



Recommended Salary Guidelines and Group Benefits Information 2020

Congregational Christian Churches in Canada

The Recommended Salary Guidelines have been developed with the goal of fairly compensating pastors for their service based on position, scope of responsibility, education, and experience. These Guidelines are intended to assist churches to determine what is fair and equitable. We recommend that our member churches not only try to meet these minimum standards but also seek to exceed them where possible. These Guidelines are intended for use in a both solo pastorates as well as multiple staff situations. For the senior pastor in a multi-staff church, additional compensation should be considered in light of the extra responsibilities of overseeing church staff.

BACKGROUND

While we recognize that every church in the CCCC has the local right to establish its own salary guidelines, we are nonetheless getting increasing calls to the National Office for some guidelines pertaining to this topic. Contained in these pages are the averaged results derived from a comparative analysis of other denominations. Please feel free to call the National Office should you require any additional help or explanation.

The financial support of pastors is a unique matter. Often there is confusion about who sets the pastor's salary and what criteria should be considered in determining the compensation received. The biblical precedent for providing generous support to those who give spiritual care and nurture to God's people is evident in both the Old and New Testaments. It is clear from Moses' instruction to Israel that the people were to contribute to the priests a share of the offerings presented in sacrifice to God for their physical sustenance. This practice of providing for those who ministered to the people as God's representatives carried over into the Church. The apostle Paul declared that the elders (pastors) who led the church well were to receive "double honor" especially those with the ministry of preaching and teaching. That he was referring to financial remuneration is clear from the context in which this instruction was given in I Timothy 5.

Therefore, it should be the intended purpose of every congregation to provide a fair and equitable salary package for the pastor(s) based on the biblical principle of generosity.

APPROACH

Since every church has the responsibility of caring for the pastor(s) with diligent attention and since there are a variety of factors that may contribute to what constitutes fair and equitable pay in the community in which a church is located, the following guidelines are given to assist in the process of determining a suitable salary package. While attempting to establish a procedure for determining an adequate salary, it is acknowledged that these guidelines serve only to give direction and are basic in their instruction.

1. A personnel committee shall be established from the Board of Elders for the purpose of setting the annual salary of the pastor(s) and church staff, where applicable. This committee shall meet with the pastor(s) and other staff members to discuss goals, needs, expectations, and resources available.
2. The personnel committee shall make recommendations on the compensation packages to the board with supporting arguments. The board will give final approval for inclusion in the church budget. Care must be given to present the annual church budget to the congregation in such a way as to prevent open discussion or voting on the salaries. This is to be a matter decided by the board, not the congregation, after proper consultation with the pastor(s) and staff members. The goal of the personnel committee is to ensure that there is sufficient economical support for the paid staff to maintain a reasonable lifestyle and to provide spiritual, emotional and physical stability.
3. The following factors may contribute to establishing a salary package:
 - Experience (number of years in pastoral ministry and, if applicable secular work force).
 - Education
 - Position to be filled (Solo Pastor, Senior Pastor with staff, Staff position, etc.)
 - Size of congregation
 - Benefits provided by the church (Pension Fund contributions, CPP, EI, etc.)
 - Housing (CCRA does allow for a portion of a pastor's income to be designated as a clergy resident deduction)
 - Reimbursements for ministry expenses (e.g. travel, hospitality, book allowance, etc.)

It must be recognized that the provision of adequate pay for the pastor(s) will be of benefit to both the pastor(s) and the congregation. A carefully developed plan is essential in order to ensure that this happens. This is both the practical and biblical means to successful ministry.

METHOD

The personnel committee after reviewing the above approach should determine the appropriate level of remuneration for the pastor(s) using the following sources for input:

- Obtain if available the prior year's salary breakdown. Remember these figures are one year old and need to be adjusted at least for inflation (currently in the 2-4% range).
- Complete the Remuneration Worksheet. (Be careful to give consideration to other types of experience and education that may be relevant.) Reviewing the prior year's worksheet would be helpful.
- Review prior years' increases in pastor(s) remuneration.
- Have at least one meeting with pastor(s) to discuss performance and receive feedback from the pastor as to accomplishments, goals and aspirations.

Then based on the above range, figure and discussions, and after a time of prayer establish the remuneration level for the next year. This decision and the rationale subject to board approval should then be communicated by way of a meeting with the pastor(s).

TIMING

The above process should be followed:

- Annually
- When calling a new pastor
- More frequently if something significantly changes in the ministries.

