GUIDELINE NARRATIVE
PASTORAL COMPENSATION
MONTANA DISTRICT LCMS
August 2026 AD

INTRODUCTION

Congregations of the Montana District LCMS should annually review their complete compensation packages for all called church workers. These are intended to help congregations be aware of their responsibility to care for their pastors (and other church workers). The guidelines are not intended to limit a congregation's desire or ability to compensate its pastor. Each congregation, given its unique capabilities and resources, is encouraged to be generous. Holy Scripture says, *"The worker deserves his wages"*(1 Tim. 5:18) and *"the Lord commanded that those who proclaim the gospel should get their living by the gospel"* (1 Cor. 9:14). Please contact the MT District Office if you have questions about these guidelines or their use.

OUTLINE

A compensation package should take into account the following items:

1. Base Salary
2. Housing and Utilities
3. Benefits – Health, Retirement, Disability & Survivor Plans
4. Vacation

ADDITIONAL CONSIDERATIONS (Ministry Expense Reimbursement to Pastor):

a. Auto options
b. Mandatory District conference costs
c. Professional development resources: continuing education, classes, books, periodicals, etc.
d. Moving and Relocating expenses

1. BASE SALARY

The most basic component of a pastor's compensation is salary. This is the sum of all pay and allowances for which the recipient will be liable to pay federal and state income taxes. (See "Taxes and Ministers" brochure for a listing of items that affect taxable income for ministers https://files.lcms.org/file/preview/treasurers-manual-taxes-ministers).

There are two important considerations to keep in mind with respect to a pastor's salary – the amount of the salary, and the use of taxable income reduction agreements. Many churches have established such agreements to handle certain expenses. The objective is to reduce a pastor's taxable income, since only the income remaining after the qualifying reductions is reported on the pastor's W-2 at the end of the year. Three ways that taxable income can be reduced through these agreements are: (1) Tax Sheltered Annuity (TSA) contributions, (2) "Cafeteria plans," and (3) Housing Allowances. Housing and equity allowances are covered below. See the Treasurer's Manual for TSA and Cafeteria plans (https://www.lcms.org/resources/ctmanual).

The Montana District provides the attached "Compensation Worksheet" (Addendum 1) as a basic aid to congregations in compensating their pastors adequately and equitably. The Worksheet identifies the components included in a pastor's total compensation package including the items listed in the Outline and Additional Considerations sections above.

The Montana District also provides the attached "Salary Guideline Matrix" (Addendum 2), which gives suggestions for the Base Salary component, based on size of congregation and number of years in ministry. It is adjusted annually to reflect cost-of-living increases. *(Note: this Matrix gives suggestions based on the number of members served. It would be appropriate in multiple congregation arrangements (dual, triple, quad parishes), to also seriously consider the number of congregations that are being served.)*

The chart's baseline rests on a zero-year, or zero-experience, first year teacher with a Bachelor's degree in Montana School District #2 (Billings). *(Note: most pastors have at least a Master's (MDiv) degree.)*

In utilizing the base salary chart as part of developing a total compensation package, three points should be considered:

> First, the cost of housing is *in addition* to the numbers given in the "Salary Guideline Matrix."
>
> Second, the unique tax status of pastors, which makes them subject to SECA taxation instead of FICA taxation, reduces their effective income. Under FICA, an employee pays 7.65% of his income in payroll tax withholding for Social Security and Medicare, and his employer pays an identical 7.65% on behalf of each employee. Under SECA, the minister pays 15.3% of 92.35% of his gross income including of any housing paid to the minister or of the fair rental value of the parsonage and any cash parsonage allowance paid, while the employer, his congregation, has 0% payroll tax obligation. A minister's net income after Social Security and Medicare are over 7% less than his lay counterpart being paid the same gross salary. Consider the following comparison between a pastor and a lay employee paid by the congregation:

	Pastor	Lay Employee
Gross Cash, **$24,000 Designated Housing**	$75,000	$75,000
SECA obligation	($10,597)	
FICA obligation		($5,299)
Estimated Income Tax, Fed and State	($2,160)	($6,848)
Estimated net income after income taxes	**$62,243**	**$62,853**
Congregation's salary paid to employee	$75,000	$75,000
Congregation's tax obligation	$0	$5,299
Total Cash and Tax Burden of Congregation	$75,000	$80,299

Chart Note: Income tax estimation is based on a combined federal and state income tax rate of 16% and a standard deduction of $32,200 (married filing jointly).

Third, congregations should consider the level of education, the education-related indebtedness (especially for new pastors), and the often significantly more than full-time labor of their pastors in providing adequate and equitable compensation. *(As noted above, our Matrix is based on a Bachelor's degree but most pastors have a Master's degree which requires 3-4 more years of education than a Bachelor's degree.)*

Congregations are strongly encouraged to provide the scale salary *plus* housing and/or additional cash/non-cash remuneration based on needs identified by the congregation/worker (i.e. multiple parish service, tuition reduction in the congregational school, matching 403(b), matching HSA, house equity for workers in a parsonage, etc.). Congregations blessed to do more for their pastors (and church workers) are encouraged to do so~~.~~

Pastors and church workers are strongly encouraged to generously support their congregations with their time, talents, and monetary gifts, thereby setting an example to all of God's generosity.

UNIQUE TAX STATUS OF PASTOR

Clergy taxes are complicated. Competent tax advice should be sought as questions arise. These guidelines are not a substitute for such advice. The LCMS Congregational Treasurer's Manual provides information on IRS reporting requirements and payroll issues. It is updated annually. A pastor is considered an ordinary or common law employee by the IRS for income tax purposes. With respect to Social Security taxes, ministers of the Gospel are treated as self-employed.

If a congregation provides a parsonage, the fair rental value of the parsonage (even though no cash has exchanged hands between the worker and congregation) is subject to SECA tax. If a cash housing allowance is paid, the worker pays SECA tax on the allowance paid.

Income received from honorariums for funerals, weddings, etc. is subject to yet additional IRS rules. Reporting these types of income to the IRS is the responsibility of the pastor.

Clergy are not subject to mandatory income tax or FICA/Medicare tax withholding. They make estimated quarterly tax payments. Voluntary withholding is permissible but the treasurer must have a correct understanding of how such voluntary withholdings are reported to the IRS in order to avoid confusion – any such arrangement should be entered into with great caution.

Clergy income is reported to the IRS via a W-2 form. It is the responsibility of congregational leadership to ensure the W-2 is reported to the IRS in a timely manner and copies are supplied to the pastor before January 31 of each year.

2. HOUSING & UTILITIES

Generally, congregations will provide either a parsonage, or a significant compensation adjustment for the pastor's housing costs as part of the overall compensation package.

Church Owned Parsonage

When a church provides a pastor with a church owned parsonage to live in free of charge, the fair rental value including any church paid utilities and maintenance costs are not part of the taxable compensation for income tax purposes. 100% of the parsonage's value is income tax free. However, the home's fair rental value and utility expenses paid for by the church are included as income in the minister's self-employment tax computations.

The congregation should reevaluate annually the Fair Rental Value (FRV) of the parsonage as near to December as possible to determine the value applicable for the next tax year, and this value should be reported to the pastor before the new year begins so that he can accurately calculate his estimated tax payments. The FRV of the parsonage should be reported on the pastor's W-2 of the applicable tax year in Box 14 labeled "Parsonage," but NOT be included in or subtracted from Box 1. Any utilities for the parsonage paid directly to the vendor by the congregation would be added to the value of the parsonage and included in the amount reported in Box 14 of the W-2. An estimation of those utility payments should also be provided along with the FRV to the pastor each December.

