

2015 Compensation Guide for Clergy and Lay Employees

Episcopal Diocese of Pittsburgh



**Approved by Diocesan Council
October 6, 2014**

Episcopal Diocese of Pittsburgh

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INTRODUCTION

The purpose of this Compensation Guide is to provide – for the **Bishop’s Wellness Committee, the diocesan Personnel Committee, Parish Vestries, and Institutional Boards** – standards for the proper compensation, including cash salary, allowances, and benefits, of clergy and lay employees in the Episcopal Diocese of Pittsburgh.

The Guide is applicable to the diocese, to all congregations in the diocese, and to any other institution under the authority of the Constitution and Canons of the Episcopal Diocese of Pittsburgh.

The terms of compensation of the **Bishop** are to be reviewed annually and recommended to the Diocesan Council for the Budget of the Diocese by a **Bishop’s Wellness Committee**. The Committee is to be comprised of the President of the Standing Committee, President of the Board of Trustees, and the President of Diocesan Council. The Committee is to meet with the Bishop semi-annually to review compensation and wellness issues with the Bishop.

The terms of compensation of **other clergy and of lay employees serving in the Diocesan Office** are recommended to the **Diocesan Council** by the Bishop for inclusion in the annual diocesan budget. This recommendation takes place in the context of consultation with a **Diocesan Personnel Committee** appointed by the Bishop and in conformity with minimum guidelines for clergy and for lay employees established in the annual Compensation Guide.

For parishes, other congregations, and other institutions under diocesan authority it is the responsibility of each **Vestry, Board, or similar governing body** to use these minimum and recommended Compensation Guidelines, approved by Diocesan Council and authorized by the Annual Convention of the Diocese, in determining the compensation levels for **clergy and for lay employees** for whom that body may be responsible.

Both clergy and vestries or similar bodies have access to the Bishop’s Office and to the Compensation Committee of Diocesan Council to seek clarification of elements of the guide or to seek resolution of conflicts that may arise in applying the guide to particular situations.

Respectfully Submitted,

The Compensation Committee of Diocesan Council:

Mr. Stuart Fox
The Rev. William Geiger
Mr. James Neral
The Rev. Leslie Reimer
The Rev. Dr. Bruce Robison (Chair)

Ex officio: The Ven. Jean Chess; The Rev. Lou Hays; The Rt. Rev. Dorsey McConnell; and
Ms. Kathi Workman

CLERGY AND LAY EMPLOYEE COMPENSATION: DEFINITIONS AND POLICIES

TOTAL COMPENSATION, CLERGY

Clergy Compensation is appropriately guided by the resources available in the ministry situation in which the ministry is offered and by the level of responsibility and commensurate skill and experience required.

Clergy Compensation Letters of Agreement and subsequent specification of clergy compensation will specify and limit the figure of **Total Compensation** to include **only** those elements of compensation subject to assessment by the Church Pension Fund – the total of: (1) Cash Salary, (2) Housing/Utility Allowance or the amount specified in this guide to calculate the value of Housing/Utilities Provided (with additional Housing/Utility Allowance, (3) Equity Allowance, and (4) recommended Self-Employment Tax Allowance, as described and treated in this Guide.

Additional elements of compensation, such as the costs of pension assessments and contributions, health insurance, travel and professional allowances, and discretionary and benevolent funds are not included in the Total Compensation calculation.

TOTAL COMPENSATION: CASH SALARY

For the purposed of this Guide “Cash Salary” refers to that portion of Total Compensation in addition to provided Housing and Utilities, Housing Allowance, Equity Allowance, and/or Social Security/Medicare Self-Employment Tax Allowance.

TOTAL COMPENSATION: HOUSING AND HOUSING ALLOWANCES

When church-owned housing and utilities are provided for the use of ordained clergy the Internal Revenue Service currently allows their value to be excluded from the calculation of income subject to Federal Income Tax.

When church-owned housing and utilities are provided for the use of ordained clergy, the Minimum and Recommended amounts designated in this Guide for Total Compensation may be reduced by 25%.

When church-owned housing and utilities are not provided, clergy are permitted to designate in advance a portion of their income no greater than the fair market rental value of house, furnishings, and utilities, as a Housing Allowance, and this designated portion of their income is not subject to Federal Income Tax. A Designated Housing Allowance must be recorded in the official records of the congregation or other employer and should be identified on budget forms. When housing and utilities are provided, an additional amount of Clergy Compensation may be designated as Housing Allowance (see below) to the extent allowable by the Tax Code. A model Housing Allowance designation is provided in this Guide, Appendix E. *It is important to remind*

Clergy that the fair market rental value of provided furnished housing and utilities, and/or of any Housing /Utility Allowance, are subject to Self-Employment Tax and are to be reported on Schedule SE of IRS Form 1040.

