

## Fair & Just Compensation for Church Workers

*A Resource for Local Churches, Authorized Ministers, and Professional Church Staff*



**2021 Edition**

Conference House: 1320 Willow Pass Rd., Suite 600 :: Concord, CA 94520  
(510) 247-8990 + [www.ncnuc.org](http://www.ncnuc.org)

*The Northern California Nevada Conference acknowledges its Conference House is on the traditional land of the Miwok and Ohlone peoples*

## Introduction to the 2020 Edition

Following its introduction in 2018, *Fair & Just Compensation* was always intended as a living resource for Local Churches and Authorized Ministers in a variety of settings. In 2020, this document has been updated to reflect changes in Ministerial Authorization, participation in Communities of Practice, and the annual update to ensure ongoing compliance with the California state minimum wage. Local Church leadership and Authorized Ministers together are encouraged to review *Fair & Just Compensation* each year to reconsider financial elements of call agreements and other terms of employment.

## Introduction to Fair & Just Compensation for Church Workers

As a church committed to justice and equity out of our Christian understanding, compensation for all employees of Local Churches in the Northern California Nevada Conference is a matter of spiritual significance. Our budgets and stewardship of financial resources, as well as our care for our employees, is a tangible expression of our faith in action.

*Now to one who works, wages are not reckoned as a gift but as something due.*

Romans 4:4

*The laborer deserves their wages.*

1 Timothy 5:18

Generally speaking, employment in Local Churches can be categorized in four broad ways:

- Authorized Ministers (those serving under 3- or 4-Way Covenant and Call Agreement)
- Program Staff (educators, youth workers, mission staff, musicians, etc)
- Support Staff (office administrators, financial clerks, etc)
- Contracted Support (pulpit supply, consultants, short-term employment)

*Fair & Just Compensation for Church Workers* is established to provide guidance to Local Churches in considering the critically important, and yet sometimes awkward and uncomfortable, process of compensating their church staff. This workbook supports Personnel Committees, Boards of Trustees, Ministerial Search Committees, Pastoral Relations Committees, Authorized Ministers, Local Church staff members, and others in navigating the waters of fair, equitable compensation.

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## Base Assumptions & Process for Determination

The previous publication of Conference guidelines for clergy fair compensation was in 1989, updated annually for cost of living increases. It is fair to presume that the Northern California Nevada Conference has changed dramatically, in all its places, in nearly 30 years!

In establishing this *Fair & Just Compensation for Church Workers* for Local Churches, the following basic assumptions support our foundation:

- Local Churches understand fair and just compensation as an expression of their Christian faith principles. The importance of the congregation's budget and care of its employees is a matter of spiritual integrity and wholeness.
- Local Churches understand fair and just compensation is not limited to the called Authorized Minister alone. All staff members, regardless of role, are critical to the day-to-day administration of the church.
- Local Churches understand ministry is mutual, and not limited to the staff alone. Church members, including staff, share in the common ministry, witness, and work together.
- Local Churches understand fair and just compensation requires honesty and authenticity. A resistance to, fear of, or aversion to change must never be borne on the backs of staff members struggling to provide for themselves through underemployment.
- Staff members are spiritually called and equipped to professional employment as a vocation. Regardless of their role, Local Church staff members understand their work as "more than a job."
- Staff members are the primary advocate for their fair and just compensation in an open, honest, and pastoral conversation. The relationship between the Local Church and its staff is best when it is empowering and regularly reevaluated.

In creating the specific Guidelines, the Full Communion partners of the United Church of Christ in our Conference geography were considered for benchmarks. These included:

- Northern California Nevada Region of the Christian Church (Disciples of Christ)
- Sierra Pacific Synod of the Evangelical Lutheran Church in America
- Presbyteries of Nevada, Redwoods, Sacramento, San Francisco, San Joaquin, San Jose, and Stockton of the Presbyterian Church (USA)
- Reformed Church in America (Central California Classis)

Additional information was compiled from the Episcopal Church, United Methodist Church, and Unitarian Universalist Association. Consideration was further included regarding minimum wage laws for exempt employees in the States of California and Nevada.

## Definitions

### *Appropriate Compensation*

Staff members of Local Churches are not always compensated at a level that is fair and just. The rate of burnout among Authorized Ministers is high; those who leave professional ministry within their first five years often identify financial challenges among the top reasons for their departure. We have no reason to believe the situation is any different for other Local Church staff members, although less research has been done on this group.

Sadly, it is not uncommon for Local Church staff to receive minimum pay for maximum workloads, or for benefits and entitlement packages to reflect a theology of scarcity, fear, and anxiety rather than one of honest authenticity or abundance. Sometimes this scarcity is justified by appeals to market forces, or couched in language that presumes one's worthiness for a job is directly related to their willingness to work at whatever pay is offered.

*The thief comes only to steal and kill and destroy;  
I have come that they may have life, and may have it abundantly.*  
John 10:10

Professional staff members of Local Churches bring their gifts, skills, training, energy, and passion, and should be compensated fairly and justly according to their education, ability, and responsibility. They should be able to provide for their own needs and those of their families with dignity and in line with other professionals in comparable positions with comparable education, ability, and responsibility.

Likewise, Local Churches deserve to be served by their staff in appropriate, skilled ways in the spirit of the terms of call for specific positions. It is the responsibility of the Local Church to establish appropriate systems of oversight in light of their mission, as well as the faith and order of the United Church of Christ.

Local Churches, because of a variety of reasons, may not be able to meet the level of appropriate compensation Guidelines outlined in this *Fair & Just Compensation for Church Workers*. Often this is in spite of best intentions. It is never appropriate for a Local Church to shift a financial burden onto its staff, regardless of role. Comments like, "No one serves in ministry for the money," have no place in a healthy, vital congregation with concern for the fair and just compensation of its staff.

In this instance, a Local Church needs to have an open, honest, and authentic conversation regarding the scope of work for a staff position, identifying appropriately the reasonable amount of work that a Local Church can adequately compensate given its capacity. More discussion of part or full time roles is later in this section, and a worksheet to assist in determining the scope of work is at the end of this book.

### *Employment or Independent Contractor*

The legal distinction between an employment or contractor relationship is an important discussion for Local Churches to have as they consider staff roles. The level of oversight, tax liability, and relationship between the worker and the Local Church establishes whether or not an employment or contractor relationship is most appropriate. Review the U.S. Department of Labor information on the topic of misclassification:

<https://www.dol.gov/whd/workers/Misclassification/index.htm>.

An independent contractor is most simply understood as one who is their own boss. An employee is most simply understood as one who is subject to the supervision, oversight, and direction of the Local Church according to its Personnel Policies and bylaws.

**IMPORTANT:** In the State of California, a higher standard – commonly referred to as the “ABC Test” – is applied in the consideration of whether or not a worker is an employee or can be considered an independent contractor.

Under the ABC Test, except for one-off pulpit supply situations, it is hard to identify a routine scenario in the life of the Local Church in which a clergyperson is able to meet the standard of an independent contractor.

Likewise, church musicians who are involved in any way with worship program planning under the direction of a church employee (like the pastor) or a church committee (like a council, diaconate, or worship board) would also likely not meet the ABC Test.

**Miscategorization of worker relationships is a civil offense!** The church as the hiring body is liable for back wages, fines, and other administrative costs in the event of a successful challenge to its labor practices. Learn more about California’s standard here:

<https://www.labor.ca.gov/employmentstatus/abctest/>.

### *Clergy Taxation & Withholding*

**Ordained** Authorized Ministers fall between these two categories. The exact relationship between a Local Church and its ordained Authorized Minister is defined by the Call Agreement and Personnel Policies, informed by its bylaws. Unlike all other staff members, ordained Authorized Ministers have different tax requirements. They are considered self-employed for purposes of FICA taxes; Local Churches apply that portion of employer tax they would otherwise pay as additional cash compensation to the Authorized Minister instead of withholding it. They are entitled to designate a portion of their compensation as Housing Allowance according to the rules outlined by the IRS.