No Parsonage Provided

If church-owned housing (parsonage) is not provided, and the pastor rents or purchases a home, an adjustment to the pastor's base salary which reflects the cost of living (housing, utilities, maintenance, etc.) in that community, must be made. Please reach out to the District Office if you need suggestions or assistance with this item.

Housing Allowances

The most important tax benefit available to pastors who own or rent their homes is the housing allowance.

> **Pastors who own or rent their home** do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that the allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the annual fair rental value of the home (furnishings, plus utilities). Housing-related expenses include mortgage payments, rental payments, utilities, repairs, furnishings, insurance, property taxes, additions, and maintenance. These expenses must be substantiated with receipts by the pastor in his private household files and be able to be verified by the IRS in the event he is audited. *(Note: the pastor does not submit receipts to the congregation.)*
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> **A pastor who lives in a church-provided parsonag**e that is provided "rent-free" as compensation for ministerial services does not include the annual fair rental value of the parsonage as income for computing his federal income taxes, as noted above. The annual fair rental value is not to be deducted from the pastor's base salary. Rather, the fair rental value of the parsonage and any parsonage allowance cash paid to the pastor are reported by the congregation in Box 14 of the pastor's W-2, and are not added to the pastor's salary reported in Box 1 of the W-2 (see above). Further, a pastor who lives in a church-provided parsonage does not pay federal income taxes on the amount of compensation that his employing church designates in advance as a parsonage allowance to the extent that the allowance represents compensation for ministerial services and is used to pay parsonage-related expenses such as utilities, repairs, and furnishings, which the pastor substantiates in his own records.
>
> **Parsonage and housing allowances affect the pastor's tax liability and must (per IRS**

regulations) be designated in advance. (Addendum # 3.) Note that the parsonage and housing allowance exclusions only apply in computing income taxes. Pastors cannot exclude them when computing their SECA (Social Security and Medicare) taxes. The congregation must ensure that the pastor's designation of a housing or parsonage allowance for the subsequent year is on the agenda of the church board for one of its final meetings of the current year. The designation should be an official action of the board or congregation, and it should be duly recorded in the minutes of the meeting. The IRS also recognizes designations included in employment contracts, call documents, and budget line items – assuming in each case that the designation was duly adopted by the church board (or the congregation in a business meeting). Also, if the pastor is newly called, be sure the congregation designates a housing allowance prior to the date he begins working.

NOTES:

This designation is a required IRS designation that does not affect a congregation's budget. The housing allowance designation does NOT change the total amount of cash salary and cash housing paid by the congregation.

The housing allowance designation is the amount the congregation and minister agree upon in advance to report to the IRS for tax purposes. The similarity in the language often causes confusion for congregations. For example, a pastor's call documents may list $60,000 as his salary and $24,000 as his housing, a total of $84,000 cash remuneration, but the church may pass a housing allowance resolution prior to his beginning service to the congregation that designates (for the IRS) $58,000 as housing allowance (or up to 70% of cash remuneration). The church would then report on the W-2 $26,000 in Box 1 for the pastor's salary and $58,000 in Box 14 as "housing allowance," still $84,000 in total cash to the pastor.

The IRS housing allowance designated amount may be up to 100% of a pastor's salary and housing but the pastor must be able to substantiate his expenses as noted above. The only limitation on what may be designated as housing out of the pastor's total cash income are amounts paid for relocation, amounts the pastor has directed to be deducted from his paycheck (contributions to HAS, 403(b), voluntary income tax withholding, payments for additional life insurance, etc.).

Housing Equity

Many pastors who have lived in parsonages during much of their active ministry often face retirement without housing. To avoid the potential hardship of no equity and no housing, some churches increase their pastor's compensation by contributing to a pastor's tax deferred retirement annuity account as a housing equity to provide the equivalent of equity in a home. This can be established by setting up an IRS recognized tax deferred account. This idea should be considered by any church having one or more pastors living in church-provided housing. Another way that something similar can be accomplished is for the congregation to contribute toward the workers TSA 403(b) account which contributions would not incur SECA tax.

3. BENEFITS

Congregations should enroll in the LCMS Concordia Plan Services (CPS). Various options are available within the CPS system. Each congregation should annually review these options. The District Office is happy to help in assessing these CPS options.

Concordia Plan Services

Concordia Plan Services offers an employer the opportunity to join The Church's Plan, a comprehensive package of benefits. The Church's Plan includes the:

1) Concordia Health Plan (CHP)
2) Concordia Retirement Plan (CRP)
3) Concordia Disability and Survivor Plan (CDSP)
4) Concordia Retirement Savings Plan (CRSP)

Plan Contributions

The employer is responsible for the full cost of the CDSP and the CRP. Rates may change annually so it is best to check with Concordia Plan Services on specific rates. Information can be obtained on its website: www.concordiaplans.org. Concordia Plan Services offers flexibility of many employer choices in The Church's Plan. Concordia Plan Services offers a Benefit Consultant assigned to every LCMS District to assist employers with these decisions.

Personal Spending Accounts

If a health plan option with deductible or significant out-of-pocket expenses to the pastor is offered, the congregation is encouraged to set up appropriate Personal Spending Accounts so that deductible expenses can be paid using pre-tax dollars. Personal Spending Accounts could include a Flexible Spending Account (FSA), a Health Reimbursement Arrangement (HRA), or, if offering a qualified high deductible plan, a Health Savings Account (HSA). Depending on the type of account, it may be funded by the pastor, the congregation, or both.

403(b) Retirement Plans

A tax-deferred savings plan should be an option available to the pastor. It should be his election to determine what portion of the before-tax compensation is to be so utilized. A congregation should consider making employer contributions to the TSA 403(b) account or offer a matching contribution for their worker(s). Both types of employer contributions are exempt from SECA/FICA/Payroll taxes with income taxes deferred until withdrawal by the minister. To view complete information about the 403(b) plans and regulations, and other benefit information go to www.concordiaplans.org.

It does not cost a congregation anything to participate in the CRSP as no employer contributions are *required.* Pastors and other workers are strongly encouraged to contribute toward their own retirement but if a congregation does not sign up for this (again at no cost to the congregation) the worker cannot participate. This is an especially important consideration when calling a worker from the field who is likely already participating in the CRSP. If your congregation doesn't offer it as an option, it could be more difficult for the individual to accept the Call.

Retirement

The Concordia Retirement Plan's success for ministers in retirement is based on the assumption that a minister receives social security, the Concordia Pension, and that a minister has saved enough in his 403(b) to cover 1/5th – 1/3rd of his retirement costs. If any of these items is missing or lacking, there becomes a real concern regarding a worker's ability to afford retirement.

4. VACATION and DAYS OFF

Workers need adequate time off each year to rest and refresh. A minimum of three (3) Sundays (21 total days) of paid vacation is recommended per year. Additional time off may and should be awarded based on years of service or as an additional benefit to the worker. Please remember to document policies regarding vacation time.

Given the unique challenges of serving in a geographically large district that is distant from many worker's families (often located in the Midwest), congregations are encouraged to be generous and flexible with their workers in vacation time and days off.