TOTAL COMPENSATION: OTHER INCLUDED ALLOWANCES **SOCIAL SECURITY SELF-EMPLOYMENT TAX ALLOWANCE**

For the purposes of Payroll Taxes related to Social Security and Medicare, all ordained clergy are considered self-employed. When desired and by negotiation, an allowance equal to half of the clergy's social security self-employment tax (SECA), currently 15.3%, may be paid directly to the member of the clergy as an additional compensation. **NOTE: This income is fully taxable and reportable as income to the clergy. The amount of any Self-Employment Tax Allowance is included within, not in addition to, the Minimum and Recommended Total Compensation figures in this Guide.**

EQUITY ALLOWANCE

The 133rd Annual Convention of the Diocese of Pittsburgh adopted a resolution stating that effective January 1, 1999, Letters of Agreement *for all clergy living in church-provided housing* shall include an additional category of compensation entitled "Housing Equity Allowance," and it was further resolved that the specific amount of the Housing Equity Allowance shall be calculated by using a percentage of the value designated for housing on the assessment form of the Church Pension Fund (30 percent of cash stipend plus utilities) or an amount agreed upon between the clergy and the parish. **NOTE: This income is fully taxable and reportable as income to the clergy. The amount of any Equity Allowance is included within, not in addition to, the Minimum and Recommended Total Compensation figures in this Guide.**

LAY EMPLOYEE COMPENSATION

Canonically mandatory pension benefits for lay employees regularly scheduled to work 1,000 hours per year or more are described in Appendix F of this Guide. Canonically mandatory Denominational Health Plan benefits for lay employees regularly scheduled to work 1,500 hours per year or more are described in Appendix G of the Guide.

Parishes and other employers subject to the authority of the Episcopal Diocese of Pittsburgh shall comply with applicable Federal and State employment law, including Federal, State, and Local Minimum Wage and Occupational Health and Safety regulations. The National Association of Episcopal Christian Education Directors, the Episcopal Church Youth Ministry Network, the American Guild of Organists, the Association of Anglican Musicians, and other organizations serving Lay Professional Ministers of the Episcopal Church may offer recommended guidelines for Lay Professional compensation. The United Way of Allegheny County compiles a survey of compensation practices in non-profit organizations in our region. A recent edition may be found here:

<http://bcnm.rmu.edu/ProgramsServices/cmp-media/docs/BayerCenter/wbsurvey2012.pdf>

**MANDATORY ALLOWANCES
NOT INCLUDED WITHIN “TOTAL COMPENSATION”
FOR CLERGY AND LAY EMPLOYEES**

TRAVEL (JOB-RELATED)

Each congregation or other institution subject to this Guide shall provide clergy and lay employees either a monthly, job-related Travel Allowance or an accountable reimbursement plan utilizing the IRS per mile reimbursement rate set annually by the Diocesan Council. It is recommended that the vestry adopt an accountable reimbursement plan. Reimbursements paid under an accountable plan are not reportable by the employer or employee as taxable income, unlike the monthly allowance which is taxable. The accountable plan is a significant advantage to the clergy. Note: When the accountable reimbursement plan is adopted by the vestry it applies to all employees – clergy or lay.

If employees are paid at a rate in excess of the IRS per mile reimbursement rate, under IRS revenue ruling 84-127, the **entire reimbursement** must be added to the wages reported on form W-2. The clergy can then claim a deduction of the IRS per mile rate on IRS Form 2106 for the business mileage. This is not recommended.

Clergy and lay employees should keep in mind that travel expenses either reimbursed as an allowance or under an accountable reimbursement plan **must** be documented. See APPENDIX G for a sample documentation form. In the event of an audit the IRS will request the documentation of these expenses.

RELOCATION (MOVING) ALLOWANCE

When a congregation or other institution issues a call following the election of a clergy person to a full-time, settled position of ministry, the calling congregation or other institution is to pay the expenses associated with the relocation. Clergy who have been called and the leadership of the congregations to which they have been called are encouraged to discuss and negotiate the anticipated expenses in advance.

CONTINUING EDUCATION ALLOWANCE

All clergy, as required by canon and all lay ministry professionals are encouraged to engage in regular continuing education to strengthen their ministries. Parishes are expected to provide both time and money to make such study possible. Continuing education should be focused on vocational development, workshops, courses or intentional study in areas that undergird present or future ministry and develop or strengthen talents and skills. This time is not to be used as additional vacation or leisure time.