REMUNERATION GUIDELINES

The following information is provided for guidance when considering the various components for the pastor(s) remuneration for the current calendar year.

Senior & Pastoral Staff Positions

1. Base Salary Calculation

While information has been gathered from other denominations, the base salary reflected here is also derived from averaging teacher's salaries with 4 years of post secondary education and 0 years experience. For comparative purposes a pastor has often been considered in many cases to be somewhat similar to a teacher in terms of education and responsibilities. The following link will give the collective agreements for all the regions of the Ontario Teacher's Collective Salary Agreements:

<http://www.osstf.on.ca/adx/asp/adxGetMedia.aspx?DocID=3952,3949,580,442,365,Documents&MediaID=926&Filename=wheretoteach-Nov-2006.pdf>.

Another site you might find helpful is

<http://resource.educationcanada.com/salaries.html>.

To be added to these amounts are the following financial considerations listed below:

2. Clergy Residence Deduction

Because of the difficulty of setting a fixed clergy resident deduction that is appropriate for all the communities where we have churches we recommend that:

The Church Board should define what is considered to be a reasonable standard of accommodation and base the annual clergy resident deduction on the "Fair Rental Value" for that standard of accommodation. Two separate issues are involved here.

- The first is defining what accommodation is reasonable in setting the housing allowance part of the remuneration.
- The second concerns the fair rental value of the accommodation which the pastor can deduct for tax purposes, regardless of the allowance paid as part of the remuneration package from the church. For example, if a pastor were to select accommodation well above the standard in the area, this should not necessarily require paying a clergy resident allowance equal to the fair rental value. On the other hand, the pastor would be entitled to deduct that value for tax purposes. This matter should be discussed with the pastor and the church's outside accountant to ensure compliance with Canada Revenue Agency (CRA).

To comply with CRA regulations, form T1223 should be completed. While the form does not need to be filed with their income tax return, the pastor should keep a completed copy of the form on file should it be requested by CRA. Parts A and C are to be completed by the pastor and part B is to be completed by the Church. A detailed explanation of the Clergy Residence Deduction may be found on the CRA website: <http://www.cra-arc.gc.ca/E/pub/tp/it141r-consolid/it141r-consolid-e.html>.

3. Benefits:

a) Pension Plan Payments

The church is encouraged to contribute toward the pastor's pension. Calculate up to at least 5% of Adjusted Minimum Salary (See Step 6 in Salary Worksheet). The Church is also required by law to pay its share of the Canada Pension Plan and Employment Insurance. These payments are remitted to the proper authorities when deductions are made.

b) Group Insurance

Please be sure to adequately plan for and take care of your pastor in this area. The CCCC has an arrangement with a medical/dental/health care provider. Please contact the office for more information on this plan or you may want to consider one of your own.

Group Life, Health, Dental and Long-term Disability are to be provided for the pastor through a group benefit plan of your choosing. Because of tax implications, should the pastor need to collect Long-term Disability, it is to his/her advantage to pay for this portion of the premium with after tax dollars. Optional life insurance coverage chosen is to be paid by the pastor.

4. Sick Leave

As a guideline, allow for 1½ days paid sick leave per month to a total of 18 days per year.

To provide for their pastor in the event of an extended period of illness, a church is encouraged to adopt a sick leave policy and subsequently file a Supplemental Unemployment Benefit (SUB) Plan with the Department of Human Resources and Skills Development Canada (HRSDC). Please go to <http://www.hrdc-drhc.gc.ca> for more information. The Plan enables the church, in conjunction with

Unemployment Insurance, to provide 95% of a pastor's salary until such time as Long Term Disability benefits take effect.

The Program Guide to Supplemental Unemployment Benefits is found at:
www.sdc.gc.ca/asp/gateway.asp?hr=/en/cs/sub/0200/0200_000.shtml&hs=eyp.

5. Statutory Holidays and Days Off

Allowance for rest and time to take care of personal affairs is particularly important if pastors are to maintain long-term effectiveness and insight. Thus, churches should encourage pastors to take two days off per week, with allowances for statutory holidays.

Each province has employment legislation requiring that all employees be granted time off or be paid time and one-half for specified "general holidays". These usually include at ten of the following days: New Years Day, Family Day, Good Friday, Victoria Day, Canada Day, Civic Holiday, Labour Day, Thanksgiving Day, Christmas Day, Boxing Day and any other day designated by the employer.

Many of these days are special days in the church calendar and the pastor is required to perform services on those days. Therefore each church should grant their pastor(s) other time off to compensate for these days.