Some congregations have created a vacation or emergency travel fund account and set aside a small amount annually that the worker can use if there is a need. Any such fund, if disbursed to the minister, is considered taxable income to be included on the Form W-2 for the minister. (See the Congregational Treasurer's Manual, Chapter 1, 1.315, https://files.lcms.org/file/preview/1EEBBF92-BA45-4C45-ACB2-EE789FDD5D21)

It is recommended that full-time pastors receive two (2) full days off per week, and that they be strongly encouraged to take this time.

ADDITIONAL CONSIDERATIONS

Not all of the following are compensation to the pastor – but they are all costs to the congregation to support the direct costs of pastoral ministry.

a. Automobile Options

Congregations should reimburse the cost involved in the travel of the pastor while engaged in official duties. There are a number of possible options. A congregation may choose to:

1) provide a church vehicle;
2) cover costs of personal vehicle use through an IRS or other reimbursement rate;
3) acquire a credit card for all vehicle expenses;
4) subsidize such costs with an annual allowance.

If a congregation chooses to reimburse its pastor for miles driven while engaged in official duties, a travel reimbursement request must be submitted to the congregation at least monthly. The pastor must maintain a mileage log showing the miles driven, including beginning and ending mileages, dates and purpose of travel. Without a mileage log, there is no proof, as required by the IRS, that the miles were actually driven. The standard mileage rate allowed for federal income tax purposes may be used, or the congregation may set another rate for reimbursement.

b. Mandatory District Conferences

Pastors are required to attend certain District Conferences throughout the year. The congregation should budget an amount to cover these costs. These are necessary business expenses and should be covered directly by the congregation, or reimbursed to the pastor if he covers them. These are not part of the pastor's compensation or taxable income.

c. Professional Development Resources: continuing education classes, books, periodicals, etc.

Congregations are encouraged to offer a set annual sum so that the pastor may further his education level and stay current in his field of study. Likewise, the congregations may offer time off, with or without pay, for the worker to do further studies, or obtain a higher degree, without losing his called position.

d. Moving and Relocating expenses (for a newly called pastor). The IRS now includes moving expense reimbursement, even when the expenses are receipted or paid directly to the vendor, or cash relocation allowance as taxable income to the employee which must be included in Box 1 on the W-2.

Moving costs have increased significantly in the last decade. Please research and give serious consideration to the amount allotted to move a pastor and his family to MT. Whether paying the moving expenses directly to the vendor or reimbursing the minister, the congregation should issue a memo disclosing that this payment will be included in his taxable income on the W-2 and should be included in his estimated tax calculation.

REGARDING VACANCY PASTOR REMUNERATION

In the interest of giving consistent advice to congregations regarding the matter of proper remuneration of vacancy pastors when vacancies occur, it is suggested that leaders of the vacant congregation(s) first consult with the district president and subsequently the treasurer of the Montana district. In general, we will recommend that the vacancy pastor receive the following:

1) At least 1/3 of the previous pastor's cash salary or 1/3 of the "salary matrix" recommendation for a zero-year pastor (top left number), whichever is greater. Some circumstances will require that the vacancy pastor travel a greater distance to serve and will not be able to spend as much time during the week, while other vacancies will allow the vacancy pastor to spend more time in ministerial work during the week with a shorter drive. Each circumstance will vary in the particulars but this matter must be taken seriously and the vacancy pastor paid appropriately.
2) Auto expense reimbursement should occur at the current IRS rate for documented (odometer logged) miles driven in service to the congregation. *(Note: the IRS rate covers substantially more than the cost of fuel, it includes a researched average cost of operating a vehicle including maintenance, registration, insurance, and fuel costs per mile.)*
3) If a vacancy occurs in a congregation with more than one pastor, and the remaining pastor(s) are expected to cover the additional workload, the congregation is encouraged to remunerate him for the additional responsibility, as covering the vacancy.

REGARDING PULPIT SUPPLY REMUNERATION

Recognizing the importance of Article XIV of the Augsburg Confession that states: *"It is taught among us that nobody should publicly teach or preach or administer the sacraments in the church without a regular call,"* it is proper that anyone who is asked to provide pulpit supply be authorized to do so by official action of the congregation or a representative board such as the church council or board of elders with the prior knowledge and support of the district president or if assigned, one of his representatives (vice-president or circuit visitor).

The following rates are suggested for pulpit supply remuneration:

1) $150 – Lead worship and preach for one service
2) $75 - Each additional service using the same sermon (Advent/Lent midweek, see item #1)
3) $100 - Minimum for leading a Bible Study
4) Provide housing and meals if overnight stay is necessary
5) Mileage from the pastor's home to and from the congregation at IRS rate per mile.

Congregations are reminded that a lay-led service may be an acceptable alternative in some situations. This should be determined in consultation with your circuit visitor or the district president. Such a lay-led service will not be a wedding or a funeral, and it will not include a first-person performative absolution, Holy Baptism, or the Lord's Supper. In addition, the sermon must be provided by an ordained LCMS minister and it must be read without changes. These and other requirements are fully explained in the Synodical Guidelines for a lay-led service (these documents are available from the district president). There is no remuneration paid to elders for this service for the congregation. *(Note: If the active pastor of the congregation is providing the sermon to be read in his absence, it should be remembered that this is additional work for him when he is taking a Sunday away from the pulpit.)*

ADDENDA TO THIS DOCUMENT:

1. Compensation Worksheet with questionnaire and examples
2. Base Salary Guidelines
3. Housing Allowance Designation Resolution

Salary Guideline Matrix

Base Salary does not include a housing allowance. Please refer to pages 3-4 in calculating a housing allowance to add to salary.

