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. A valuable resource in establishing these guidelines can be found on the Christianity Today website "Building Church Leaders": www.bclstore.com/products/church-staff-evaluations.

Personnel Committee: It is recommended that each church appoint a personnel committee, within the consistory, to work with all church staff members. Realizing that there are differences from church to church, the details of the personnel committee are left to the individual church. The following guidelines identify the basic tasks/duties of a personnel committee.

- a. Meets with each pastor and staff member quarterly, preferably including the pastor's spouse each year.
- b. Sets goals 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 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 and transportation reimbursement, as applicable.
- g. Consider financial needs beyond the day-to-day living expenses such as medical expenses, education costs, and emergencies.
- h. Discusses other needs such a family crisis, illness, marital stress, emotional health, and job satisfaction.
- i. Gives support and encouragement.
- j. Discusses and facilitates good relationships between church staff members.
- k. Serve as the communication link between staff and consistory.

Salaries: Salaries 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. A salary should assure sufficient support so that financial problems do not interfere with a pastor's best work!

Employment Provisions: These items are included as part of the minimum salary requirements that apply to full-time Ministers of Word and Sacrament.

1. Retirement Fund: Full contributions including salary and fair market housing value must be made to the RCA Retirement Plan, as required by the BCO Call Form.
2. Required Insurance Coverage: **Because of major changes in the RCA Insurance Policy, please talk to your Classis Clerk before doing anything.** Major Medical (including family), Group Life, and Long-Term Disability to be provided by the church as required in the BCO call form. Dental and Long Term Care (including family) are optional and may be added to the required insurance provisions. It is strongly recommended that consideration be given to include Long Term Care to the package, recognizing the financial impact incurred if and when such care is needed. For complete information go to www.rca.org/benefits or call the Benefits Services helpline 866-221-5480. For help with Life and LTD insurance, call RCA Board of Benefits Services Retirement Office at 1-866-221-5480 and select option #2.
3. Housing: The church shall provide the pastor with the use of a parsonage, including all utilities. If a parsonage is not provided, each church should recognize appropriate housing costs in measuring the total compensation package.
4. Social Security. Pastors shall be reimbursed for a portion of their contribution to Social Security equal to the amount that would be contributed by the church if the pastor were considered its employee. Social Security contributions are 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. Synod staff are available to answer questions, and assist in assuring compliance.
5. Professional Development: As required in the call form of the BCO, a minimum of

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

6. Vacation: The minimum amount of vacation time granted each year shall be four weeks (including four Sundays). Carry over from year to year is subject to consistory approval.
7. Car Allowance: Use of a car for ministry purposes shall be reimbursed at the IRS mileage rate.
8. Leave of Absence: Occasionally staff members need a significant amount of time off from work for “important,” “compelling,” or “emergency” personal reasons. Pastors or full-time 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.

Recommended Provisions:

1. Sabbatical: It is recommended that consistories adopt a policy of granting pastors a three-month sabbatical after seven years of service. The sabbatical shall be scheduled at a time mutually agreed upon by the pastor and consistory. The plan for the study program must be approved by the consistory with the clear intention that the sabbatical benefit both the pastor and the church.
2. Ministerial Couples: It is recommended that the consistory of a church served by a ministerial couple be sensitive to the possibility that a shared position can decrease those pastors’ retirement and social security payments, thus placing them at a disadvantage when they retire. Those consistories are urged to consider paying more

- than the minimum retirement and/or social security benefit to correct this inequity.
3. Associate Pastors: The salary schedule will apply to all full-time Ministers of Word and Sacrament. It is recommended that the associate pastor's minimum compensation be 70% of the senior pastor schedule.
 4. Part-time Contracts: Part-time contracts are not bound by the salary schedule, because such contracts can vary significantly. However, the principles of fairness, compensation for work load, and rewarding job performance need to be considered when determining compensation. This use of the salary scale on a pro-rated basis is advised. 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 and commissioned pastors require the approval of the Classis.
 5. Commissioned Pastors: Commissioned Pastors who serve as the senior pastor of a congregation are recognized as having the same calling and giftedness, and will be under the same salary/benefit guidelines as an ordained Minister of Word and Sacrament. Those commissioned pastors in associate positions will come under the same salary/benefit guidelines as ordained associates.

Fees and Honorariums:

1. The pastor shall be entitled to retain fees and honorariums for his/her personal use, except the fees for classical appointments shall be delivered to his/her church treasurer.
2. Mileage reimbursement should not be considered as part of the classical appointment fee. The mileage reimbursement (at the IRS rate) will be payable to the pastor.
3. We recommend a \$150.00 honorarium be given for pulpit supply.

**2024 Synod of the Heartland
Minimum Compensation Guidelines
Concept #1 (includes housing)**

Ministry	Up to 250	250-500	500 Plus
Metro	79,482	87,952	109,794
Mid-Size	74,274	82,254	101,959
Rural	70,526	78,182	96,747

Definition of Categories:

Metro – these are the large population areas of our Synod (Minneapolis, Des Moines, Kansas City, Omaha, Lincoln, etc.) and would have the highest cost of living.