For purposes of income tax, ordained Authorized Ministers are considered employees, and may have their state and federal income tax withheld on cash salary according to their W4 designations and reported annually on a W2 form.

Local Churches are encouraged to consult with a tax professional and employment lawyer to consider the implications of employee or independent contractor relationships to determine what is most appropriate for their setting and staff roles. Conference staff and the Office of General Counsel of the United Church of Christ are available for general questions but are not empowered to provide legal advice in either California nor Nevada. Both can refer you to qualified attorneys licensed in your state.

*Part Time or Full Time*

Appropriate compensation takes into account both what need the Local Church has to be filled by a staff member, and what the Local Church can adequately sustain financially for the duration of the staff relationship.

Throughout the planning process, it is important for the church to consider the principle of fair and just. Is the missional need of a particular role suited for an Authorized Minister or a layperson? If the finances are not adding up, is it fair and just to call an Authorized Minister for a settled position when a designated term would be more appropriate?

The Guidelines in this document are standards for **full time work**. It is an assumption of this document that Guidelines are **prorated for part time work**. This prorating is called **full time equivalency (FTE)**.

Perhaps your Local Church is considering adding a program staff person for youth ministries. In looking at the appropriate Guidelines alongside your projected budget, you realize that you can only sustain financially 50% what is listed. It is the Local Church’s responsibility to design a position that expects work of 0.5 FTE – 50% of a full time job – as fair and just compensation.

As with every role and staff person, it is appropriate to regularly review job descriptions and compensation – ideally every year. Consider the missional needs of the church as well as the value-added of a longer-term staff person in this review.

Full-Time Equivalency (FTE)	Hours per Week	Hours per Year
1.0 (“full time”)	40	2087
0.75 (“three-quarters time”)	30	1565
0.66 (“two-thirds time”)	26.67	1377
0.5 (“half time”)	20	1044
0.33 (“one-third time”)	13.33	689
0.25 (“one-quarter time”)	10	522

*Note: Hours per year is based on a 1.0 FTE calculation of 2087, following the scientific direction of the U.S. Office of Personnel Management, being more accurate than the “traditional” 2080 calculation which accounts only for 364 days in a year. Lower FTEs hours per year are calculated based on the 1.0 FTE and rounded to the nearest whole number. Review this page: <https://www.opm.gov/policy-data-oversight/pay-leave/pay-administration/fact-sheets/computing-hourly-rates-of-pay-using-the-2087-hour-divisor/> for more details.*

*Exempt vs. Non-Exempt*

The Fair Labor Standards Act applies to churches and their employees. Whether an employee is exempt from overtime pay is a question of their salary and the type of work they do. Most employees are non-exempt, meaning employers are obligated to keep timecards for these employees and apply appropriate treatment for overtime hours under both Federal and State laws. Likewise, applicable laws for breaks and time off must be recognized. The Field Operations Handbook for the U.S. Department of Labor is the definitive resource to determine the exact standards applied in order to exempt an employee from wage considerations of the FLSA: [https://www.dol.gov/whd/FOH/FOH\\_Ch22.pdf](https://www.dol.gov/whd/FOH/FOH_Ch22.pdf). Additionally, in the State of California, refer to: <http://www.dir.ca.gov/DLSE/dlse.html>. In the State of Nevada, refer to: [http://labor.nv.gov/Employer/Employer\\_Information/](http://labor.nv.gov/Employer/Employer_Information/).



## Section A: Compensation for Ordained Ministers in 3-Way Covenant

The United Church of Christ has a heritage of well-educated and deeply committed Christian leadership in its Authorized Ministers. Local Churches use educated professional leadership in equipping the whole congregation for ministry, witness, and discipleship. As such, the relationship of pastor to congregation is different than other employer-employee relationships the Local Church may have.

While there are multiple pathways to Ordained Ministry, the vast majority of Ordained Ministers have completed at least seven years of formal education following high school – and, in many cases, more than that. Increasingly Ordained Ministers bring with them experiences and skills cultivated in a professional life prior to ordination. Others have continued on a no less rich track of preparation and excellence in the pastoral life from a younger age.

It is important to remember that the relationship between the Local Church and its pastor is covenantal; the Call Agreement is a contract, but the foundation that shapes it is the mutual response to God’s call and the needs of the Local Church. Compensation discussions for Ordained Ministers begins with our United Church of Christ spirit of covenant.

*An important note:* this section presumes that the Ordained Minister in 3-Way Covenant is the pastor of the Local Church. Associate pastors or specialized ministries on the Local Church staff will also be informed by the following section. An Authorized Minister in 3- or 4-Way Covenant for a community ministry that is not primarily concerned with the pastoral and programmatic support of the congregation should pay attention to the community ministry section, not this section.

The components of an Authorized Minister’s compensation include:

- Cash salary
- Housing
- Social Security/FICA offset
- Standard benefits
- Customary benefits
- Entitlements
- Professional expenses
- Environmental provisions

*Part 1: Cash Salary & Housing*

A minimum Guideline for baseline salary is established. This is the accepted minimum baseline salary for an ordained Authorized Minister throughout the Northern California Nevada Conference. The minimum salary is calculated per requirements of California state law that the rate of pay for exempt employees must equal no less than two times the minimum wage. (While this law does not apply to Nevada, we uphold it as an equalizing standard across our geography.) Recognizing this as a document for the entire Conference and our mutual ministry together, during the phase-in of new state minimum wages from 2017-2023, the wage for large employers is used.

**Guideline A1: The minimum baseline salary is \$56,349 per year or \$27 per hour for 2021.**

The *ordained* Authorized Minister is permitted, under IRS tax policies, to allocate a portion of their salary to be established as a Housing Allowance if a parsonage/manse is not provided by the Local Church. (Please note that licensed, commissioned ministers, or those with Lay Ministerial Standing, are ineligible for this benefit under IRS regulations.)

This Housing Allowance is not subject to income tax. It is the responsibility of the appropriate Local Church governance body – most generally, the Council/Consistory – to vote to approve and record the vote of the Housing Allowance amount.

It is important to remember that it is the ordained Authorized Minister who is most aware of their financial and housing situation, and unsolicited input or discussion on the particular amount of their Housing Allowance can impair the covenantal relationship between them and the Local Church. The ordained Authorized Minister must substantiate their Housing Allowance on their own taxes; there is no liability to the Local Church for the allocation of any portion of the salary as Housing Allowance.

If your Local Church provides a parsonage/manse or other church-provided housing to the ordained Authorized Minister, a Guideline is established regarding the effective power of an Authorized Minister's salary. Such calculation is based on conventional wisdom of housing costs holding to one-third of gross salary.

**Guideline A2: The effective salary power of an Authorized Minister occupying church-provided housing shall equal at least a 2/3 basis.**

The Northern California Nevada Conference is a geographically large and economically diverse area, with localized costs-of-living that are dramatically different. In order to accommodate this variation, a Guideline is established for a cost of living adjustment in order that ordained Authorized Ministers are fairly and justly compensated in their basic salary. Regardless of geography, and regardless of whether the ordained Authorized Minister receives a housing allowance or parsonage/manse, this local cost of living adjustment is applied.

**Guideline A3: A local cost of living adjustment is established at an amount of 0.75% of the median single-family home selling price in the ZIP Code of the Local Church in the last six months.**

Within the Northern California Nevada Conference are a diversity of settings and ordained Authorized Ministers. Some ministers hold further education credentials beyond the Master of Divinity degree, others have been in their role for longer or shorter periods of time. Some settings are larger and some are smaller, with differing responsibilities expected of the ordained Authorized Minister. Guidelines are established to allocate points toward educational, setting, and performance-based adjustments.

