

## 2022 CLERGY MINIMUM COMPENSATION & BENEFITS SCHEDULE



The Executive Council adopts a minimum compensation and benefits schedule for full-time clergy positions. Compensation greater than the minimum is encouraged, especially for secular work experience, education, or professional accomplishments. Part-time clergy positions are expected to be compensated proportionally. The 2022 scale reflects a 2.5% over the previous year's base. It includes the SECA (self-employment compensation adjustment, or so called "social security reimbursement").

### CASH COMPENSATION *paid to the cleric.*

- 1) **Stipend** meeting or exceeding the scale with exception for those working outside a sacramental role (e.g. secretary or youth ministry).
- 2) **Housing Allowance**
  - a. Housing provided by church (church owned or rental)
    - i. **Utility Allowance** *paid to cleric or vendor(s)*  
When to cleric: Vestry should designate as housing allowance (Section 107 of the Internal Revenue Code). Assessable for pension purposes.  
When to vendor: Assessable for pension purposes.
    - ii. **Housing Equity Allowance** *paid to pension provider (preferred) or cleric:* At least 2% of Stipend plus Utility Allowance. Assessable for pension purposes.  
When to a pension provider: payments are tax deferred, no IRS reporting.  
When to cleric: payments are taxable income reported to IRS on Form W-2, line 1.
  - b. Housing provided by the cleric. The Vestry, in consultation with the cleric, should designate a housing allowance of a portion of the Stipend (Section 107 IRC). Assessable for pension purposes.

Minimum Compensation Scale (SECA included)		
<u>Years of Credited Service on 1/1</u>	<u>Church housing</u>	<u>Clergy housing</u>
0 to 1	\$45,165	\$59,753
1 to 2	\$45,490	\$60,153
2 to 3	\$45,815	\$60,553
3 to 4	\$46,140	\$60,953
4 to 5	\$46,465	\$61,353
5 to 6	\$46,790	\$61,753
6 to 7	\$47,115	\$62,153
7 to 8	\$47,440	\$62,553
8 to 9	\$47,765	\$62,953
9 to 10	\$48,090	\$63,353
10 to 11	\$48,415	\$63,753
11 to 12	\$48,740	\$64,153
12 to 13	\$49,065	\$64,553
13 to 14	\$49,390	\$64,953
14 to 15	\$49,715	\$65,353
15 to 16	\$50,040	\$65,753
16 to 17	\$50,365	\$66,153
17 to 18	\$50,690	\$66,553
18 to 19	\$51,015	\$66,953
19 or more	\$51,340	\$67,353

If service was outside US, contact the Diocesan Office for direction.

### BENEFITS

- 3) **Pension Assessment** *paid to Church Pension Fund* under its rules. 18% of total assessable compensation. Refer to "Guide to Benefits Under the Clergy Pension Plan" at [cpg.org](http://cpg.org). Enrollment or changes made through the Diocesan Office.
- 4) **Medical & Dental Insurance** *Premium paid to Episcopal Church Medical Trust, required Health Savings Account contributions to vendor.* Medical and Dental benefits by diocesan policy at level of cleric's life situation (Single, Employee+1, or Family). Rates established by Episcopal Church Medical Trust and diocesan Health Insurance Policy. Refer to [diofdl.org/ae](http://diofdl.org/ae). Enrollment or changes made through the Diocesan Office.
- 5) **Group Term Life Insurance** *Premium paid to Church Life Insurance Corporation.* Required for all clergy working for the church, working at least ½ time. Benefit level of \$10,000 includes spousal and dependent benefit. Enrollment or changes made through the Diocesan Office.
- 6) **Travel Reimbursement** *Paid to the cleric.* Budget reimbursement not less than \$3,600 per year. Accountable basis of reimbursement required with record as to reason for trip, date, and mileage. Non-accountable reimbursement is not allowed as it is assessable for pension purposes and taxable income reported to the IRS. Note: Congregations are encouraged to establish travel reimbursement on an accountable basis for a Deacon serving a congregation in a sacramental role of at least \$900 per year.

## Additional Information Regarding the Clergy Compensation

1. As of October 2021, diocesan clergy compensation of active clergy reported to the Church Pension Fund:
  - 12 clergy compensated on a full-time basis and serving a congregation.  
Average compensation + housing was \$72,396 (last year \$68,712). All exceed the minimum.
  - 8 clergy compensated on a less than full-time basis and service a congregation.  
Average compensation + housing was \$25,196 (last year \$25,180) (average 0.42 FTE).
2. The 2021 federal poverty guideline for the 48 Contiguous States and DC was \$12,880 (1 person), \$17,420 (2 persons) and \$26,500 (four persons). Based on average compensation for clergy working full-time, this translates to 4.08 times the poverty guidelines per persons in household.  
*Finance Committee targets 4 times the poverty guidelines.*
3. The Social Security COLA (cost of living adjustment) for 2022 is 5.9%. The 2021 the COLA was 1.3%. Remember this is on a lower base than active workers. The SSA reports the average of \$18,000 a year so a 5.9% bump is about \$1,000. The proposed 2.5% increase translates to about \$1,300 on average. On a dollar basis, it is greater than the COLA. *Finance Committee targets the COLA.*
4. The Church Compensation Report by the Church Pension Fund reported these medians for 2020:
  - National Median Compensation: \$78,799
    - Family Church Size (0-75 ASA): 60,600 [43 diocese greater than FdL, 55 less]
    - Pastoral Church Size (76-140 ASA): 83,500
    - Solo Clergy: 75,678
  - Province V Median Compensation: \$70,274 [8 dioceses greater than Fdl, 5 less]
  - Fond du Lac Median Compensation: \$66,187*Finance Committee targets Family Church Size median.*
5. A 2.5% increase of the minimum in 2022 results in a cumulative increase since 2013 of 20.1%. This is about the same as the 18.7% cumulative rate of inflation over that period.

• 2013   2% increase	• 2016   1.5% increase	• 2019   1.5% increase
• 2014   2% increase	• 2017   1.5% increase	• 2020   1.5% increase
• 2015   1.5% increase	• 2018   1.0% increase	• 2021   1.5% increase

*Finance Committee attempts to match or do a little better than inflation.*

## Summary

Compensation and benefits are unique for clergy because of laws about taxable income and their dual tax status (employees for income tax, self-employed for Social Security & Medicare). Increases in the minimum over the past decade have been roughly equal to inflation resulting in the same buying power.

Based on information available, clergy of the Diocese of Fond du Lac receive adequate compensation below the national median of Episcopal clergy but above the median for Family Church Size. Considering Wisconsin's lower cost of living (around 10% below U.S. Average), current levels of compensation should not create a barrier to calling clergy from other dioceses.

While the 2022 COLA and current inflation rates are significantly higher than in past years, a 2.5% increase meets other criteria the Finance Committee uses to make its determination. If current trends continue, it is likely that the 2023 rate of change for minimums will be significantly greater.