Mid-Size – this is a “gray area” in determining a population category. Congregations may be located in small communities near metropolitan areas which would have a higher cost of living than similar size towns in a more rural setting. Local cost of living factors may well be more important to consider than census data. Congregations in situations like this will have to determine which category they are in.

Rural – many of our congregations are located in small towns and this will be an easy category to select. In other places, this might be more difficult to determine. Is Pella, Iowa, with a population of over 10,000 people in the same category as Adams, Nebraska with a population of 620? Here again, congregations will need to look at their community and determine if their cost-of-living is more in line with rural communities or the larger populations areas nearby.

The group charged with determining salary recommendations for pastors and staff should consider their situation and what category best describes the community in which they live. The Synod offers these categories as a means to beginning the discussion.

The minimum should be adjusted by an additional .75% per year to recognize years of service with a maximum of 20 years. Any adjustment after 20 years should be figured by merit.

We suggest the following for full-time Non-Ordained Associates, and all other personnel considered to be full-time (represented as a function of the Senior Pastor):

Non-Ordained youth and/or education 60%*

Music (full-time) 60%*

Secretary – Treasurer 45%*

Custodian 47%*

The above anticipates 40 hours per week. For fewer hours, reduce to an hourly wage. The benefit package for non-ordained personnel should include the following, although not necessarily through the RCA.

Annuity – churches select from programs independently available

Life insurance

Medical and dental

Long-term disability

Professional Development (other than secretary-treasurer and custodian) 1/52 of base pay

Social security

IRS mileage

*These scales are intended for use by classes and churches in establishing compensation policy for the individual characteristics of each group. Churches may want to use the comparative approach as suggested in Concept #2.

**2024 SYNOD OF THE HEARTLAND
MINIMUM COMPENSATION GUIDELINES
CONCEPT #2 (Parsonage Provided)**

**MINISTRIES
Up to 250 Members**

Year	Rural	Mid-Size	Metro
1	48,663	52,497	57,837
2	49,785	53,617	58,959
3	50,908	54,743	60,085
4	52,028	55,865	61,207
5	53,151	56,987	62,328
6	54,274	58,113	63,452
7	55,399	59,238	64,577
8	56,522	60,358	65,698
9	57,646	61,481	66,821
10	58,767	62,604	67,945
11	59,518	63,353	68,694
12	60,265	64,102	69,443
13	61,017	64,850	70,191
14	61,764	65,600	70,940
15	62,512	66,346	71,685
16	63,259	67,098	72,438
17	64,010	67,848	73,185
18	64,761	68,594	73,934
19	65,505	69,344	74,684
20	66,254	70,092	75,430

Non-ordained – average compensation for similar positions in community being served.

**2024 SYNOD OF THE HEARTLAND
MINIMUM COMPENSATION GUIDELINES
CONCEPT #2 (Parsonage Provided)**

**MINISTRIES
250-500 Members**

Year	Rural	Mid-Size	Metro
1	55,215	60,673	66,516
2	55,967	61,421	67,266
3	56,714	62,173	68,013
4	57,462	62,919	68,763
5	58,209	63,670	69,507
6	58,958	64,416	70,259
7	59,708	65,165	71,008
8	60,456	65,917	71,756
9	61,206	66,664	72,505
10	61,953	67,415	73,254
11	62,701	68,160	74,003
12	63,451	68,908	74,753
13	64,200	69,659	75,496
14	64,947	70,407	76,248
15	65,697	71,155	76,996
16	66,447	71,904	77,744
17	67,194	72,652	78,496
18	67,944	73,401	79,243
19	68,693	74,151	79,992
20	69,442	74,900	80,740

Non-ordained – average compensation for similar positions in community being served.

**COMPENSATION GUIDELINES
CONCEPT #2 (Parsonage Provided)**

**MINISTRIES
500 Plus Members**

Year	Rural	Mid-Size	Metro
1	62,670	70,078	76,491
2	62,905	70,329	76,682
3	63,178	70,626	76,987
4	63,374	70,849	77,218
5	63,739	71,118	77,504
6	64,030	71,373	77,778
7	64,365	71,680	78,111
8	64,690	71,980	78,358
9	65,305	72,532	78,886
10	66,106	73,342	79,701
11	66,903	74,159	80,514
12	67,702	74,971	81,328
13	68,501	75,789	82,143
14	69,300	76,603	82,956
15	70,098	77,373	83,774
16	70,898	78,230	84,587
17	71,695	79,048	85,403
18	72,498	79,859	86,218
19	73,297	80,676	87,033
20	74,006	81,491	87,847

Non-ordained – average compensation for similar positions in the community being served.

ADDENDUM REGARDING LOANS TO PASTORS/STAFF

Increasingly, pastors are given the privilege of purchasing their own home. Churches, as well as classes and the 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 churches income to the minister. This can potentially jeopardize the churches 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.