**Guideline A4: One experience and education point is applied for each of the following:**

- Each year of prior professional experience, up to 35.
- Each year of service in one's current call, up to 20.\*
- Three points for each master's degree other than the Master of Divinity.
- Five points for each doctoral degree.

*\* Current service credit is to be applied for annual pay adjustment within the current setting only. Search Committees using this resource to identify new pastoral leadership consider candidates' current experience as prior professional experience.*

**Guideline A5: Setting points are applied for the following:**

- Two points when Average Worship Attendance is 75-125 or
- Three points when Average Worship Attendance is 125-200 or
- Five points when Average Worship Attendance is more than 200.
  
- Three points for Senior Pastor when one Associate Pastor is present.
- Five points for Senior Pastor when two or more Associate Pastors are present.

**Guideline A6: The value of each point is \$850 per year or \$0.40 per hour in 2021.**

In adding together the baseline salary, the local cost of living adjustment, and the calculated points value, the Local Church arrives at the fair and just Cash Salary for their ordained Authorized Minister. Use the Worksheet to calculate this salary.

### *Part 2: Social Security Offset*

Because ordained ministers are considered self-employed by IRS regulations for purposes of Social Security, the individual is responsible for paying the full tax – including the half that is typically paid by an employer. This creates an undue burden on the pastor unique to their tax treatment alone, and so a Guideline is established that the Local Church annually includes the employer portion of Social Security and Medicare FICA tax above their base compensation to

their pay, which is the same amount the church is responsible for paying as payroll tax for a lay employee.

The Social Security Offset is included as an additional regular compensation to the ordained minister, subject to income taxation. This does not apply to licensed, commissioned, or Lay Ministerial Standing ministers, as their Social Security withholding is unaffected as laypersons.

**Guideline A7: The Local Church includes the employer portion of Social Security and Medicare based on the total base compensation as additional regular income to the ordained pastor.**

### *Part 3: Standard Benefits*

Authorized Ministers are skilled professionals who are making skilled, impactful contributions to their field and your Local Church. There are certain standard benefits that create a minimum Fair & Just Compensation package for an Authorized Minister. These include the pension/annuity retirement plan, life and disability insurance, and reimbursement of the criminal background check fee.

The Authorized Minister's retirement annuity through the Pension Boards, United Church of Christ, is quite possibly the single most important component of the Authorized Minister's ability to take care of their needs in their later years. Especially considering the lower wages many Authorized Ministers receive in various settings, this is a critical important of the way we honor Fair & Just Compensation and support nurturing environments for our leaders throughout life. The Northern California Nevada Conference holds in highest regard the suggested contribution levels for retirement accounts approved by the General Synod and bases a Guideline on them.

**Guideline A8: The Local Church contributes 14% of base compensation, in addition to base compensation, toward the Authorized Minister's Pension Boards account.**

Life and disability insurance is a great relief for Authorized Ministers who may be impacted by unexpected long-term illness or tragic accident. In addition, it reduces the pressure on Local Churches from continuing to provide salary and benefits payments during a long-term disability, as LDI plans through the Pension Boards cover both once a member has exhausted the sick leave entitlements of their employing Local Church.

**Guideline A9: The Local Church enrolls the Authorized Minister in the Pension Boards LDI plan and pays the full cost directly on their behalf.**

One of the responsibilities of the Authorized Minister during the Search & Call Process is to facilitate their criminal background check as a requirement of creating their ministerial profile. This is a critical element of documentation that protects the Local Church and the integrity of our credentialing and verification system. It is customary and expected that the Local Church

reimburses the Authorized Minister for this cost following a successful search. (For information regarding the current cost of the Oxford check, please contact the Conference Office.)

**Guideline A10: The Local Church reimburses the Authorized Minister for the cost of the criminal background check upon the Authorized Minister's request within the first year of service.**

*Part 4: Customary Benefits: Health, Dental, & Vision*

In order to care for the Authorized Minister's health and wellness, it is customary for Local Churches to pay the cost of the premium toward the appropriate insurance policies. The prevailing custom among the Conferences of the United Church of Christ is for benefits substantially similar to Plan B Health & Dental Insurance offered by the Pension Boards for the Authorized Minister and their dependents. The stand-alone Vision Plan is an inexpensive benefit that is appreciated by many Authorized Ministers, and can extend fuller care at low cost.

The Northern California Nevada Conference is aware that substantially similar coverage as offered by the Pension Boards' Plan B can be obtained through other private group insurance companies. However, Local Churches are encouraged to consider both the needs of the Authorized Minister and the budget burden on the Local Church in light of certain elements of the Pension Boards health programs:

- The PBUCC insurance plans are legacy plans exempt from many legal requirements of the Affordable Care Act. Authorized Ministers who are members of the PBUCC plan who then leave the plan – even if because a Local Church has established coverage with another provider – must demonstrate acceptable good health to be readmitted to the plan at a later time. **This reacceptance into the plan is rare, and as a result many Authorized Ministers are reluctant to leave the plan.**
- Those persons entering Authorized Ministry for the first time have a one-time 90 day window during which they can enroll in the PBUCC plans without demonstrating good health. **If your setting is an Authorized Minister's "first call," the individual may be making a decision regarding their health insurance coverage for many years to come.**
- The PBUCC is a self-insured plan, and its costs reflect the costs of health coverage for other church workers. **Instead of just managing costs through insurance coverage, Local Churches are encouraged to consider and support the total health and wellness of their Authorized Minister** – emphasizing the importance of time away from work for rest, renewal, and Sabbath; supporting physical activity and movement in programming and traditions; and considering menus and foodstuffs for events and activities.

**Guideline A11: Insurance coverage that is substantially similar to, or greater than, health care Plan B of the Pension Boards, United Church of Christ, as well as the dental and vision plan, provided for the Authorized Minister and their dependents. The Local Church bears the full cost of premiums.**

*Part 5: Entitlements*

Fair & Just Compensation for an Authorized Minister extends beyond financial considerations. Time off for rest, renewal, study, and wellness are important considerations. This is another area where a skilled tax or legal professional is of good resource, as there are certain legal requirements under federal and state law that apply to an employer-employee relationship, and certain requirements from which ordained ministers are exempted or restricted. In all cases, Local Churches are encouraged to err on the side of supporting your Authorized Minister and demonstrating a pastoral care for them as they do for their church.

Unlimited Leaves: Some businesses are abandoning limits on leave times, instead focusing on the effective outcomes of an individual's work in line with organizational mission. If the church has adopted a personnel policy offering this benefit to its workers, Guidelines A12-21 can be ignored as the unlimited leave policy is in alignment with the expectations here.

Vacations and holidays are critical times off for any professional, but perhaps trickier for Authorized Ministers as their weekends are quite different from many others! In addition to the Guideline that Authorized Ministers are entitled to two regular days off each week, a Guideline is established for Annual Leave (vacation) – including Sundays – in alignment with the prevailing custom among other Conferences of the United Church of Christ.

**Guideline A12: Authorized Ministers are entitled to two regular days off each week, to be scheduled in cooperation between the Authorized Minister and appropriate governing body of the Local Church.**

In considering Annual Leave, Local Churches should encourage their Authorized Minister to take their allotment of Annual Leave within each year to prevent burnout, rather than carrying forward substantial portions of unused vacation time. A certain amount of accrual between years is mandatory under California state law; Local Churches are responsible for their own compliance.