Congregations and other institutions shall designate a stated allowance amount in the annual budget (in previous years the Continuing Education Subcommittee of the Commission on

Ministry recommended \$500 to \$1,000 for each full-time clergy person or lay employee) toward the expenses of continuing education.

SABBATICAL LEAVE

After five years of continuous service in a parish or in the service of the Diocese, clergy in full-time ministry appointments are eligible for a period of paid sabbatical leave, accrued at the rate of two weeks per year of service, up to a maximum of three months (14 weeks) of paid leave. (Some slightly longer sabbaticals have been negotiated, with the additional leave paid or unpaid, depending on terms of the negotiation.) It is recommended that full-time lay ministry professionals be offered a similar sabbatical opportunity. Parishes shall build provision into their budgets to cover the expenses of a sabbatical, which include program and travel costs as well as liturgical and pastoral care coverage for the parish. Limited diocesan aid may be available to help defray the cost of supply clergy and other expenses for the parish during the priest's sabbatical. The purposes of the sabbatical are to promote personal, spiritual, professional, and academic enrichment for continued ministry. A written description of the sabbatical plan should be submitted to the Bishop no less than 90 days before it commences.

DESCRIPTION OF MANDATORY AND RECOMMENDED BENEFITS: CLERGY AND LAY EMPLOYEES

*Note that any costs to the parish or other employer of the mandatory and recommended benefits required below are **not** included in the calculation of Minimum or Recommended "Total Clergy Compensation."*

CHURCH PENSION FUND: CLERGY AND LAY EMPLOYEES

Title I, Canon 8, Section 3 of the Constitution and Canons of the Protestant Episcopal Church in the United States of America requires the diocese, parish, mission, and other ecclesiastical organizations to pay the Church Pension Fund Assessment for the Bishop and clergy, and for lay employees scheduled to work 1,000 hours or more each year.

DENOMINATIONAL HEALTH PLAN: CLERGY AND LAY EMPLOYEES

Medical/Dental group insurance as provided by the Denominational Health Plan of the Episcopal Church is required for clergy and lay employees scheduled to work 1,500 hours or more each year.

EXTENDED SICK LEAVE/SHORT-TERM DISABILITY

Effective January 1, 2004, as a benefit of the Church Pension Fund, all clergy actively participating in and fully covered by the Clergy Pension Plan will be enrolled in a Short-Term Disability Benefit Program at no additional pension assessment cost. In cases of extended serious illness, clergy are to be provided with sick leave at full pay, supplemented by short-term disability payments of 70 percent of compensation from the Pension Fund, up to \$1,000 per week, for a maximum period of 52 weeks.

If the illness is prolonged beyond 360 days, the clergy should initiate the Long-Term Disability Benefit through the Pension Fund. Prior to or during a term of office, clergy are expected to inform the congregation and diocesan office of any health factors, which may interfere significantly with effective fulfillment of responsibilities.

Effective January 1, 2005, as a benefit of the Church Pension Fund, all clergy actively participating in and fully covered by the Clergy Pension Plan will be enrolled in a new Long-Term Disability Benefit Program at no additional pension assessment cost. Clergy should contact the CPG to verify inclusion in this plan and to obtain description of plan benefits.

Congregations and other employers within the diocese are *encouraged* to provide extended sick-leave, short-term, and long-term disability insurance benefits for full-time lay employees.

SUPPLEMENTAL LIFE INSURANCE BENEFITS

All clergy listed in Active Status with the Church Pension Fund are provided with a Group Term Life Insurance Benefit equal to four times total annual compensation, up to \$100,000. Clergy and their spouses have the ability to purchase additional insurance coverage from the Church Life Insurance Corporation and the Pennsylvania Widows Corporation. Please contact the diocesan office for additional information. Supplemental Life Insurance may be included as an additional negotiated benefit in Clergy or Lay Employee Letters of Agreement. Congregations and other employers within the diocese are *encouraged* to provide life insurance benefits for full-time lay employees.

ADVOCACY FOR CLERGY AND LAY EMPLOYEES DURING COMPENSATION/BENEFIT NEGOTIATIONS

At the time of determining the annual budget in congregations, clergy and lay employees often find it difficult to negotiate for an adjustment in compensation and benefits. Negotiation is not a skill that everyone possesses. In response to this reality, the Compensation Committee proposes that clergy and lay employees may ask an advocate to represent his or her needs and desires to the vestry or budget committee. This section of the Guidelines proposes a method for finding and making use of an advocate.