6. Vacation

All full-time pastors/church staff should be encouraged to take holidays (See guideline below.) The usage of these weeks should be pre-arranged and coordinated to coincide with the best time for the Church year.

<u>Pastoral Staff</u>	<u>Total Years in Ministry</u>	<u>Vacation Benefit</u>
	0 – 5 years	3 weeks
	6 – 11 years	4 weeks
	12 – 25 years	5 weeks
	25+ years	6 weeks

<u>Administrative Staff</u>	<u>Length of Employment</u>	<u>Vacation Benefit</u>
	0- 2 years	2 weeks
	3- 9 years	3 weeks
	10+ years	4 weeks

Vacation should be pro-rated for the first year. Outstanding vacation pay is due upon termination.

7. Discretionary One-Time Payment

If pastors/church staff go beyond the line of duty, an extra bonus, etc. may be paid.

8. Optional Allowance(s):

Other forms of allowances may also be considered such as:

Media/Book Allowance: It is good for the pastor to keep current on new material and reference books (over and above what a Church chooses to do in the Library).

Professional Development – Continuing Education: Setting aside a period of time annually for the pastor's continuing education benefits both the pastor and the Church.

- Consider allocating up to ten days annually.
- The Church should encourage its pastor to take at least one such study leave in any two-year period.
- Time set aside for study may be cumulative, to 20 days in two years.
- The Church should make available, annually, at least \$500 for continuing education and book allowance, cumulative up to at least \$1,000 in two years. Another option would be to allocate 2% of salary for this purpose. Books and periodicals that are purchased for the pastor's library are a taxable benefit to the pastor. If, however, they are bought for the church (even though the pastor uses them) there is no taxable benefit to the pastor. Since used books (2 or 3 years old) have only nominal value, it may be possible to give books to the pastor upon his leaving the church without incurring a taxable benefit.
- Consideration should be given for the pastor and spouse to attend the annual Banff Pastor's Conference or other conference of choice.

Sabbatical Leave: It is generally an acceptable practice to consider a 3 month paid sabbatical leave after the sixth year of pastoral employment for any pastoral staff who has been employed for six years of continuous pastoral employment.

9. Ministry Expenses:

Certain expenses are incurred in effectively conducting the ministry of the church. The pastor should not pay these costs, nor are these costs viewed as part of the compensation package *per se*.

10. Communication Assistance:

- a) An office telephone shall be provided. If the office is in the home, then a telephone may be provided without income tax implications.
- b) Consideration should be given to provide the Pastor with a computer and internet/e-mail access.

11. Hospitality Reimbursement:

Churches should recognize the increased cost to a pastor for entertaining guests of the Church, (e.g. in home or restaurants) and we suggest the Church attempt to offset these costs for the pastor. This cannot be paid as an allowance and must be reimbursed on the basis of actual expense.

12. Denominational Responsibilities:

The Church should reimburse the costs associated with the pastor and spouse attending and representing the Church at Conferences and Annual Meetings and Pastors' and Spouses Conferences rallies and retreats. This includes registration, travel, lodging and meals.

13. Transportation Costs:

Canada Revenue Agency allows the church as an employer to reimburse the pastor for car expenses up to \$0.59 for the first 5,000 km per year and \$0.53 after that. A church may pay travel costs at any rate it wishes, but payments at or below the above rates should not trigger any taxable benefit to the pastor, because they would be considered a reimbursement of the expenses incurred in operating a vehicle in the service of the church. The amount agreed upon by the church and the pastor should reflect the true cost of operating the vehicle, including insurance, depreciation, interest costs, fuel, etc.

The pastor must maintain a detailed log of kilometers traveled.

14. Insurance:

It is recommended that a pastor check with their insurance agent to ensure their personal library of books and computer equipment are adequately covered, whether it be situated in their residence or on the church property. Standard clauses in most insurance policies do not adequately cover the value of these items.

REMUNERATION WORKSHEET

How to Calculate Minimum and Total Salary • Senior Pastor

Step 1

Recommended Minimum Salary (including Housing)	\$49,072.21
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Step 2

Calculate adjustment depending upon Church's Annual Budget. Use the current year's total budget to determine the figure to be used.