Base Salary *** Housing is not included in Base Salary ***

MT District LCMS 2027

Years of Service in Ministry	Recommended SALARY for 0-100 COMMUNICANT CHURCH MEMBERSHIP		Recommended SALARY for 101-400 COMMUNICANT CHURCH MEMBERSHIP		Recommended SALARY for 401+ COMMUNICANT CHURCH MEMBERSHIP		Recommended SALARY range for Years of Service	
	INTERVAL	AMOUNT	INTERVAL	AMOUNT	INTERVAL	AMOUNT	Interval	AMOUNT
0		**$ 47,694.55**		**$ 50,769.18**		**$ 52,247.84**	**0%-0%**	**Base $47,694.55--$52,247.84**
1	2.00%	$ 48,648.44	2.00%	$ 51,784.56	2.00%	$ 53,292.80	**2%-2%**	**$48,648.44--$53,292.80**
2	2.00%	$ 49,621.41	2.00%	$ 52,820.25	2.00%	$ 54,358.65	**2%-2%**	**$49,621.41--$54,358.65**
3	2.00%	$ 50,613.84	2.00%	$ 53,876.66	2.00%	$ 55,445.83	**2%-2%**	**$50,613.84--$55,445.83**
4	2.00%	$ 51,626.11	2.00%	$ 54,954.19	2.00%	$ 56,554.74	**2%-2%**	**$51,626.11--$56,554.74**
5	2.00%	$ 52,658.64	2.00%	$ 56,053.28	2.00%	$ 57,685.84	**2%-2%**	**$52,658.64--$57,685.84**
6	2.00%	$ 53,711.81	2.00%	$ 57,174.34	2.00%	$ 58,839.55	**2%-2%**	**$53,711.81--$58,839.55**
7	2.00%	$ 54,786.05	2.00%	$ 58,317.83	2.00%	$ 60,016.34	**2%-2%**	**$54,786.05--$60,016.34**
8	2.00%	$ 55,881.77	2.00%	$ 59,484.19	2.00%	$ 61,216.67	**2%-2%**	**$55,881.77--$61,216.67**
9	2.00%	$ 56,999.40	2.00%	$ 60,673.87	2.00%	$ 62,441.01	**2%-2%**	**$56,999.40--$62,441.01**
10	2.00%	$ 58,139.39	2.00%	$ 61,887.35	2.00%	$ 63,689.83	**2%-2%**	**$58,139.39--$63,689.83**
11	2.00%	$ 59,302.18	2.00%	$ 63,125.09	2.00%	$ 64,963.62	**2%-2%**	**$59,302.18--$64,963.62**
12	2.00%	$ 60,488.22	2.00%	$ 64,387.60	2.00%	$ 66,262.89	**2%-2%**	**$60,488.22--$66,262.89**
13	2.00%	$ 61,697.99	2.00%	$ 65,675.35	2.00%	$ 67,588.15	**2%-2%**	**$61,697.99--$67,588.15**
14	2.00%	$ 62,931.95	2.00%	$ 66,988.85	2.00%	$ 68,939.92	**2%-2%**	**$62,931.95--$68,939.92**
15	2.00%	$ 64,190.58	2.00%	$ 68,328.63	2.00%	$ 70,318.71	**2%-2%**	**$64,190.58--$70,318.71**
16	2.00%	$ 65,474.40	2.00%	$ 69,695.20	2.00%	$ 71,725.09	**2%-2%**	**$65,474.40--$71,725.09**
17	2.00%	$ 66,783.88	2.00%	$ 71,089.11	2.00%	$ 73,159.59	**2%-2%**	**$66,783.88--$73,159.59**
18	2.00%	$ 68,119.56	2.00%	$ 72,510.89	2.00%	$ 74,622.78	**2%-2%**	**$68,119.56--$74,622.78**
19	2.00%	$ 69,481.95	2.00%	$ 73,961.11	2.00%	$ 76,115.24	**2%-2%**	**$69,481.95--$76,115.24**
20	2.00%	$ 70,871.59	2.00%	$ 75,440.33	2.00%	$ 77,637.54	**2%-2%**	**$70,871.59--$77,637.54**
21	2.00%	$ 72,289.02	2.00%	$ 76,949.14	2.00%	$ 79,190.29	**2%-2%**	**$72,289.02--$79,190.29**
22	2.00%	$ 73,734.80	2.00%	$ 78,488.12	2.00%	$ 80,774.10	**2%-2%**	**$73,734.80--$80,774.10**
23	2.00%	$ 75,209.50	2.00%	$ 80,057.88	2.00%	$ 82,389.58	**2%-2%**	**$75,209.50--$82,389.58**
24	2.00%	$ 76,713.69	2.00%	$ 81,659.04	2.00%	$ 84,037.37	**2%-2%**	**$76,713.69--$84,037.37**
25	2.00%	$ 78,247.96	2.00%	$ 83,292.22	2.00%	$ 85,718.12	**2%-2%**	**$78,247.96--$85,718.12**
26	2.00%	$ 79,812.92	2.00%	$ 84,958.07	2.00%	$ 87,432.48	**2%-2%**	**$79,812.92--$87,432.48**
27	2.00%	$ 81,409.18	2.00%	$ 86,657.23	2.00%	$ 89,181.13	**2%-2%**	**$81,409.18--$89,181.13**
28	2.00%	$ 83,037.37	2.00%	$ 88,390.37	2.00%	$ 90,964.75	**2%-2%**	**$83,037.37--$90,964.75**
29	2.00%	$ 84,698.11	2.00%	$ 90,158.18	2.00%	$ 92,784.05	**2%-2%**	**$84,698.11--$92,784.05**
30	2.00%	$ 86,392.08	2.00%	$ 91,961.34	2.00%	$ 94,639.73	**2%-2%**	**$86,392.08--$94,639.73**
31	0.00%	$ 86,392.08	2.00%	$ 93,800.57	2.00%	$ 96,532.52	**0%-2%**	**$86,392.08--$96,532.52**
32	0.00%	$ 86,392.08	2.00%	$ 95,676.58	2.00%	$ 98,463.18	**0%-2%**	**$86,392.08--$98,463.18**
33	0.00%	$ 86,392.08	2.00%	$ 97,590.11	2.00%	$ 100,432.44	**0%-2%**	**$86,392.08--$100,432.44**
34	0.00%	$ 86,392.08	2.00%	$ 99,541.91	2.00%	$ 102,441.09	**0%-2%**	**$86,392.08--$102,441.09**
35	0.00%	$ 86,392.08	2.00%	$ 101,532.75	2.00%	$ 104,489.91	**0%-2%**	**$86,392.08--$104,489.91**
36	0.00%	$ 86,392.08	0.00%	$ 101,532.75	2.00%	$ 106,579.71	**0%-2%**	**$86,392.08--$106,579.71**
37	0.00%	$ 86,392.08	0.00%	$ 101,532.75	2.00%	$ 108,711.30	**0%-2%**	**$86,392.08--$108,711.30**
38	0.00%	$ 86,392.08	0.00%	$ 101,532.75	2.00%	$ 110,885.53	**0%-2%**	**$86,392.08--$110,885.53**
39	0.00%	$ 86,392.08	0.00%	$ 101,532.75	2.00%	$ 113,103.24	**0%-2%**	**$86,392.08--$113,103.24**
40	0.00%	$ 86,392.08	0.00%	$ 101,532.75	2.00%	$ 115,365.30	**0%-2%**	**$86,392.08--$115,365.30**

The "Year 0" amount was adjusted from 2026 by a cost of living increase of 3.1% for 2027. The cost of living was calculated using the Bureau of Labor Statistics CPI-U Midwest, Midwest West North, West, and West Mountain regions of the US, all items, not seasonally adjusted. The Jan-Dec 2025 and June 2025-June 2026 data were used in this calculation.

	CPI-U, all items, 12 mo as of Jun 30, 2026	Jan-Dec 2025	
West	3.2%	2.9%	3.1%
Midwest	3.8%	2.7%	3.3%
West-Mountain	3.0%	2.4%	2.7%
Midwest, West North	4.4%	2.4%	3.4%
		Average Rise	3.1%

https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-region.htm

Preparatory Questions for the Compensation Worksheet

Congregational Information Required

1) # of communicant membership in calling congregation (total): ______________________
2) Congregation Type (Single, Dual, Tri, or Quad parish): ______________________
   a. If in a Dual/Tri/Quad parish arrangement, will you offer an additional lump sum for the added duties of serving a multi-congregation parish? ______________________
   b. If yes, what amount? ______________________

Information about the minister and his family

3) Name: ______________________
4) Years of completed experience in the ministry: ______________________
   a. Corresponding recommended Base Salary ("Salary Guideline Matrix") : ______________________
   b. Corresponding recommended Base Salary Range: ______________________
5) Marital status of minister : ______________________
6) # of children under 26 years of age of the minister: ______________________
7) Education level of the minister? (Bachelors/Masters/Doctorate) ______________________
   a. Will an additional lump sum be given for education beyond a Bachelors' degree? __________
   b. If yes, what amount? ______________________