1. Let the vestry or budget committee know well in advance that you will be asking someone to represent you at the budget meeting.

2. When deciding on an advocate, choose someone who cares about you within the parish community, but not the Treasurer (the Treasurer would be put in an untenable position as your advocate). The advocate does not have to be a member of the parish, but needs to be someone with credibility in the community. The advocate should have an understanding of the covenant between the cleric or lay employee and the parish and also have a sense of advocacy as a ministry that may serve both the cleric or lay employee and the parish. Write or call this person and outline what you are asking him or her to do. For example, you would like an advocate:
 - a) To represent you and your needs to the vestry or budget committee.
 - b) To discuss with you what your hopes are for the next year regarding your package.
 - c) To meet with you one or two times before the budget meeting.
 - d) To be an advocate for one or two years.
3. Meet with the person you've chosen to be your advocate at least one week before the budget committee meets.
 - a) Give the person a sense of the role of an advocate. That an advocate should
 - have a sense of this ministry as a way of caring for the parish cleric who comes to the parish as servant;
 - understand that vestry and cleric have entered into a mutual covenant of care giving. As the cleric cares for the people, the people must care for the cleric. This is important for the parish as well as for the cleric; and
 - speak for the cleric when he or she may not be in a position to speak for him or herself.
 - b) Use the Diocesan or recommended Lay Professional Compensation Guidelines as focus for the meeting and go through them carefully.
 - c) Note all the categories of the covenant between the cleric or lay employee and the vestry.
 - d) Note that it is reasonable for the parish to support these categories.
 - e) When you come to the financial section, note that the recommended amounts are minimums, not maximums.
 - f) Ask if the advocate can accept the principles of the categories.
 - g) Have an annual meeting with the advocate to review your needs and expectations.
 - h) Assure the person that you are depending on him or her to represent your needs.
 - i) Don't be afraid to articulate your needs.

LETTERS OF AGREEMENT

For Clergy it is *required* that prior to beginning a compensated ministry within the Diocese of Pittsburgh, a **Letter of Agreement**, specifying Terms of Call and Compensation, has been signed by the Clergy Person, the Senior Warden or other officer of the Parish or employing Organization, and the Bishop. An original, signed copy of the Letter of Agreement is to be maintained in the files of the Diocesan Office. Terms of compensation within the Letter of Agreement are to be reviewed annually, and the entire Letter of Agreement should be reviewed and updated periodically.

It is strongly recommended that similar, periodically updated Letters of Agreement be for all Lay Employees as well.

DEFINITION OF ADDITIONAL TERMS

Associate	Settled Clergy on staff with delegated responsibilities under the supervision of a primary clergy person.
Primary	Settled Clergy on staff entrusted with supervisory responsibility over all aspects of parish life according to canon.
Complex Program	A parish with multiple daily demands on clergy including several week-day services, board meetings and multiple staff (clergy & lay) to administer a consistent, growing number of programs.
Smaller Parish	A parish (typically under 50 ASA) with one primary clergy person and rarely additional paid staff (clergy & lay) to administer a consistent, limited number of programs.
Cluster	A group of smaller parishes, missions, and/or lay-led parishes sharing one or more clergy person and (rarely) additional paid staff to administer a few programs.
Mission	A smaller gathering of Christians under the supervision of the bishop, the assistance of an appointed primary clergy person and lay leadership with the intent of forming an established parish.
Lay-Led Parish	An established smaller parish depending predominantly on lay leadership for the daily functioning of the parish.

CLERGY AND CONGREGATIONS: SITUATIONS OF MINISTRY AND DEPLOYMENT

PARISH “TYPE” DESCRIPTIONS

The descriptions of each congregational situation, and particularly of the clergy responsibility level, are provided to help the congregation assess their level of functioning and ministry development. The “types” are determined by a mix of factors, including size of active congregation, available financial resources, and style of ministry.