Calculation based on Church Budget

If the Church's Budget is...	% of Minimum Salary to be added:	Our Percentage is:
\$0 to \$100,000	Add 3%	
\$101,000 to \$150,000	Add 7.5%	
\$151,000 to \$200,000	Add 10%	
\$201,000 to \$275,000	Add 15%	
\$276,000 to \$350,000	Add 20%	
\$351,000 to \$425,000	Add 25%	
\$426,000 and above	Add 30%	

Step 3

Adjustment to Minimum Salary	_____ % of \$49,072.21 =	\$
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Step 4

Calculate adjustment for length of service
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Total number of years of accumulated service: _____

Calculation for Length of Accumulated Service

Number of Years of Service	% of Minimum Salary to be added:	Our Percentage is:
1 to 4 years	Add 5%	
5 to 7 years	Add 10%	
8 to 10 years	Add 12.5%	
11 to 14 years	Add 15%	
15 to 19 years	Add 20%	
20 to 24 years	Add 25%	
25+ years	Add 30%	

Step 5

Adjustment to Minimum Salary	_____ % of \$49,072.21 =	\$
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Step 6

Total Adjusted Minimum Salary: ADD Steps 1+3+5	\$
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Calculation for Increase in Education

Degree	Minimum Salary to be added:	Our Amount is:
Undergraduate Degree	\$2,000	
Graduate Degree	\$3,000 to \$4,000	
Post-Graduate Degree	\$5,000+	

Step 7

Calculate for Increase for Education	\$
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Step 8

Pension Contribution up to 5% of Adjusted Minimum Salary	\$
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Step 9

Group Benefits (Add in \$ amount based on coverage)	\$
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Calculation for Multi-Staff Church and Church Size

Church Size	Minimum Salary to be added:	Our Amount is:
Less than 100	\$2,000	
100 to 300	\$4,000	
300 to 500	\$6,000	
500 to 700	\$8,000	
700 to 900	\$10,000	

The suggested weighting factor for Church Size Allowance:		
Senior Pastor	100%	
Other Pastors	50%	
Church Staff	25%	

Step 10

Calculate Adjustment for Multi-Staff Church and Church Size	\$
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Step 11

Recommended Salary: ADD Steps 6+7+8+9+10	\$
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How to Calculate Minimum and Total Salary • Ministerial Staff

Step 1

Recommended Minimum Salary (including Housing)	\$49,072.21
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Step 2

Calculate adjustment depending upon Church's Annual Budget. Use the current year's total budget to determine the figure to be used.

Calculation based on Church Budget

If the Church's Budget is...	% of Minimum Salary to be added:	Our Percentage is:
\$0 to \$100,000	Add 3%	
\$101,000 to \$150,000	Add 7.5%	
\$151,000 to \$200,000	Add 10%	
\$201,000 to \$275,000	Add 15%	
\$276,000 to \$350,000	Add 20%	
\$351,000 to \$425,000	Add 25%	
\$426,000 and above	Add 30%	

Step 3

Adjustment to Minimum Salary	_____ % of \$49,072.21 =	\$
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Step 4

Calculate adjustment for length of service
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Total number of years of accumulated service:

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Calculation for Length of Accumulated Service

Number of Years of Service	% of Minimum Salary to be added:	Our Percentage is:
1 to 4 years	Add 5%	
5 to 7 years	Add 10%	
8 to 10 years	Add 12.5%	
11 to 14 years	Add 15%	
15 to 19 years	Add 20%	
20 to 24 years	Add 25%	
25+ years	Add 30%	

Step 5

Adjustment to Minimum Salary	_____ % of \$49,072.21 =	\$
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Step 6

Total Adjusted Minimum Salary: ADD Steps 1+3+5	\$
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Calculation for Increase in Education

Degree	Minimum Salary to be added:	Our Amount is:
Undergraduate Degree	\$2,000	
Graduate Degree	\$3,000 to \$4,000	
Post-Graduate Degree	\$5,000+	

Step 7

Calculate for Increase for Education	\$
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Step 8

Pension Contribution up to 5% of Adjusted Minimum Salary	\$
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Step 9

Group Benefits (Add in \$ amount based on coverage)	\$
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Calculation for Multi-Staff Church and Church Size

Church Size	Minimum Salary to be added:	Our Amount is:
Less than 100	\$2,000	
100 to 300	\$4,000	
300 to 500	\$6,000	
500 to 700	\$8,000	
700 to 900	\$10,000	

The suggested weighting factor for Church Size Allowance:		
Senior Pastor	100%	
Other Pastors	50%	
Church Staff	25%	

Step 10

Recommended Salary: ADD Steps 6+7+8+9	\$
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