Information necessary to provide for the pastor's housing needs

8) Is a parsonage provided? (If yes, fill out (a) below, if no, begin at (b) below) ______________________
   a. If YES, what is the Fair Rental Value of the parsonage (adjusted annually) ______________________
      i. Will the congregation be paying utilities directly? (electricity, water, natural gas or propane, internet, garbage collection, cable/satellite/streaming, landline telephone service *but NOT cell service*) ______________________
         1. If YES, name utilities: ______________________
         2. What is the approximate combined amount? ______________________
         3. What, if any, utilities will the minister be responsible for? ______________________

            ____

a. Will a cash parsonage allowance for utilities be paid? ________________

b. What amount? ________________

ii. Will a housing equity payment to assist the minister with purchasing a house upon retirement or upon taking a call to service elsewhere be given? (Y/N) ________________

1. If YES, how much cash payment will be given annually? ________________
2. If YES, but not a cash payment, will this be an employer contribution to the minister's TSA account (not subject to SECA or FICA but subject to income tax upon withdrawal), what amount annually? ________________

b. If NO Parsonage is Provided

i. What is the average annual cost of a safe rental apartment or home that would suit your minister's needs (family size/special considerations):________________

____

ii. What are the average annual costs of utilities (electricity, water, natural gas or propane, internet, garbage collection, cable/satellite/streaming, landline telephone service *but NOT cell service*)? ________________

iii. What would the approximate cost of renting furnishing and appliances appropriate to your minister's family be? ________________

____

iv. What is a rough estimate of the cost to maintain the living space annually (cleaning supplies, chemicals and devices, landscaping tools and supplies or services, light bulbs, laundry essentials, snow removal devices or services)? ________________

____

____

Information necessary to provide for the minister's health, retirement, disability & survivor needs

9) Will the congregation provide Concordia Plan Benefits? (Yes/No) ________________

a. YES (for assistance, please contact Concordia Plans, 888-927-7526, for specific rates)

i. Current Concordia Retirement Plan % of income rate? ________________

ii. Current Concordia Disability and Survivor Plan % of income rate? ________________

iii. Name of the Concordia Health Plan chosen: ______________________________

iv.

Coverage	Monthly Cost	Annual Cost
Self-Only		
Self and Spouse		
Self and Children		
Family		
Dental		
Vision		

v. Will the congregation be covering the full cost of the health coverage including dental and vision for the minister and his family (a congregation MUST pay at least 50% of the self-only coverage when enrolled in Concordia Plans and is strongly encouraged to cover the full cost of the family) (Yes/No)? ______________________________

1. If the congregation is NOT covering the full cost, what is the breakdown:
    a. Employee % ______________________________
    b. Congregation % (50% required for self-only) ____________________

vi. Is a Personal Spending Account (HSA, HRA, or FSA) offered (Y/N)? ______________

1. Flexible Spending Account (FSA) annual amount: ______________
2. Health Savings Account (HSA) annual amount: ______________
3. Health Reimbursement Arrangement (HRA) annual amount: ____________

vii. Will the congregation be offering access to the Concordia 403(b), Concordia Retirement Savings Plan (CRSP)? (All congregations are strongly encouraged to offer the CRSP; offering the plan does not incur any cost to the congregation.)__________

1. If YES, will the congregation also contribute an annual amount (Y/N)? _______
    a. Set annual amount: ______________________________
    b. The congregation will *match* up to $______________ or ________%

b. If NO, Please describe, with the annual cost of each item below:

Coverage	Monthly Cost	Annual Cost
Retirement Benefits		
Disability Benefits		
Survivor Benefits		
Health Insurance		
Dental		
Vision		

Additional Considerations

10) Auto Options (Choose One) *Most options are not taxed as income if documented.*

a. Church owned vehicle provided: cost $ ______________________________

b. IRS mileage rate reimbursement (current $ _______ / mile), est. annual cost: $ ______________

c. Other mileage rate reimbursement ($ ________/ mile), est. annual cost: $ __________________

d. Church credit card issued for all vehicle expenses: est. annual cost $ ______________________

e. Annual auto allowance paid in cash (this is taxable): est. annual cost $ ____________________

11) Mandatory District conferences (2 annually), travel, meals, and lodging: $ ________________________

12) Professional development resources (cont. ed. classes, books, etc.): $ ___________________________

13) Moving Expenses Cash Paid (New Pastor): $ ____

14) Other:

a. (Description, purpose) / Cost: $ ____

b. (Description, purpose) / Cost: $ ____

c. (Description, purpose) / Cost: $ ____

Compensation Worksheet

This worksheet is offered to help congregational leaders carefully consider the financial needs of their pastors and other called workers and thereby make recommendations to voting assemblies. The following may be of assistance in addressing this important matter in an orderly and God-pleasing fashion. Reference the Guideline Narrative for Pastoral Compensation, the LCMS Congregational Treasurer's Manual, and the "Preparatory Questions for the Compensation Worksheet," hereafter PQ, which follow this worksheet in this publication.

Always list **Annual amounts**		**Cost to Congregation**
A* Base Salary (see 4.a and 4.b of the PQ)	$	
B* Total Additions to Base Salary (see PQ 2.b and 7.b) including special additions by congregation not on the PQ	$	
Total Base Salary, Add A and B		$
C* Housing and Utilities Compensation		
a Parsonage provided by the parish		
i FRV of the parsonage (PQ 8.a)	$	
ii Utilities paid directly by the congregation (PQ 8.a.i.2)		$
List which utilities		
iii Utilities to be paid by the minister (list utilities)		
iv Parsonage cash allowance paid to the minister (PQ 8.a.i.3.b)		$
v Housing Equity (for subsequent home purchase), YES or NO?		
a. Cash amount paid directly to the minister (PQ 8.a.ii.1)		$
b. OR Cash amount paid to a TSA account of the minister (PQ 8.a.ii.2)		$
b NO parsonage provided, Housing Compensation		
i Combine amounts from PQ 8.b.i through 8.b.iv, list total here:	$	
ii Cash amount paid directly to the minister for housing costs		$
D Benefits: Retirement, Disability & Survivor, and Health Plans		
a Concordia Plan Services		
i Retirement (PQ 9.a.i), list %:		
Multiply % by the total of **the above** (A, B, C.a.iv., C.a.v.a., C.b.ii, and, if there is a parsonage add another 25% times A+B, Total = $___________)		$
ii Disability & Survivor (PQ 9.a.ii) list %:		
Multiply % by the total of **the above** (A, B, C.a.iv., C.a.v.a., C.b.ii, and, if there is a parsonage add another 25% times A+B, Total = $___________)		$
iii Health (PQ 9.a.iii), List election:		
a What percentage of the Health coverage is covered by the congregation (PQ 9.a.iii)?		
List the cash amount covered by the congregation. (from PQ 9.a.iv and 9.a.v)		$
b List the cash amount covered by the minister.	$	
b Other (PQ 9.b)		
Health/Dental/Vision Plan		$
Retirement Plan		$
Disability & Survivor Plan		$
3 Employer Contributions		
i Personal Spending Accounts (choose no more than one)		
a FSA (Preparatory Question (PQ 9.a.vi.1)		$
b HSA (PQ 9.a.vi.2)		$
c HRA (PQ 9.a.vi.3)		$

ii	Tax Sheltered Annuities	
a	403(b) (PQ 9.a.vii.1.a and/or b)	$
b	other, describe	$
E	Vacation and days off	
a	Weeks (to include Sundays) of vacation per year	
i	Pulpit supply cost estimate for all Sundays off	$
b	Number of day(s) off per week	
F	Additional Considerations	
a	Auto options (circle one) (PQ 10) Annual cash cost of auto option	$
i	church provided vehicle	
ii	IRS mileage reimbursement	
iii	Other mileage rate reimbursement	
iv	credit card issued for all vehicle expenses	
v	annual auto allowance	
b	Mandatory district conferences (2 annually) meals/lodging/travel (PQ 11)	$
c	Professional development resources (cont. ed., books, periodicals, etc.) (PQ 12)	$
d**	Moving expenses for newly called pastor (PQ 13)	$
e	Other, describe (PQ 14)	$
	Other, describe (PQ 14)	$
	Other, describe (PQ 14)	$
Total Cash Cost to Congregation for Employing Minister	**Total all amounts in box**	**$**