TYPE 1 – May include lay-led parishes, diocesan church plants or “restart” congregations, and missions utilizing full-time clergy, part-time clergy, shared clergy, supply clergy, or deacons

TYPE 2 – Smaller parishes with settled full or part-time clergy and lay volunteers filling most other staff roles

TYPE 3 – Mid-sized parishes with settled full-time clergy and a mix of paid and volunteer staff

TYPE 4 – Larger parishes with complex programming and some paid lay and clergy staffing

TYPE 5 – Larger parishes with complex programming

CLERGY MINISTRY DEPLOYMENT DEFINITIONS

CLERGY DEPLOYED IN FULL-TIME MINISTRY SITUATIONS

Full-Time clergy may either hold canonically elected and tenured positions (Rectors) or be non-tenured Priests-in-Charge. Appendix B of the Compensation Guide relates the five patterns or “types” of deployment situations with minimum and recommended Total Compensation guidelines for full-time ministry in these situations. The location of a ministry situation within these guidelines is somewhat flexible and takes into account a number of factors including the size of the active congregation, available resources (both human and financial), and the scope and complexity of the ministry and parish programs. Parishes and settled full-time and part-time clergy are to have a signed Letter of Agreement that is regularly updated. Clergy serving in a shared situation shall be paid as full-time if their time commitment total among all participating parishes is 100% or 48 hours per week.

FULL TIME CALCULATION, DAYS OFF, AND VACATION

For the purposes of this Guide, a **work week for full-time clergy** will average approximately 48 hours.

Full-time clergy are expected to have at least one continuous 24-hour period each week reserved for personal and family use. Full-time clergy shall have a minimum of one full month of paid vacation time per year, to include at least four Sundays. Arrangements for designated days-off and paid vacation time for Settled Part-Time Clergy are to be negotiated and included in the Letter of Agreement.

CLERGY DEPLOYED IN PART-TIME MINISTRY SITUATIONS

Time Commitment Calculations for Part-Time Clergy Appointments:

1/4 Time	Sermon Preparation, Sunday Service, plus equivalent of 7-8 hours/week pastoral care/groups/meetings/other services
1/2 Time	Sermon Preparation, Sunday Service, plus equivalent of 18-20 hours/week pastoral care/groups/meetings/other services
3/4 Time	Sermon Preparation, Sunday Service, plus equivalent of 28-30 hours/week pastoral care/groups/meetings/other services

CLERGY ASSISTANTS (FULL- AND PART-TIME)

Parishes with a full-time Rector or Priest-in-Charge may also be served by additional stipendiary clergy on a full- or part-time basis. Minimum Compensation for Full-Time Assistant Clergy shall conform to the minimum stipend levels established for Full-Time Clergy in Type I Parishes in Appendix B and shall include mandatory health and pension benefits. Part-Time Clergy Assistants shall receive a Letter of Agreement defining their duties and specifying the “percentage of full time” of the ministry appointment.

Minimum compensation for Part-Time Assistant Clergy shall be calculated on a percentage basis using the Minimum Full Time Compensation standard for each Parish Type. If the percentage assignment meets qualifying hours, such clergy shall also be accorded health and pension benefits.

SUPPLY CLERGY

Supply Clergy provide liturgical leadership on occasional instances – as when parish clergy may be away on vacation or study leave – or during short-term intervals when there is a vacancy in a parish. Supply Clergy provide liturgical leadership and preaching at Sunday or designated weekday services only, and are not expected to attend to additional or on-going pastoral or administrative duties. If a Supply position is expected to extend beyond a single three-month period or to involve duties beyond liturgical leadership and preaching, the position should be redefined as Settled Part-Time.

APPENDIX A

REGISTER OF PARISH TYPES AND MINISTRY SITUATIONS

The location of a parish situation within these guidelines may be somewhat intuitive, taking into account a number of factors including the size of the active congregation, available resources (both human and financial), and the scope and complexity of the ministry and parish programs.

Type 1

Blairsville, St. Peter's
 Brackenridge, St. Barnabas
 Bridgeville, All Saints
 Brighton Heights, All Saints
 Carnegie, Atonement
 Donora, St. John's
 Greensburg, Christ Church
 Hazelwood, Good Shepherd
 Homestead, St. Matthew's
 Jeannette, Advent
 Monongahela, St. Paul's
 North Versailles, All Souls
 Northern Cambria, St. Thomas
 Penn Hills, St. James
 Scottdale, St. Bartholomew's
 Wayne Township, St. Michael's

Type 2

Brentwood, St. Peter's
 Canonsburg, St. Thomas
 Homewood, Holy Cross
 Indiana, Christ Church
 Johnstown, St. Mark's
 Kittanning, St. Paul's
 McKeesport, St. Stephens
 North Side, Emmanuel
 Peters Township, St. David's
 Somerset, St. Francis
 Squirrel Hill, Redeemer
 Wilkinsburg, St. Stephen's

Type 3

Crafton, Nativity
 Franklin Park, St. Brendan's
 Highland Park, St. Andrew's
 Ligonier, St. Michael's
 Oakmont, St. Thomas
 Pittsburgh, Trinity Cathedral

