

Fair & Just Compensation for Church Workers

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



2022 Edition

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

Introduction to the 2022 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 2022, this resource has been simplified and condensed. In addition, this is the final year of baseline salary increases to match increases in the State of California 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

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, North Central California, Redwoods, San Francisco, San Joaquin and San Jose 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.

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.

In California, the “ABC Test” must be met for an independent contractor relationship to meet the necessary scrutiny of this state. **In practice, few local church positions meet the ABC Test.**

While clergypersons are considered self-employed for purposes of Social Security and Medicare (FICA), **they are employees of the church not independent contractors.**

Conference staff cannot provide further guidance but can refer you to human resources and legal professionals with whom you may establish a formal relationship.

Clergy Taxation & Withholding

Authorized Ministers fall between these two categories. The exact relationship between a Local Church and its 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.

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.

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.

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/.

Section A: Compensation for Authorized 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 Authorized Ministry, the vast majority of Authorized Ministers have completed at least seven years of formal education following high school – and, in many cases, more than that. Increasingly, Authorized 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 Authorized Ministers begins with our United Church of Christ spirit of covenant.

An important note: this section presumes that the Authorized 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 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.)*

The 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. 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 **annually, in advance of payroll expenditures.**

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 reduction of an Authorized Minister's cash salary. Such calculation is based on conventional wisdom of housing costs holding to one-third of gross salary.

Our 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 Authorized Ministers are fairly and justly compensated in their basic salary.

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.

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.

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 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.

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

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.

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.)

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.

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.

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.

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.

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.

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 Ministerial Standing, 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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

An Intentional Interim Minister receives experience, education, and performance points according to FJC, 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.

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.

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.

Associate Pastors are entitled to the same benefits eligibility as the Senior Pastor, and their professional expenses must meet at least the minimum standard in Section A.

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

The evolving nature of ministry in the 21st 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, no specific Guidelines are established. 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.

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.

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.)

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.

Likewise, Guidelines are established to allocate points toward educational, setting, and performance-based adjustments reflecting the diversity of skills and experiences that each worker brings to their labor.

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.

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.

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.

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.

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.

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. 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 customary government holidays as time off for program staff members, plus three floating holidays for Good Friday, Easter, and Christmas.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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.

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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.

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- 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.

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.

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

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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.

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.

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.

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.