**Guideline A13: Authorized Ministers are entitled to 25 working days of Annual Leave each year, including at least four Sundays, to be scheduled in cooperation between the Authorized Minister and appropriate governing body of the Local Church. Annual Leave may accrue up to one additional year. The Local Church may not make demands on when Annual Leave is taken (e.g. summer only).**

While many holidays are observed on Mondays or Fridays, other holidays are religious in origin, and by their very nature require the Authorized Minister to work. Local Churches are encouraged to establish a formal policy of observed holidays for all staff members. A Guideline is established to recognize holidays as time off for Authorized Ministers.

**Guideline A14: Authorized Ministers are entitled to customary government holidays, as well as three floating holidays (Good Friday, Easter, Christmas). Should a holiday fall on an Authorized Minister's regular day off, they are entitled to float that holiday within the same month.**

Recognizing that Authorized Ministers are on call for pastoral emergencies, and that the responsibilities of a Local Church pastor often require or necessitate irregular hours, Local Churches are further encouraged to provide the Authorized Minister with personal days or flexible scheduling. While no Guideline is established for this, it is an important way to maintain healthy leadership and good pastoral boundaries for both the Authorized Minister and Local Church.

As a requirement to maintain Standing in the Northern California Nevada Conference, Authorized Ministers have a Lifelong Learning obligation. This continued education infuses the Authorized Minister's professional work and, in turn, benefits the Local Church as well as the Wider Church. In alignment with the prevailing custom among other Conferences of the United Church of Christ, a Guideline is established for annual Lifelong Learning (Study) Leave, in addition to Annual Leave. Like with Annual Leave, Local Churches should encourage their Authorized Minister to take their full allotment of Lifelong Learning Leave within each year, rather than carrying the time forward to future years.

**Guideline A15: Authorized Ministers are entitled to 15 working days of Lifelong Learning Leave each year, including at least two Sundays, to be scheduled in cooperation between the Authorized Minister and appropriate governing body of the Local Church. Lifelong Learning Leave does not accrue. The Local Church may not make demands on when Lifelong Learning Leave is taken (e.g. summer only, separate from Annual Leave), except that it is not afforded in years when a Sabbatical applies.**

Local Churches are encouraged to create a formal policy of Sabbatical, permitting an extended time of rest and renewal. This is a customary tradition for Authorized Ministers. While the Guideline is established that a policy is formed, and this benefit extended to the Authorized Minister, the specific requirements are left up to the Local Church. One suggestion is to follow the personnel policy of the Conference which states that one is eligible for a three-month Sabbatical following five years of active service, and every five years thereafter. It is expected that the Authorized Minister will remain in service in their position for at least one year following the Sabbatical. The Local Church continues to pay salary and benefits during the time of Sabbatical, in addition to the costs of a Sabbatical replacement. The Authorized Minister is expected to be fully immersed in their time of Sabbatical and relieved of all duty during that time, and leadership experts suggest it is best to take the Sabbatical all at once rather than in

chunks. A Sabbatical is a time of rest and learning, and so it is appropriate for the Authorized Minister to have both components in their Sabbatical plan.

**Guideline A16: Local Churches should extend a Sabbatical to Authorized Ministers in accordance with their personnel policies or Call Agreement.**

At the time of the birth of a child, finalization of adoption, or reconfiguration of a foster living arrangement, the Authorized Minister and their family will need time together. Fair & Just Compensation requires Parental Leave irrespective of the Authorized Minister's role within the family unit, their gender identity, or the configuration of their family. A Guideline is established to provide Parental Leave that reflects our understanding of the values of progressive Christianity.

**Guideline A17: Authorized Ministers are entitled to Parental Leave of up to two calendar months (60 days) at full compensation. Annual Leave or Sick Leave may be used to extend the leave period. Authorized Ministers taking Parental Leave are expected to submit their request and negotiate in cooperation with the appropriate governing body of the Local Church at least 60 days in advance so that appropriate staff coverage can be negotiated.**

Compassionate Leave for purposes of illness, death, marriage, graduation, or personal emergency within the Authorized Minister's immediate family (parent(s), spouse/partner, child(ren), in-law, siblings, grandparent(s), grandchild(ren)) is common. A Guideline is established to provide such leave.

**Guideline A18: Authorized Ministers are entitled to Compassionate Leave of up to five days in one year. In extreme circumstances where additional leave beyond Compassionate or Annual Leave is necessary, for purposes of pastoral care and concern, the Authorized Minister and the appropriate governing body of the Local Church shall negotiate.**

Sick Leave is both a customary and legal entitlement. For Local Churches in California, there are specific minimum legal requirements that must be made available for Sick Leave. A Guideline is established that exceeds minimum legal requirements in California and creates a common standard for all Authorized Ministers regardless of geography. Sick Leave may be used for personal illness or accident, the care of a person in the Authorized Ministers's household (spouse/partner, child(ren), live-in parent), as well as for medical, dental, or vision appointments.

**Guideline A19: Authorized Ministers are entitled to 12 days of Sick Leave per year. In accordance with California state law, Sick Leave is to provided in a block, renewing on the date of call (employment anniversary) each year. Sick leave should be limited ("capped") to a maximum of 30 days in the Authorized Minister's bank.**



**Guideline A20: Civic Service Leaves include time off for jury duty, voting, or service in a US military reserve or National Guard unit. These leaves are guaranteed by federal law and must be made available to the Authorized Minister when applicable.**

As the Authorized Minister is expected to participate in the covenantal expression of the United Church of Christ through their Association, Conference, and Wider Church, such time must be made available for this connection. It is the assumption that the Authorized Minister is encouraged in this work as an extension of their Local Church ministry. Additional connections with local ministerial associations, ecumenical and interfaith gatherings, and other professional networks are a benefit to the Local Church.

**Guideline A21: Such time as is necessary for Association, Conference, and Wider Church participation is to be provided and not deducted from any of the leave entitlements, including the entitlement for regular weekly time off.**

It may be necessary for an unpaid Leave of Absence to be made available to an Authorized Minister. Such special arrangements should be negotiated between the Local Church and the Authorized Minister on a case-by-case basis. Conference Staff is available as resource to these conversations.

#### *Part 6: Professional Expenses*

Authorized Ministers incur expenses as part of their conduct of ministry. Certain expenses relate directly to their work in the Local Church. Other expenses relate to their covenantal obligations within the Association, Conference, and Wider Church settings of the United Church of Christ. Such expenses should be appropriately budgeted by the Local Church. The Conference strongly encourages policies which support defined reimbursement plans, rather than lump sum allowances, as these are easier to manage and eliminate often complicated tax liabilities for the Authorized Minister. Guidelines are established related to these professional expenses. Such expenses include, but are not limited to: periodical subscriptions, books, workshops and trainings, travel (mileage, parking, etc), food/beverage during the conduct of work, and dry cleaning of vestments.

**Guideline A22: Authorized Ministers shall be provided with a professional expense account of at least \$2,500.**

In our connected age, most Local Churches have the expectation of their Authorized Minister using a smartphone or cellular device. Most Authorized Ministers prefer to hold this account under their own name, however some Local Churches have taken out a corporate plan on behalf of their Authorized Minister and other staff. A Guideline is established to provide for appropriate reimbursement or service.

**Guideline A23: Authorized Ministers shall be provided with a monthly reimbursement of at least \$50 toward the cost of their personal mobile smartphone plan, or a Local Church-provided smartphone with mobile service.**

Authorized Ministers are expected to participate fully in the life of the Association and Conference, including meetings, workshops, and other gatherings. A Guideline is established to provide for such expenses for the Authorized Minister along with Delegates in the annual budget of the church.

**Guideline A24: Local Churches shall pay the costs of the participation of their Authorized Minister in annual meetings, workshops, and other gatherings of their Association and the Northern California Nevada Conference. This includes registration, travel, and accommodation fees.**

The Northern California Nevada Conference encourages its Authorized Ministers to participate in Communities of Practice. These professional groups encourage connection and collaboration in a vocation that is often professionally isolating, and have been shown to decrease misconduct and disciplinary concerns for professional ministers that engage with them. In order to encourage this participation, a Guideline is established to fund the participation fee.