Type 4

North Hills, Christ Church

Type 5

East Liberty, Calvary
 Mt. Lebanon, St. Paul's

APPENDIX B

CLERGY COMPENSATION

MINIMUM AND RECOMMENDED GUIDELINES

Clergy in Settled Appointments, Full Time

Guideline figures include **ONLY**: Cash Stipend and Allowances designated for Housing, Utilities, Housing Equity, and Self-Employment Tax. If Housing and Utilities are supplied by the parish, the Guideline figures may be reduced by 25%. (Figures are for Compensation as defined in the Rules of the Church Pension Fund and do not include allowances for Travel, Professional Expenses, Benevolence and Discretionary Funds, and Continuing Education or Sabbatical allowances.)

Guideline figures ranging above the Minimum/Initial figures at each level represent a standard of normal compensation for full-time clergy with good performance. When resources are available and in accordance with advancing tenure and performance clergy are appropriately compensated above the indicated Guideline figures at each level. Compensation for clergy in parishes shall not fall below the Minimum/Initial range for the designated Parish Type (see Appendix A) and the Minimum “Type 1” figure shall be an **Absolute Minimum for all full-time clergy**, including those who are Assistants, Associates, or who have positions in other diocesan institutions or ministries.

ABSOLUTE MINIMUM COMPENSATION, BY PARISH TYPE (See pg. 11)

PARISH TYPE	FULL TIME PRIMARY	FULL-TIME ASSOCIATE	OCCASIONAL SUPPLY
TYPE 1	\$48,000	N/A	\$125 for one Sunday service; \$25 increments for each additional Sunday service; \$50 for a Mid-Week service
TYPE 2	\$51,125	\$51,125	\$125 for one Sunday service; \$25 increments for each additional Sunday service; \$50 for a Mid-Week service
TYPE 3	\$59,575	\$51,125	\$125 for one Sunday service; \$25 increments for each additional Sunday service; \$50 for a Mid-Week service
TYPE 4	\$68,700	\$51,125	\$125 for one Sunday service; \$25 increments for each additional Sunday service; \$50 for a Mid-Week service
TYPE 5	\$94,700	\$51,125	\$125 for one Sunday service; \$25 increments for each additional Sunday service; \$50 for a Mid-Week service

**RECOGNITION OF EXPERIENCE:
MINIMUM AND TARGET RANGES, BY PARISH TYPE**

It is appropriate to recognize experience of clergy by **increasing the minimum for clergy serving in each “Parish Type”** by a percentage figure depending on the amount of additional clergy experience.

Guideline figures for each experience level in the Table below show **two** Compensation figures: a lower, **minimum** figure and a somewhat larger figure representing a **target**, generally based on experience in the diocese, for normal compensation for Full-Time Clergy with good performance.

When resources are available and in accordance with advancing tenure and performance clergy are appropriately compensated above the indicated target figures at each level.

	0-4 Years (Absolute Minimum)	5-9 Years	10-14 Years	15-19 Years	20+ Years
Type 1 Minimum Target	\$48,000	\$49,425	\$50,850	\$52,400	\$53,975
Type 2 Minimum Target	\$51,125	\$52,650 \$57,050	\$54,200 \$62,975	\$55,725 \$80,875	\$57,250 \$83,300
Type 3 Minimum Target	\$59,975	\$61,350 \$68,075	\$61,600 \$77,000	\$63,350 \$96,250	\$65,075 \$99,150
Type 4 Minimum Target	\$68,700	\$70,750 \$80,225	\$72,800 \$91,750	\$74,875 \$114,700	\$76,925 \$118,150
Type 5 Minimum Target	\$94,700	\$97,500 \$106,925	\$100,350 \$121,025	\$103,200 \$151,250	\$106,025 \$155,775

Clergy in Settled Appointments, Part-Time

Clergy serving congregations by diocesan appointment as “clergy-in-charge,” with pastoral and administrative duties, and other clergy serving parishes or other diocesan institutions as Parish Assistants in **long-term, part-time positions** shall have a Letter of Agreement defining the position as a percentage of full-time (e.g., 25%, 50%, 75%), and with a narrative description outlining the extent of ministerial responsibilities. See Table on Page 12 for specific guidance. Minimum Compensation in these positions will apply the percentage of full-time service to the figure for the diocesan Absolute Minimum for the Parish Type. (Thus, e.g., a long-term 25% position in a “Type 2” Parish would have a Minimum Compensation of \$12,781 ($51,125 \times .25$) in 2015.