* "Housing Compensation" and "Housing Allowance Designation" have different meanings. Housing allowance designation represents the amount of the combined A, B, and C cash payments to the minister that the congregation has resolved at the minister's request for housing costs for IRS purposes. Such resolutions neither increase nor decrease the minister's cash compensation. Housing allowance desingnations can be made whether a minister resides in a parsonage or rents or owns a home. Whatever portion so designated that the minister can document was used to provide his home through receipts, billings statements, and contracts is excluded by the minister from income for income tax purposes. Any portion the minister does not document he adds back to his income on his Form 1040. The congregation has no responsibility for this documentation; it is the sole responsibility of the minister. The housing allowance designation resolution should be passed by the congregation prior to the beginning of the new calendar year so that it is in force for the entire tax year. A minister can request a change to the housing allowance designation by submitting a new resolution at any point during the year, however, the new resolution is in force only from the date it is passed forward, and the prior resolution remains in force until that date. Please review the housing allowance paragraphs in the Guideline Narrative and the LCMS Congregational Treasurer's Manual Chapter 2 for more information on housing allowance and parsonage. Ministers should be encouraged to seek the assistance of a tax professional as they learn how to navigate ministerial tax issues.

** Moving expense reimbursements must be included in taxable income regardless of documentation of expenses.

Preparatory Questions for the Compensation Worksheet

Congregational Information Required

1) # of communicant membership in calling congregation (total): 47
2) Congregation Type (Single, Dual, Tri, or Quad parish): Single
   a. If in a Dual/Tri/Quad parish arrangement, will you offer an additional lump sum for the added duties of serving a multi-congregation parish? ______
   b. If yes, what amount? ______

Information about the minister and his family

3) Name: Pastor A. Parsonage
4) Years of completed experience in the ministry: 0
   a. Corresponding recommended Base Salary ("Salary Guideline Matrix") : 47,695
   b. Corresponding recommended Base Salary Range: 47,695 - 52,248
5) Marital status of minister : Married
6) # of children under 26 years of age of the minister: 0
7) Education level of the minister? (Bachelors/Masters/Doctorate) Masters
   a. Will an additional lump sum be given for education beyond a Bachelors' degree? yes
   b. If yes, what amount? 2000/yr

Information necessary to provide for the pastor's housing needs

8) Is a parsonage provided? (If yes, fill out (a) below, if no, begin at (b) below) yes
   a. If YES, what is the Fair Rental Value of the parsonage (adjusted annually) 36,000/yr
      i. Will the congregation be paying utilities directly? (electricity, water, natural gas or propane, internet, garbage collection, cable/satellite/streaming, landline telephone service *but NOT cell service*) yes
         1. If YES, name utilities: water/garbage
         2. What is the approximate combined amount? 840/yr
         3. What, if any, utilities will the minister be responsible for? electric, gas, internet, phone, cable

a. Will a cash parsonage allowance for utilities be paid? yes

b. What amount? 3000/yr

ii. Will a housing equity payment to assist the minister with purchasing a house upon retirement or upon taking a call to service elsewhere be given? (Y/N) yes

1. If YES, how much cash payment will be given annually? 0

2. If YES, but not a cash payment, will this be an employer contribution to the minister's TSA account (not subject to SECA or FICA but subject to income tax upon withdrawal), what amount annually? 1,200/yr 403(b)

b. If NO Parsonage is Provided

i. What is the average annual cost of a safe rental apartment or home that would suit your minister's needs (family size/special considerations): ____________________

____

ii. What are the average annual costs of utilities (electricity, water, natural gas or propane, internet, garbage collection, cable/satellite/streaming, landline telephone service *but NOT cell service*)? ____________________

iii. What would the approximate cost of renting furnishing and appliances appropriate to your minister's family be? ____________________

____

iv. What is a rough estimate of the cost to maintain the living space annually (cleaning supplies, chemicals and devices, landscaping tools and supplies or services, light bulbs, laundry essentials, snow removal devices or services)? ____________________

____

____

Information necessary to provide for the minister's health, retirement, disability & survivor needs

9) Will the congregation provide Concordia Plan Benefits? (Yes/No) yes

a. YES (for assistance, please contact Concordia Plans, 888-927-7526, for specific rates)

i. Current Concordia Retirement Plan % of income rate? 11.7%

ii. Current Concordia Disability and Survivor Plan % of income rate? 1.75%

Preparatory Questions for the Compensation Worksheet

iii. Name of the Concordia Health Plan chosen: Healthy.Me HSA-A

iv.

Coverage	Monthly Cost	Annual Cost
Self-Only		
Self and Spouse	1,755.82	21,069.84
Self and Children		
Family		
Dental	100.17	1,202.04
Vision	23.26	279.12

22,551

v. Will the congregation be covering the full cost of the health coverage including dental and vision for the minister and his family (a congregation MUST pay at least 50% of the self-only coverage when enrolled in Concordia Plans and is strongly encouraged to cover the full cost of the family) (Yes/No)? yes

1. If the congregation is NOT covering the full cost, what is the breakdown:
   a. Employee % ______
   b. Congregation % (50% required for self-only) ______

vi. Is a Personal Spending Account (HSA, HRA, or FSA) offered (Y/N)? yes

1. Flexible Spending Account (FSA) annual amount: ______
2. Health Savings Account (HSA) annual amount: 0
3. Health Reimbursement Arrangement (HRA) annual amount: ______

vii. Will the congregation be offering access to the Concordia 403(b), Concordia Retirement Savings Plan (CRSP)? (All congregations are strongly encouraged to offer the CRSP; offering the plan does not incur any cost to the congregation.) yes

1. If YES, will the congregation also contribute an annual amount (Y/N)? yes
   a. Set annual amount: 600/yr
   b. The congregation will *match* up to $______ or ______%

b. If NO, Please describe, with the annual cost of each item below:

Coverage	Monthly Cost	Annual Cost
Retirement Benefits		
Disability Benefits		
Survivor Benefits		
Health Insurance		
Dental		
Vision		

Additional Considerations

10) Auto Options (Choose One) *Most options are not taxed as income if documented.*

a. Church owned vehicle provided: cost $ ______

b. IRS mileage rate reimbursement (current $ .76 / mile), est. annual cost: $ 1,000

c. Other mileage rate reimbursement ($ ______/ mile), est. annual cost: $ ______

d. Church credit card issued for all vehicle expenses: est. annual cost $ ______

e. Annual auto allowance paid in cash (this is taxable): est. annual cost $ ______

11) Mandatory District conferences (2 annually), travel, meals, and lodging: $ 1,200

12) Professional development resources (cont. ed. classes, books, etc.): $ 750

13) Moving Expenses Cash Paid (New Pastor): $ 7,000 (negotiable)

14) Other:

a. (Description, purpose) / Cost: $ ______

b. (Description, purpose) / Cost: $ ______

c. (Description, purpose) / Cost: $ ______

Compensation Worksheet

Pastor A. Parsonage

This worksheet is offered to help congregational leaders carefully consider the financial needs of their pastors and other called workers and thereby make recommendations to voting assemblies. The following may be of assistance in addressing this important matter in an orderly and God-pleasing fashion. Reference the Guideline Narrative for Pastoral Compensation, the LCMS Congregational Treasurer's Manual, and the "Preparatory Questions for the Compensation Worksheet," hereafter PQ, which follow this worksheet in this publication.