**Guideline A25: Local Churches shall budget \$250 annually for the Authorized Minister to participate in a Community of Practice.**

#### *Part 7: Environmental*

Engagement by the Authorized Minister in the work of the Local Church requires particular environmental considerations. While ministry happens in creative settings and places, certain minimal equipment, space, and responsibility considerations are important in setting policy and expectations.

Authorized Ministry relies on dependable technological equipment in order to be performed. It is the responsibility of the Local Church to provide up-to-date computer equipment and software for the use of the Authorized Minister. Such equipment should be dedicated to the exclusive use of the Authorized Minister, as certain communication and recordkeeping will be of a confidential nature. Computer equipment and software that is more than three major revisions behind inhibits the effective practice of ministry and should be replaced.

The Local Church should provide for dedicated office space for the Authorized Minister. In most cases, this is within the Local Church itself. Such space should include an appropriate desk, bookcase(s), filing cabinet(s), and chairs for the Authorized Minister and one or two guests. In the event that a Local Church does not have a facility of its own, or does not have room in its facility, it may provide the Authorized Minister with a membership at a coworking venue in the community, lease some other private office space, or negotiate with the Authorized Minister for an appropriate allowance for a home office.

An Authorized Minister shall be provided access to advocate for necessary maintenance and improvements in the physical plant. At no time should the Authorized Minister be expected to perform indefinitely the function of building engineer, custodian, or caretaker – such responsibilities are primary of the appropriate board or commission of the congregation, or other professional staff.

## Section B: Compensation for Specialized Authorized Ministers

Paul writes, in Romans and 1 Corinthians, of the different gifts the Holy Spirit enables in each one. These gifts manifest themselves among our Authorized Ministers not simply in the gift of the professional Christian ministry, but also within settings that require cultivation of particular, specific skills and gifts.

Recognizing that often specialized ministry occurs in a setting in which a Local Church or affiliated ministry is not the employer, and therefore particular constraints limit the guidance of this document for Fair & Just Compensation, it is hoped that this resource is still helpful for Authorized Ministers in employment negotiations – or for others in advocating for the Fair & Just Compensation for all leaders in diverse settings.

### *Part 1: Intentional Interim Ministers*

The gift of transitional ministry is one that our Local Churches need in times of change. Navigating the grief of a departing minister under any circumstance, and providing a tilled soil for rich new ministry to grow, is not a solo activity for any congregation.

An Intentional Interim Minister is one who is engaged as a leader of a Local Church for a brief period, and is prohibited from being considered for a settled ministry role in that same church. In terms of considering the duration and type of ministry, a Guideline is established that an Intentional Interim Minister must meet a minimum standard of compensation.

**Guideline B1: An Intentional Interim Minister receives base salary compensation and local cost of living adjustment according to Guidelines A1-A3.**

In order that the Local Church not balance their budget on the back of the Intentional Interim Minister, and to preserve space in its missional revenue for the future minister, a Guideline is further established regarding localized cost adjustments, experience, education, and performance.

**Guideline B2: An Intentional Interim Minister receives experience, education, and performance points according to Guidelines A4-A6, up to the total point value of the prior settled minister.**

Intentional Interim Ministers still have the same considerations of settled ministers in terms of benefits and entitlements, however a Guideline is established limiting sabbatical leave.

**Guideline B3: An Intentional Interim Minister is entitled to the same benefits and entitlements as pertain to any other Authorized Minister in Three-Way Covenant, except Guideline A16 is suspended.**

*Part 2: Associate Pastors*

Authorized Ministers who serve in a setting under the organizational guidance or supervision of a Senior Pastor are categorized as Associate Pastors regardless of their professional title within the Local Church.

In settings blessed with a staff of multiple Authorized Ministers, Local Churches are enriched by the specialized attention, support, and nurture that these individuals provide. The ministry of an Associate Pastor is deeply rewarding, although it is often unintentionally diminished in compensation and benefits.

**Guideline B4: An Associate Pastor receives base salary compensation and local cost of living adjustment according to Guidelines A1 and A3.**

Associate Pastors are Authorized Ministers in every single way, and their Base Salary is calculated using the standard schedule for all Authorized Ministers in Three-Way Covenant, except that it is permissible for Local Churches to compensate Associate Pastors at the same level as the Senior Pastor in the event that the Senior Pastor has fewer experience, educational and setting points.

**Guideline B5: An Associate Pastor receives experience, education, and performance points according to Guidelines A4-A6, up to the amount of the Senior Pastor.**

Associate Pastors are entitled to the same benefits eligibility as the Senior Pastor, and their professional expenses must meet at least the minimum standard of Guidelines A22-A24.

**Guideline B6: An Associate Pastor receives the same benefits eligibility as the Senior Pastor and professional expenses must meet the minimum standard of Guidelines A22-A24.**

*Part 3: Ministers in Community Ministry (3- or 4-Way Covenant)*

The evolving nature of ministry in the 21<sup>st</sup> Century is expanding what qualifies as Authorized Ministry. The MESA Team of the United Church of Christ encourages Local Churches and Committees on Ministry to foundationally begin with the question: “Is this a ministry that the United Church of Christ needs in this place and at this time?” When the answer is an unequivocal yes, it is appropriate to consider compensation that is Fair & Just.

This document provides advice both to Local Churches and Authorized Ministers for purposes of arriving at Fair & Just compensation. Because of the diversity of community ministry, and because compensation is most often the responsibility of a partner beyond the polity scope of the United Church of Christ, few specific Guidelines are established here. The Conference encourages Authorized Ministers and all parties to a 3- or 4-Way Covenant to use Section A to

inform minimum compensation standards for full-time ministry by ministers authorized in and on behalf of the United Church of Christ.

**Guideline B7: Ministers in community ministry in 3- or 4-Way Covenant should demonstrate compensation that meets the standard of Fair and Just in a fashion that is sustainable and appropriate for the community being served.**

## Section C: Compensation for Program Staff

Specialized ministry does not always lead an individual through the discernment process of formal Authorized Ministry in and on behalf of the United Church of Christ. Lay professionals serving in program roles are living out the vocational calling on their lives empowered by the Holy Spirit.

Program staff is defined as individuals engaged in professional, specialized ministry that is related to the pastoral office. Some sample professional titles include, but are not limited to: Youth Director, Faith Formation Director, Music Director, Discipleship Director, Small Groups Director, etc.

The components of a program staff member's compensation include:

- Cash salary
- Standard benefits
- Customary benefits
- Entitlements
- Professional expenses

Note: an **ordained** individual is permitted, under IRS tax policies, to allocate a portion of their salary to be established as a Housing Allowance if a parsonage/manse is not provided by the Local Church. (Please note that licensed and commissioned ministers are ineligible for this benefit under IRS regulations.)

This Housing Allowance is not subject to income tax. It is the responsibility of the appropriate Local Church governance body – most generally, the Council/Consistory – to vote to approve and record the vote of the Housing Allowance amount. It is important to remember that it is the ordained individual who is most aware of their financial and housing situation, and unsolicited input or discussion on the particular amount of their Housing Allowance can impair the covenantal relationship between them and the Local Church. **This benefit is applicable to persons duly ordained in any denomination, regardless of whether they hold Standing in the United Church of Christ.**

*If the ordained individual chooses to receive a housing allowance, they should also be compensated with a Social Security Offset and the Local Church should not withhold the same. Refer to Section A for details on this matter. If the individual would rather be treated as a layperson for purposes of compensation, they are ineligible for the housing allowance and Social Security payments are withheld as all other lay employees.*

*Part 1: Cash Salary*

A minimum Guideline for baseline salary is established. This is the accepted minimum baseline salary for a program staff member throughout the Northern California Nevada Conference. The minimum salary is calculated per requirements of California state law that the rate of pay for exempt employees must equal no less than two times the minimum wage. (While this law does not apply to Nevada, we uphold it as an equalizing standard across our geography.) Recognizing this as a document for the entire Conference and our mutual ministry together, during the phase-in of new state minimum wages from 2017-2023, the wage for large employers is used.