Clergy in Supply Appointments, Single-Event or Short-Term

Clergy **Minimum Supply Compensation Rates** are intended to apply to occasional instances – as when parish clergy may be away on vacation or study leave – or short-term intervals when there is a vacancy in a parish. “Supply Rates” are intended to apply to liturgical leadership and preaching at Sunday or designated Weekday services only, and do not include additional ongoing pastoral or administrative duties. If a Supply position is expected to extend beyond a single three-month period or to involve duties beyond liturgical leadership and preaching, the position should be redefined as Part-Time, with Compensation Guidelines as indicated above.

1. One Sunday Service, with Sermon – \$125
2. Two Sunday Services, with Sermon – \$150
An additional \$50 is to be paid for each additional service on the same weekend.
3. Midweek Service, with Informal Homily – \$ 50

Supply Clergy are to be reimbursed for round-trip travel costs from their home to the Church at the current IRS reimbursable mileage rate.

APPENDIX C

2014 PENSION BENEFITS POLICY CLERGY AND LAY EMPLOYEES

Clergy Pensions

In all cases parishes and other employers under the authority of the Episcopal Church shall comply with the canons of the Episcopal Church and of the Episcopal Diocese of Pittsburgh by enrolling all eligible Clergy in the Clergy Pension Plan of the Church Pension Fund of the Episcopal Church and by paying all Pension Fund assessments in a timely manner. Treasurers and other Administrators are encouraged to consult with the Director of Administration to assure compliance.

Lay Employee Pensions

As of January 1, 2013, parishes and other employers under the authority of the canons of the Episcopal Church and of the Episcopal Diocese of Pittsburgh shall enroll all Lay Employees scheduled to work 1,000 hours per year or more in the Lay Employee Pension Plan of the Church Pension Fund of the Episcopal Church and shall pay all Pension Fund assessments in a timely manner.

While it is not canonically mandatory, parishes and other employers are encouraged to provide Lay Employee Pension Benefits as well to those Lay Employees scheduled to work fewer than 1,000 hours per year. Treasurers and other Administrators are encouraged to consult with the Director of Administration to assure compliance.

Note: Participation in the Lay Employee Pension Plan of the Church Pension Fund was mandated by the 76th General Convention of the Episcopal Church in 2009, Resolution A138, amending Canon I.8. The Plan includes two programs – one “Defined Benefit” and the other “Defined Contribution.” Each employing parish or organization determines which one of these two programs to provide for all its employees. The Defined Benefit program requires an Employer Contribution of 9% of the employee’s compensation. The Defined Contribution program requires a base Employer Contribution of 5% of the Employee’s compensation. Employees are able to contribute to their account as well in the Defined Contribution program, and the employer is required to match the employee’s contribution up to an additional 4% of the employee’s compensation. If the employee contributes 4% or more of total compensation to the Pension account, the maximum mandatory Employer contribution is 9%. Experience to date indicates that most Employers and Employees prefer the Defined Contribution program.

APPENDIX D

2015 POLICIES RELATED TO PARTICIPATION IN THE DENOMINATIONAL HEALTH PLAN OF THE EPISCOPAL CHURCH CLERGY AND LAY EMPLOYEES

Participation in the Denominational Health Plan of the Episcopal Church provided by the Medical Trust of the Church Pension Fund of the Episcopal Church was mandated by the 76th General Convention of the Episcopal Church in 2009, Resolution A177, amending Canon I.8. The effective date of the canonical mandate for participation in the Denominational Health Plan is January 1, 2013.

As of January 1, 2013, all parishes, dioceses, and other organizations and institutions subject to the authority of the Constitution and Canons of the Episcopal Church and of the Episcopal Diocese of Pittsburgh are required to offer medical benefits on an equal basis to all Clergy and Lay Employees scheduled to work 1,500 hours per year or more through the Denominational Health Plan, and may not contract to offer such benefits through other providers.

While it is not canonically mandatory, parishes and other organizations under the authority of the Episcopal Diocese of Pittsburgh are encouraged to provide Clergy and Lay Employee Health Plan Benefits as well to those Clergy and Lay Employees scheduled to work fewer than 1,500 hours per year but at least 1,000 hours per year.

Each year the Diocesan Administrator, with the advice of the Committee on Compensation, appointed by the President of Diocesan Council, will select from the Denomination Health Plan offerings one or more programs offered within the DHP. Each eligible participant, clergy or lay, may select during the Open Enrollment period from that diocesan “menu” the program he or she prefers. The parish or other employing organization or institution receives and pays the Insurance Premium invoice.

