

4. Report of the Pastoral Compensation and Benefits Advisory Committee

The Pastoral Compensation and Benefits Advisory Committee continues to serve the denomination in the area of pastoral compensation and benefits. The Committee provides a broad spectrum of input in its representation which includes laity, a compensation professional, clergy and a district executive. In addition, the Committee works closely with the Office of Ministry and the Council of District Executives (CODE).

As a part of a 5-year review, the Committee reviewed all the documents related to the compensation of pastors. It was learned that the congregational housing allowances in the start-up and renewal agreements were being applied differently in different districts. The salary scale has been seen as a goal instead of a minimum, and its application varied widely from congregation to congregation and from year to year in the same congregation.

The Committee determined that in order to rectify the variability of outcomes across the denomination it needed to create a package of documents that would allow District Executives to consistently and fairly apply the same standards to every congregation, whether large or small, and to every pastor, whether full-time or part-time.

In other words, the goal is for every pastor to be paid on scale, to be fairly compensated for their time. But how to do this? How to figure out how much time each congregation could afford?

The committee asked Brethren Benefit Trust (BBT) to work on a calculator that would include all the elements of pastoral compensation. For example, if a congregation has a budget of \$75,000 for pastoral compensation, just how much pastoral time can that congregation afford?

This is not as simple as it sounds. One has to start with the items on the salary scale, i.e., the pastor's education level and years of experience. The next task is to figure out the cost of the pastor's housing. Does the congregation provide a parsonage? If so, then there is no extra cost to the congregation. But if it does not provide a parsonage, then the congregation has to provide what the committee is calling a "parsonage adjustment," which is cash in an amount equal to what it would take to rent a 3-bedroom home in the congregation's zip code, in addition to the salary scale amount. (This number comes from a national database.) Then one would have to add in benefits provided by Brethren Benefit Trust or other sources, as negotiated by the pastor and the congregation.

Once all that is calculated, the result is the cost of a full-time pastor. Given that 77% of Brethren congregations have less than full-time or fully compensated

pastoral leadership, the cost is often prohibitive. The next task was enabling the calculator to be able to work backwards from what the congregation can afford. This tool is still in progress, but we believe “our proof-of-concept” is workable. The calculator can input all these variables, including the amount of money the congregation can afford and end up with both the percent and the hours-of-time the pastor will work each week (on average the actual weeks will, of course, vary).

The documents that are part of this package and that accompany this calculator include a financial agreement similar to the existing start-up and renewal agreements and will ultimately replace them. A glossary is being added to allow for changes in terms, i.e., housing allowance has changed to “housing exclusion”; “parsonage adjustment” has been added to refer to the housing amount added to the salary scale “in lieu of parsonage.” Box-by-box instructions on how to complete Form W-2 are being added and a simple explanation of pastoral income and taxes.

Following this document is a Shared Ministry Responsibilities Agreement which helps the pastor and congregation agree on the pastor’s ministry priorities in rank and time order. This document also reinforces the Brethren concept of the priesthood of all believers and emphasizes the congregation’s responsibility for shared ministry. All of these documents are to be reviewed and renewed annually, thus keeping the pastor on scale as each recommended increase is approved by Annual Conference.

This approach to paid ministry effectively eliminates the differentiation between full-time and part-time pastors. All pastors are compensated based both on the salary scale and on the congregation’s ability to provide adequate compensation. In addition, the Shared Ministries Responsibilities Agreement document is adjusted annually as the congregation’s and the pastor’s needs evolve.

We are continuing to work with CODE to ensure that our documents are useful, helpful, and adequate to achieve our goals. We plan to report the results of our five-year review to the 2022 Annual Conference. Our proposed changes to the cash salary table will be an item of new business.

Respectfully submitted,

Beth Cage, Chair

Ray Flagg, Laity

Daniel Rudy, Clergy

Deb Oskin, Compensation Professional

Nancy Sollenberger Heishman, Director, Office of Ministry

Terry Grove (in absentia) and Gene Hagenberger, CODE Representatives