**Guideline C1: The minimum baseline salary is \$56,349 per year or \$27 per hour for 2021.**

The Northern California Nevada Conference is a geographically large and economically diverse area, with localized costs-of-living that are dramatically different. In order to accommodate this variation, a Guideline is established for a cost of living adjustment in order that church workers are fairly and justly compensated in their basic salary.

**Guideline C2: A local cost of living adjustment is established at an amount of 0.75% of the median single-family home selling price in the ZIP Code of the Local Church in the last six months.**

Within the Northern California Nevada Conference are a diversity of settings and skilled professionals. Guidelines are established to allocate points toward educational, setting, and performance-based adjustments.

**Guideline C3: One experience and education point is applied for each of the following:**

- Each year of related prior professional experience, up to 15.
- Each two years of service in one's current position, up to 10.
- Three points for each master's degree.
- Five points for each doctoral degree.

**Guideline C4: Setting points are applied for the following:**

- One point for each staff person supervised.
- One point for each five volunteers supervised.

**Guideline C5: The value of each point is \$850 per year or \$0.40 per hour in 2021.**

In adding together the baseline salary, the local cost of living adjustment, and the calculated points value, the Local Church arrives at the fair and just Cash Salary. Use the Worksheet to calculate this salary.



*Part 2: Standard Benefits*

There are certain standard benefits that create a minimum Fair & Just Compensation package. These include the pension/annuity retirement plan and life and disability insurance.

A retirement annuity through the Pension Boards, United Church of Christ, permits church workers the confidence to plan for their retirement. Retirement accounts are a standard benefit for professionals across industries and sectors.

**Guideline C6: The Local Church contributes 8% of base compensation, in addition to base compensation, toward the program staff member's Pension Boards account.**

Life and disability insurance is a great relief for employees who may be impacted by unexpected long-term illness or tragic accident. In addition, it reduces the pressure on Local Churches from continuing to provide salary and benefits payments during a long-term disability, as LDI plans through the Pension Boards cover both once a member has exhausted the sick leave entitlements of their employing Local Church.

**Guideline C7: The Local Church enrolls the program staff member in the Pension Boards LDI plan and pays the full cost directly on their behalf.**

*Part 3: Customary Benefits: Health, Dental, & Vision*

In order to care for the health and wellness of church workers, it is customary for Local Churches to pay the cost of the program staff member's premium toward the appropriate insurance policies.

The Northern California Nevada Conference encourages Local Churches to look first at the health, dental, and vision plans of our covenantal partners with the Pension Boards, United Church of Christ. However, the Conference is aware that substantially similar coverage as offered by the Pension Boards' Plan B can be obtained through other private group insurance companies. Local Churches are encouraged to consider both the needs of the program staff member and the budget burden on the Local Church in light of certain elements of the Pension Boards health programs:

- The PBUCC insurance plans are legacy plans exempt from many legal requirements of the Affordable Care Act. Individuals who are members of the PBUCC plan who then leave the plan – even if because a Local Church has established coverage with another provider – must demonstrate acceptable good health to be readmitted to the plan at a later time. This reacceptance into the plan is rare, and as a result many individuals who are currently members of the plan are hesitant to leave the plan. This is especially the case for individuals who may be a Member in Discernment with the Committee on Ministry considering their future needs as an Authorized Minister.

- The PBUCC is a self-insured plan, and its costs reflect the costs of health coverage for other church workers. Instead of just managing costs through insurance coverage, Local Churches are encouraged to consider and support the total health and wellness of their workers – emphasizing the importance of time away from work for rest, renewal, and Sabbath; supporting physical activity and movement in programming and traditions; and considering menus and foodstuffs for events and activities.

**Guideline C8: Insurance coverage that is substantially similar to, or greater than, health care Plan B of the Pension Boards, United Church of Christ, as well as the dental and vision plan, provided for the program staff member. The Local Church will bear the full cost of premiums for the individual.**

#### *Part 4: Entitlements*

Fair & Just Compensation extends beyond financial considerations. Time off for rest, renewal, study, and wellness are important considerations. This is another area where a skilled tax or legal professional is of good resource, as there are certain legal requirements under federal and state law that apply to an employer-employee relationship. In all cases, Local Churches are encouraged to err on the side of supporting church workers and demonstrating a pastoral care for them as they do for their church.

Unlimited Leaves: Some businesses are abandoning limits on leave times, instead focusing on the effective outcomes of an individual's work in line with organizational mission. If this is the case, Guidelines C9-C17 can be ignored.

Vacations and holidays are critical times off for any professional, but perhaps trickier for church workers as their weekends are quite different from many others! In addition to the Guideline that program staff members are entitled to two regular days off each week, a Guideline is established for Annual Leave (vacation) – including Sundays.

**Guideline C9: Program staff members are entitled to two regular days off each week.**

In considering Annual Leave, Local Churches should encourage their workers to take their allotment of Annual Leave within each year to prevent burnout, rather than carrying forward substantial portions of unused vacation time. A certain amount of accrual between years is mandatory under California state law; Local Churches are responsible for their own compliance.

**Guideline C10: Program staff members are entitled to 15 working days of Annual Leave each year, including at least three Sundays if regularly worked, to be scheduled in cooperation between the program staff member and supervisor. Annual Leave may accrue up to one additional year. The Local Church may not make demands on when Annual Leave is taken (e.g. summer only).**

While many holidays are observed on Mondays or Fridays, other holidays are religious in origin, and by their very nature require professional attendance by church workers. Local Churches are encouraged to establish a formal policy of observed holidays for all staff members. A Guideline is established to recognize holidays as time off for program staff members.

**Guideline C11: Program staff members are entitled to customary government holidays, as well as three floating holidays (Good Friday, Easter, Christmas). Should a holiday fall on a program staff member's regular day off, they are entitled to float that holiday within the same month.**

Recognizing that the responsibilities of a program staff member often require or necessitate irregular hours, Local Churches are further encouraged to provide the program staff member with personal days or flexible scheduling. While no Guideline is established for this, it is an important way to maintain healthy leadership and good pastoral boundaries for both the Authorized Minister and Local Church.

Continuing education infuses the program staff member's professional work. A Guideline is established for annual Lifelong Learning (Study) Leave, in addition to Annual Leave. Like with Annual Leave, Local Churches should encourage their program staff members to take their full allotment of Lifelong Learning Leave within each year, rather than carrying the time forward to future years.

**Guideline C12: Program staff members are entitled to 5 working days of Lifelong Learning Leave each year, including at least one Sunday if regularly worked, to be scheduled in cooperation between the program staff member and their supervisor. Lifelong Learning Leave need not accrue. The Local Church may not make demands on when Lifelong Learning Leave is taken (e.g. summer only, separate from Annual Leave).**

At the time of the birth of a child, finalization of adoption, or reconfiguration of a foster living arrangement, the church worker and their family will need time together. Fair & Just Compensation requires Parental Leave irrespective of the church worker's role within the family unit, their gender identity, or the configuration of their family. A Guideline is established to provide Parental Leave that reflects our understanding of the values of progressive Christianity.