Individual Clergy and Lay Employees scheduled to work 1,500 hours per year or more (but not parishes or other organizations) may choose to “opt out” of participation in the Denominational Health Plan if they are currently receiving similar medical benefits through dependent coverage in a parent or spouse’s plan or through another employer or retirement benefit (e.g., Tricare). Each “opt out” must be approved annually by the Diocesan Administrator. Employing parishes or other organizations may provide a financial “premium offset” when eligible Clergy or Lay Employees choose to decline the DHP benefit because they are otherwise covered.

Insurance Premium Mandatory Minimum Benefit: As a matter of diocesan Minimum Standard, all Clergy and Lay Employees scheduled to work 1,500 hours per year or more shall be provided by the parish or other employing organization **full premium coverage for individual benefits, single coverage, without required Employee Contribution**, at the level of the least-expensive non-Medicare option provided in the approved diocesan menu, in one of the programs designated by the diocese and selected from that menu by the Clergy Person or Lay Employee.

All Clergy and Lay Employees scheduled to work 1,500 hours per year or more shall be provided access to the Denominational Health Plan programs designated in the diocesan “menu” for the additional coverage of any eligible dependents. Diocesan Council has determined that eligible clergy and lay employees who have partners in same-sex relationships, and the dependent children of that couple or of either member of that couple, shall be eligible for dependent benefits in the diocesan offering of the Denominational Health Plan on the same basis as the spouses and dependent children of eligible married clergy and lay employees. Each parish or other employing organization may elect to provide full premium coverage for all eligible dependents, or it may negotiate with Clergy and Lay Employees a cost-sharing arrangement for the additional premium to cover eligible dependents as a part of the larger compensation agreement.

Insurance Premium Recommended Benefit: Parishes and other employing organizations **are encouraged to provide full coverage** of Denominational Health Plan benefits for all eligible Clergy and Lay Employees and for their eligible dependents. In those cases where the parish or other institution has provided full individual and dependent Medical Benefit coverage to Clergy and/or Lay Employees prior to January 1, 2013, no reduction in benefit coverage or additional contribution to premium cost may be instituted without the written permission of the Bishop.

APPENDIX E
SUGGESTED INSERT FOR MINUTES OF VESTRY
FOR DESIGNATION OF CLERGY HOUSING ALLOWANCE

The Vestry has received a statement from the Rev. _____ detailing the amounts that (he) (she) expects to spend in 20____ to provide a home for (himself) (herself) and (family).

A copy of this statement is attached to and forms a part of the original minutes of this meeting.

After consideration, on motion duly made and seconded, the following resolution was adopted:

BE IT RESOLVED that the Rev. _____'s compensation for the year 20____ be set at \$_____, of which \$_____ is designated as an allowance for the expenses of providing a home, based upon the attached statement of the Rev. _____'s estimated housing expenses for the year 20_____.

(If the clergy person is provided with the rent-free use of a house, the following should be added.)

The Rev. _____ shall also be provided with the rent-free use of the house located at _____ for the year 20____ in consideration of (his) (her) services as _____ of _____ Church, _____, Pennsylvania.

(The clergy person should retain a copy of the minutes containing this notice with his or her IRS records.)

APPENDIX F
SUGGESTED FORMAT FOR
DOCUMENTATION OF CLERGY HOUSING ALLOWANCE

TO: _____
(Vestry)

(Name of church)

(Address of church)

FROM: _____
(Clergy person)

SUBJECT: Housing Allowance for 20_____

The following amounts are estimates of the costs I expect to pay during 20_____ to provide a home for myself (and family):

- | | | |
|-----|--|----------------|
| (1) | House | \$_____ |
| | <i>The lowest of mortgage, fair rental value, or rent on leased premises</i> | |
| (2) | Utilities | \$_____ |
| (3) | Taxes | \$_____ |
| (4) | Insurance | \$_____ |
| (5) | Repairs and maintenance | \$_____ |
| (6) | Furnishings | \$_____ |
| (7) | Other housing expenses: | |
| | _____ | \$_____ |
| | _____ | \$_____ |
| | TOTAL | \$_____ |

Clergy Person's Signature: _____

Date: _____

APPENDIX G

MILEAGE & TRANSPORTATION REPORT

Name: _____

Date	Location To/From	Purpose of Travel	Miles	Toll/Parking

Number of miles _____ X current IRS Rate = \$ _____

Total amount of other expenses \$ _____

Total mileage and transportation expenses \$ _____