Always list **Annual amounts**		**Cost to Congregation**
A* Base Salary (see 4.a and 4.b of the PQ)	$ 47,695	
B* Total Additions to Base Salary (see PQ 2.b and 7.b) including special additions by congregation not on the PQ	$ 2,000	
Total Base Salary, Add A and B		$ 49,695
C* Housing and Utilities Compensation		
a Parsonage provided by the parish		
i FRV of the parsonage (PQ 8.a)	$ 36,000	
ii Utilities paid directly by the congregation (PQ 8.a.i.2)		$ 840
List which utilities		
iii Utilities to be paid by the minister (list utilities) electric, gas, internet, phone, cable		
iv Parsonage cash allowance paid to the minister (PQ 8.a.i.3.b)		$ 3,000
v Housing Equity (for subsequent home purchase), YES or NO?		
a. Cash amount paid directly to the minister (PQ 8.a.ii.1)		$
b. OR Cash amount paid to a TSA account of the minister (PQ 8.a.ii.2)		$ 1,200
b NO parsonage provided, Housing Compensation		
i Combine amounts from PQ 8.b.i through 8.b.iv, list total here:	$	
ii Cash amount paid directly to the minister for housing costs		$
D Benefits: Retirement, Disability & Survivor, and Health Plans		
a Concordia Plan Services		
i Retirement (PQ 9.a.i), list %: 11.7%		
Multiply % by the total of **the above** (A, B, C.a.iv., C.a.v.a., C.b.ii, and, if there is a parsonage add another 25% times A+B, Total = $65,118.75)		$ 7,619
ii Disability & Survivor (PQ 9.a.ii) list %: 1.75%		
Multiply % by the total of **the above** (A, B, C.a.iv., C.a.v.a., C.b.ii, and, if there is a parsonage add another 25% times A+B, Total = $65,118.75)		$ 1,140
iii Health (PQ 9.a.iii), List election: Healthy Me HSA-A		
a What percentage of the Health coverage is covered by the congregation (PQ 9.a.iii)? 100%		
List the cash amount covered by the congregation. (from PQ 9.a.iv and 9.a.v)		$ 22,551
b List the cash amount covered by the minister.	$	
b Other (PQ 9.b)		
Health/Dental/Vision Plan		$
Retirement Plan		$
Disability & Survivor Plan		$
3 Employer Contributions		
i Personal Spending Accounts (choose no more than one)		
a FSA (Preparatory Question (PQ 9.a.vi.1)		$
b HSA (PQ 9.a.vi.2) 0		$
c HRA (PQ 9.a.vi.3)		$

ii Tax Sheltered Annuities	
a 403(b) (PQ 9.a.vii.1.a and/or b)	$ 600
b other, describe	$
E Vacation and days off	
a Weeks (to include Sundays) of vacation per year 3	
i Pulpit supply cost estimate for all Sundays off	$ 1,000
b Number of day(s) off per week 2	
F Additional Considerations	
a Auto options (circle one) (PQ 10) Annual cash cost of auto option	$ 1,000
i church provided vehicle	
ii IRS mileage reimbursement	
iii Other mileage rate reimbursement	
iv credit card issued for all vehicle expenses	
v annual auto allowance	
b Mandatory district conferences (2 annually) meals/lodging/travel (PQ 11)	$ 1,200
c Professional development resources (cont. ed., books, periodicals, etc.) (PQ 12)	$ 750
d** Moving expenses for newly called pastor (PQ 13)	$ 7,000 - 1st yr only, negotiable
e Other, describe (PQ 14)	$
Other, describe (PQ 14)	$
Other, describe (PQ 14)	$
Total Cash Cost to Congregation for Employing Minister **Total all amounts in box**	$ 97,595

* "Housing Compensation" and "Housing Allowance Designation" have different meanings. Housing allowance designation represents the amount of the combined A, B, and C cash payments to the minister that the congregation has resolved at the minister's request for housing costs for IRS purposes. Such resolutions neither increase nor decrease the minister's cash compensation. Housing allowance desingnations can be made whether a minister resides in a parsonage or rents or owns a home. Whatever portion so designated that the minister can document was used to provide his home through receipts, billings statements, and contracts is excluded by the minister from income for income tax purposes. Any portion the minister does not document he adds back to his income on his Form 1040. The congregation has no responsibility for this documentation; it is the sole responsibility of the minister. The housing allowance designation resolution should be passed by the congregation prior to the beginning of the new calendar year so that it is in force for the entire tax year. A minister can request a change to the housing allowance designation by submitting a new resolution at any point during the year, however, the new resolution is in force only from the date it is passed forward, and the prior resolution remains in force until that date. Please review the housing allowance paragraphs in the Guideline Narrative and the LCMS Congregational Treasurer's Manual Chapter 2 for more information on housing allowance and parsonage. Ministers should be encouraged to seek the assistance of a tax professional as they learn how to navigate ministerial tax issues.

** Moving expense reimbursements must be included in taxable income regardless of documentation of expenses.

Preparatory Questions for the Compensation Worksheet

Congregational Information Required

1) # of communicant membership in calling congregation (total): 47
2) Congregation Type (Single, Dual, Tri, or Quad parish): Single
   a. If in a Dual/Tri/Quad parish arrangement, will you offer an additional lump sum for the added duties of serving a multi-congregation parish? ______
   b. If yes, what amount? ______

Information about the minister and his family

3) Name: Pastor I. Ownhome
4) Years of completed experience in the ministry: 15
   a. Corresponding recommended Base Salary ("Salary Guideline Matrix"): 64,191
   b. Corresponding recommended Base Salary Range: 64,191 - 70,319
5) Marital status of minister: Married
6) # of children under 26 years of age of the minister: 4
7) Education level of the minister? (Bachelors/Masters/Doctorate) Masters
   a. Will an additional lump sum be given for education beyond a Bachelors' degree? No
   b. If yes, what amount? ______

Information necessary to provide for the pastor's housing needs

8) Is a parsonage provided? (If yes, fill out (a) below, if no, begin at (b) below) No
   a. If YES, what is the Fair Rental Value of the parsonage (adjusted annually) ______
      i. Will the congregation be paying utilities directly? (electricity, water, natural gas or propane, internet, garbage collection, cable/satellite/streaming, landline telephone service *but NOT cell service*) ______
         1. If YES, name utilities: ______
         2. What is the approximate combined amount? ______
         3. What, if any, utilities will the minister be responsible for? ______

Preparatory Questions for the Compensation Worksheet

a. Will a cash parsonage allowance for utilities be paid? ____________

b. What amount? ____________

ii. Will a housing equity payment to assist the minister with purchasing a house upon retirement or upon taking a call to service elsewhere be given? (Y/N) ____________