**Guideline C13: Program staff members are entitled to Parental Leave of up to two calendar months (60 days) at full compensation. Annual Leave or Sick Leave may be used to extend the leave period. Program staff members taking Parental Leave are expected to submit their request and negotiate in cooperation with their supervisor at least 60 days in advance so that appropriate staff coverage can be negotiated.**

Compassionate Leave for purposes of illness, death, marriage, graduation, or personal emergency within the church worker's immediate family (parent(s), spouse/partner, child(ren)),

in-law, siblings, grandparent(s), grandchild(ren)) is common. A Guideline is established to provide such leave.

**Guideline C14: Program staff members are entitled to Compassionate Leave of up to five days in one year. In extreme circumstances where additional leave beyond Compassionate or Annual Leave is necessary, for purposes of pastoral care and concern, the program staff member and their supervisor shall negotiate.**

Sick Leave is a legal requirement in California for all employees. A Guideline is established that exceeds minimum legal requirements in California and creates a common standard for all church workers regardless of geography. Sick Leave may be used for personal illness or accident, the care of a person in the church worker's household (spouse/partner, child(ren), live-in parent), as well as for medical, dental, or vision appointments.

**Guideline C15: Program staff members are entitled to 12 days of Sick Leave per year. In accordance with California state law, Sick Leave is to be provided in a block, renewing on the employment anniversary each year. Sick leave should be limited ("capped") to a maximum of 30 days in the staff members' bank.**

**Guideline C16: Civic Service Leaves include time off for jury duty, voting, or service in a US military reserve or National Guard unit. These leaves are guaranteed by federal law and must be made available to the program staff member when applicable.**

Church workers are encouraged to participate in the covenantal expression of the United Church of Christ through their Association, Conference, and Wider Church, so such time should be made available for this connection. It is the assumption that church workers are encouraged in this work as an extension of their Local Church ministry. Additional connections with local ministerial associations, ecumenical and interfaith gatherings, and other professional networks are a benefit to the Local Church.

**Guideline C17: Such time as is necessary for Association, Conference, and Wider Church participation is to be provided and not deducted from any of the leave entitlements, including the entitlement for regular weekly time off.**

It may be necessary for an unpaid Leave of Absence to be made available to a church worker. Such special arrangements should be negotiated between the Local Church and the church worker on a case-by-case basis.

#### *Part 5: Professional Expenses*

Program staff members incur expenses as part of their conduct of ministry. Certain expenses relate directly to their work in the Local Church. Other expenses relate to their covenantal obligations within the Association, Conference, and Wider Church settings of the United Church of Christ. Such expenses should be appropriately budgeted by the Local Church. The Conference

strongly encourages policies which support defined reimbursement plans, rather than lump sum allowances, as these are easier to manage and eliminate often complicated tax liabilities for the church worker. Guidelines are established related to these professional expenses. Such expenses include, but are not limited to: periodical subscriptions, books, workshops and trainings, travel (mileage, parking, etc), food/beverage during the conduct of work, etc.

**Guideline C18: Program staff members are provided with a professional expense account of at least \$1,500.**

In our connected age, most Local Churches have the expectation of their program staff members using a smartphone or cellular device. Most commonly these accounts are held by the individual staff member under their own name, however some Local Churches have taken out a corporate plan on behalf of their entire staff. A Guideline is established to provide for appropriate reimbursement or service.

**Guideline C19: Program staff members are provided with a monthly reimbursement of at least \$50 toward the cost of their personal mobile smartphone plan, or a Local Church-provided smartphone with mobile service.**

## Section D: Compensation for Support Staff

Local Churches would be stalled without the dedicated, treasured support of their administrative support staff. Administrative Assistants, Secretaries, Business Managers, Facility Coordinators, and other people with similar titles hold great responsibility and work with great care to ensure the health and vitality of the Local Church's ministry.

Support staff are no less professional in their work, and no less deserving of Fair & Just Compensation than other categories of church workers. These Guidelines establish a basis for considering this critical role within the life of the Local Church.

### *Part 1: Cash Salary*

A minimum Guideline for baseline salary is established. The minimum salary is based on California state minimum wage; however Local Churches are responsible to comply with the local minimum wage if it is higher. Recognizing this as a document for the entire Conference and our mutual ministry together, during the phase-in of new state minimum wages from 2017-2023, the wage for large employers is used.

#### **Guideline D1: The minimum hourly wage is \$14 for 2021.**

The Northern California Nevada Conference is a geographically large and economically diverse area, with localized costs-of-living that are dramatically different. In order to accommodate this variation, a Guideline is established for a cost of living adjustment in order that church workers are fairly and justly compensated in their basic salary.

#### **Guideline D2: A local cost of living adjustment is established as an additional \$3.50 per hour for Local Churches in Alameda, Contra Costa, El Dorado, Marin, Napa, Placer, Sacramento, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Sutter, Yolo, and Yuba Counties in California.**

Within the Northern California Nevada Conference are a diversity of settings and skilled professionals. Guidelines are established to allocate points toward educational, setting, and performance-based adjustments.

#### **Guideline D3: One experience point is applied for each of the following:**

- Each year of service in one's current position.

#### **Guideline D4: Educational and setting points are applied for the following:**

- Three points for each master's degree.
- Five points for each doctoral degree.

#### **Guideline D5: The value of each point is \$0.25 per point per hour in 2021.**

In adding together the minimum hourly wage, the local cost of living adjustment, and the calculated points value, the Local Church arrives at the fair and just Cash Salary. Use the Worksheet to calculate this salary.

### *Part 2: Standard Benefits*

There are certain standard benefits that create a minimum Fair & Just Compensation package. These include the pension/annuity retirement plan and life and disability insurance.

A retirement annuity through the Pension Boards, United Church of Christ, permits church workers the confidence to plan for their retirement. Retirement accounts are a standard benefit for professionals across industries and sectors.

**Guideline D6: The Local Church contributes \$3 per hour, in addition to base compensation, toward the program staff member's Pension Boards account.**

Life and disability insurance is a great relief for employees who may be impacted by unexpected long-term illness or tragic accident. In addition, it reduces the pressure on Local Churches from continuing to provide salary and benefits payments during a long-term disability, as LDI plans through the Pension Boards cover both once a member has exhausted the sick leave entitlements of their employing Local Church.

**Guideline D7: The Local Church enrolls the program staff member in the Pension Boards LDI plan and pays the full cost directly on their behalf.**

### *Part 3: Customary Benefits: Health, Dental, & Vision*

In order to care for the health and wellness of church workers, it is customary for Local Churches to pay the prorated cost of the program staff member's premium toward the appropriate insurance policies.

The Northern California Nevada Conference encourages Local Churches to look first at the health, dental, and vision plans of our covenantal partners with the Pension Boards, United Church of Christ. However, the Conference is aware that substantially similar coverage as offered by the Pension Boards' Plan B can be obtained through other private group insurance companies. Local Churches are encouraged to consider both the needs of the program staff member and the budget burden on the Local Church in light of certain elements of the Pension Boards health programs:

- The PBUCC insurance plans are legacy plans exempt from many legal requirements of the Affordable Care Act. Individuals who are members of the PBUCC plan who then

leave the plan – even if because a Local Church has established coverage with another provider – must demonstrate acceptable good health to be readmitted to the plan at a later time. This reacceptance into the plan is rare, and as a result many individuals who are currently members of the plan are hesitant to leave the plan. This is especially the case for individuals who may be a Member in Discernment with the Committee on Ministry considering their future needs as an Authorized Minister.

- The PBUCC is a self-insured plan, and its costs reflect the costs of health coverage for other church workers. Instead of just managing costs through insurance coverage, Local Churches are encouraged to consider and support the total health and wellness of their workers – emphasizing the importance of time away from work for rest, renewal, and Sabbath; supporting physical activity and movement in programming and traditions; and considering menus and foodstuffs for events and activities.

**Guideline D8: Insurance coverage that is substantially similar to, or greater than, health care Plan B of the Pension Boards, United Church of Christ, as well as the dental and vision plan, provided for the program staff member. The Local Church will bear the prorated premium cost for the individual.**

#### *Part 4: Entitlements*

Fair & Just Compensation extends beyond financial considerations. Time off for rest, renewal, study, and wellness are important considerations. This is another area where a skilled tax or legal professional is of good resource, as there are certain legal requirements under federal and state law that apply to an employer-employee relationship. In all cases, Local Churches are encouraged to err on the side of supporting church workers and demonstrating a pastoral care for them as they do for their church.

Unlimited Leaves: Some businesses are abandoning limits on leave times, instead focusing on the effective outcomes of an individual's work in line with organizational mission. If this is the case, Guidelines A12-21 can be ignored.

Vacations and holidays are critical times off for any professional, but perhaps trickier for church workers as their weekends are quite different from many others! In addition to the Guideline that support staff members are entitled to two regular days off each week, a Guideline is established for Annual Leave (vacation) – including Sundays.

**Guideline D9: Support staff members are entitled to at least two regular days off each week.**

In considering Annual Leave, Local Churches should encourage their workers to take their allotment of Annual Leave within each year to prevent burnout, rather than carrying forward



substantial portions of unused vacation time. A certain amount of accrual between years is mandatory under California state law; Local Churches are responsible for their own compliance.

**Guideline D10: Support staff members are entitled to 10 paid days of Annual Leave each year, including at least two Sundays if regularly worked, to be scheduled in cooperation between the staff member and supervisor. Annual Leave may accrue up to one additional year. The Local Church may not make demands on when Annual Leave is taken (e.g. summer only).**

While many holidays are observed on Mondays or Fridays, other holidays are religious in origin, and by their very nature require professional attendance by church workers. Local Churches are encouraged to establish a formal policy of observed holidays for all staff members. A Guideline is established to recognize holidays as time off for program staff members.

**Guideline D11: Support staff members are entitled to paid customary government holidays, as well as three floating holidays (Good Friday, Easter, Christmas). Should a holiday fall on a support staff member's regular day off, they are entitled to float that holiday within the same month.**

Continuing education infuses the program staff member's professional work. A Guideline is established for Lifelong Learning (Study) Leave, in addition to Annual Leave.

**Guideline D12: Support staff members are entitled to 5 paid days of Lifelong Learning Leave biannually, to be scheduled in cooperation between the support staff member and their supervisor. Lifelong Learning Leave need not accrue. The Local Church may not make demands on when Lifelong Learning Leave is taken (e.g. summer only, separate from Annual Leave).**

At the time of the birth of a child, finalization of adoption, or reconfiguration of a foster living arrangement, the church worker and their family will need time together. Fair & Just Compensation requires Parental Leave irrespective of the church worker's role within the family unit, their gender identity, or the configuration of their family. A Guideline is established to provide Parental Leave that reflects our understanding of the values of progressive Christianity.

**Guideline D13: Support staff members are entitled to Parental Leave of up to two calendar months (60 days) at full compensation. Annual Leave or Sick Leave may be used to extend the leave period. Program staff members taking Parental Leave are expected to submit their request and negotiate in cooperation with their supervisor at least 60 days in advance so that appropriate staff coverage can be negotiated.**

Compassionate Leave for purposes of illness, death, marriage, graduation, or personal emergency within the church worker's immediate family (parent(s), spouse/partner, child(ren),

in-law, siblings, grandparent(s), grandchild(ren)) is common. A Guideline is established to provide such leave.

**Guideline D14: Support staff members are entitled to Compassionate Leave of up to five paid days in one year. In extreme circumstances where additional leave beyond Compassionate or Annual Leave is necessary, for purposes of pastoral care and concern, the support staff member and their supervisor shall negotiate.**

Sick Leave is a legal requirement in California for all employees. A Guideline is established that exceeds minimum legal requirements in California and creates a common standard for all church workers regardless of geography. Sick Leave may be used for personal illness or accident, the care of a person in the church worker's household (spouse/partner, child(ren), live-in parent), as well as for medical, dental, or vision appointments.

**Guideline D15: Support staff members are entitled to 12 paid days of Sick Leave per year. In accordance with California state law, Sick Leave is to provided in a block, renewing on the employment anniversary each year. Sick leave should be limited ("capped") to a maximum of 30 days in the staff members' bank.**

**Guideline D16: Civic Service Leaves include time off for jury duty, voting, or service in a US military reserve or National Guard unit. These leaves are guaranteed by federal law and must be made available to the program staff member when applicable.**

It may be necessary for an unpaid Leave of Absence to be made available to a church worker. Such special arrangements should be negotiated between the Local Church and the church worker on a case-by-case basis.

#### *Part 5: Professional Expenses*

Support staff members may incur expenses as part of their professional work. Such expenses should be appropriately budgeted by the Local Church.

**Guideline D17: Support staff members are reimbursed for preapproved business expenses within five working days from submission of expense report.**

#### *Part 6: Environment & Time Reporting*

Support staff must be adequately compensated for all time that work is performed. This includes remote working situations, such as checking and responding to email or voicemail from home. Maintenance of time cards as permanent record in the employee's file are essential in the event of a labor audit. It should not be a regular expectation for support staff to conduct their work in a place outside of their workspace in the Local Church.

**Guideline D18: Support staff members are not expected nor encouraged to maintain work email accounts on their personal computers, smartphones, mobile devices, or other emerging technology.**

**Guideline D19: Support staff members are to accurately report all working hours performed outside of their workspace in the Local Church.**

**Guideline D20: Support staff members are not expected nor encouraged to maintain connection through their social media accounts to Local Church social media profiles.**

## Section E: Compensation for Contractor & Short Term Employment

The question of contracted or short term employment within our Local Churches is a topic of some increasing discussion. Whether it is a substitute musician, supply preacher, child care worker, or temporary office manager, our efforts to live into our commitment for Fair & Just Compensation for Church Workers are advanced when we consider the standards of pay for these critical laborers.

### *Part 1: Supply Preachers*

The process of a Local Church identifying a supply preacher is irregular in the life of the church, but fairly common. A considerable amount of time, skill, and commitment goes into planning the principal worship service, preparing a sermon, and being present for a moment in the life of a community. It is important to recognize that supply preachers are not simply “hired help,” but qualified professionals engaged in the craft of ministry.

**Guideline E1: Supply preachers are compensated \$250, with an additional \$50 per worship service where the same sermon is delivered.**

**Guideline E2: Supply preachers are compensated roundtrip mileage from their home to the church at the current IRS rate, up to \$50.**

### *Part 2: Child Care*

Local Churches address child care in a variety of ways. For some, paid child care supervisors are essential to the smooth operation of programs and ministries. Others coordinate child care through the attention of faithful, dedicated volunteers. Still others hold “parents’ day out” opportunities as service opportunities or fundraisers with their youth groups. This document aims to support all these options, but provide useful details for those churches which need to pay for child care staff.

The prevailing fair and just wage for child care workers across our geography is a local question, and it is particularly difficult to answer the question with a specific Guideline that applies throughout the Conference. Instead, the following resources are suggested to Local Church leaders in determining compensation and validation:

- If the Local Church hosts a preschool, day care, or other early childhood program on-site, these groups are excellent first resources to ask the question of what is a fair hourly wage for child care providers in your community. If not, a nearby provider can be approached.
- The Local Church should conduct a background screen on the child care provider in advance of their employment or service contract. This should not be provided by the child care provider it/themselves, but should be conducted independently with results

delivered directly to the appropriate Local Church leader.

- The Local Church is reminded that local minimum wage ordinances should always be consulted to ensure that the hourly wage equals or exceeds the minimum wage even if employer size provisions may otherwise exempt the Local Church. This is a higher standard aligned with our commitment to be a labor justice church.