1. If YES, how much cash payment will be given annually? ____________
2. If YES, but not a cash payment, will this be an employer contribution to the minister's TSA account (not subject to SECA or FICA but subject to income tax upon withdrawal), what amount annually? ____________

b. If NO Parsonage is Provided

i. What is the average annual cost of a safe rental apartment or home that would suit your minister's needs (family size/special considerations): 36,000

ii. What are the average annual costs of utilities (electricity, water, natural gas or propane, internet, garbage collection, cable/satellite/streaming, landline telephone service *but NOT cell service*)? 5,500

iii. What would the approximate cost of renting furnishing and appliances appropriate to your minister's family be? 18,000 (5 sets br furniture, 1 lr set, tv, comp, appliances - washer/dryer/fridge/range/dishwasher)

iv. What is a rough estimate of the cost to maintain the living space annually (cleaning supplies, chemicals and devices, landscaping tools and supplies or services, light bulbs, laundry essentials, snow removal devices or services)? 750
cleaning supples + chemicals, landscaping tools + supplies, light bulbs, laundry, snow removal tools

Information necessary to provide for the minister's health, retirement, disability & survivor needs

9) Will the congregation provide Concordia Plan Benefits? (Yes/No) yes

a. YES (for assistance, please contact Concordia Plans, 888-927-7526, for specific rates)

i. Current Concordia Retirement Plan % of income rate? 11.7%

ii. Current Concordia Disability and Survivor Plan % of income rate? 1.75%

b. If NO, Please describe, with the annual cost of each item below:

Coverage	Monthly Cost	Annual Cost
Retirement Benefits		
Disability Benefits		
Survivor Benefits		
Health Insurance		
Dental		
Vision		

Additional Considerations

10) Auto Options (Choose One) *Most options are not taxed as income if documented.*

a. Church owned vehicle provided: cost $ ____________

b. IRS mileage rate reimbursement (current $ .76 / mile), est. annual cost: $ 1,000

c. Other mileage rate reimbursement ($ ________/ mile), est. annual cost: $ ____________

d. Church credit card issued for all vehicle expenses: est. annual cost $ ____________

e. Annual auto allowance paid in cash (this is taxable): est. annual cost $ ____________

11) Mandatory District conferences (2 annually), travel, meals, and lodging: $ 1,200

12) Professional development resources (cont. ed. classes, books, etc.): $ 750

13) Moving Expenses Cash Paid (New Pastor): $ 12,000 negotiable

14) Other:

a. (Description, purpose) / Cost: $ ____________

b. (Description, purpose) / Cost: $ ____________

c. (Description, purpose) / Cost: $ ____________

Preparatory Questions for the Compensation Worksheet

iii. Name of the Concordia Health Plan chosen: Healthy Me HSA-A

iv.

Coverage	Monthly Cost	Annual Cost
Self-Only		
Self and Spouse		
Self and Children		
Family	2,341.09	28,093.08
Dental	155.03	1,860.36
Vision	40.73	488.76

30,442.20

v. Will the congregation be covering the full cost of the health coverage including dental and vision for the minister and his family (a congregation MUST pay at least 50% of the self-only coverage when enrolled in Concordia Plans and is strongly encouraged to cover the full cost of the family) (Yes/No)? yes 100%

1. If the congregation is NOT covering the full cost, what is the breakdown:
   a. Employee % ______
   b. Congregation % (50% required for self-only) ______

vi. Is a Personal Spending Account (HSA, HRA, or FSA) offered (Y/N)? yes

1. Flexible Spending Account (FSA) annual amount: ______
2. Health Savings Account (HSA) annual amount: 3,500
3. Health Reimbursement Arrangement (HRA) annual amount: ______

vii. Will the congregation be offering access to the Concordia 403(b), Concordia Retirement Savings Plan (CRSP)? (All congregations are strongly encouraged to offer the CRSP; offering the plan does not incur any cost to the congregation.) yes

1. If YES, will the congregation also contribute an annual amount (Y/N)? yes
   a. Set annual amount: 600/yr
   b. The congregation will *match* up to $______ or ______%

Compensation Worksheet

Pastor I. Ownhome

This worksheet is offered to help congregational leaders carefully consider the financial needs of their pastors and other called workers and thereby make recommendations to voting assemblies. The following may be of assistance in addressing this important matter in an orderly and God-pleasing fashion. Reference the Guideline Narrative for Pastoral Compensation, the LCMS Congregational Treasurer's Manual, and the "Preparatory Questions for the Compensation Worksheet," hereafter PQ, which follow this worksheet in this publication.

Always list **Annual amounts**		**Cost to Congregation**
A* Base Salary (see 4.a and 4.b of the PQ)	$ 64,191	
B* Total Additions to Base Salary (see PQ 2.b and 7.b) including special additions by congregation not on the PQ	$ 0	
Total Base Salary, Add A and B		$ 64,191
C* Housing and Utilities Compensation		
a Parsonage provided by the parish		
i FRV of the parsonage (PQ 8.a)	$	
ii Utilities paid directly by the congregation (PQ 8.a.i.2) List which utilities		$
iii Utilities to be paid by the minister (list utilities)		
iv Parsonage cash allowance paid to the minister (PQ 8.a.i.3.b)		$
v Housing Equity (for subsequent home purchase), YES or NO? a. Cash amount paid directly to the minister (PQ 8.a.ii.1)		$
b. OR Cash amount paid to a TSA account of the minister (PQ 8.a.ii.2)		$
b NO parsonage provided, Housing Compensation		
i Combine amounts from PQ 8.b.i through 8.b.iv, list total here:	$ 60,250	
ii Cash amount paid directly to the minister for housing costs		$ 30,000
D Benefits: Retirement, Disability & Survivor, and Health Plans		
a Concordia Plan Services		
i Retirement (PQ 9.a.i), list %: 11.7% Multiply % by the total of **the above** (A, B, C.a.iv., C.a.v.a., C.b.ii, and, if there is a parsonage add another 25% times A+B, Total = $ 94,191)		$ 11,020
ii Disability & Survivor (PQ 9.a.ii) list %: 1.75% Multiply % by the total of **the above** (A, B, C.a.iv., C.a.v.a., C.b.ii, and, if there is a parsonage add another 25% times A+B, Total = $ 94,191)		$ 1,648
iii Health (PQ 9.a.iii), List election: Healthy Me HSA-A		
a What percentage of the Health coverage is covered by the congregation (PQ 9.a.iii)? 100% List the cash amount covered by the congregation. (from PQ 9.a.iv and 9.a.v)		$ 30,442
b List the cash amount covered by the minister.	$	
b Other (PQ 9.b)		
Health/Dental/Vision Plan		$
Retirement Plan		$
Disability & Survivor Plan		$
3 Employer Contributions		
i Personal Spending Accounts (choose no more than one)		
a FSA (Preparatory Question (PQ 9.a.vi.1)		$
b HSA (PQ 9.a.vi.2)		$ 3,500
c HRA (PQ 9.a.vi.3)		$

ii Tax Sheltered Annuities	
a 403(b) (PQ 9.a.vii.1.a and/or b)	$ 600
b other, describe	$
E Vacation and days off	
a Weeks (to include Sundays) of vacation per year 3	
i Pulpit supply cost estimate for all Sundays off	$ 1,000
b Number of day(s) off per week 2	
F Additional Considerations	
a Auto options (circle one) (PQ 10) Annual cash cost of auto option	$ 1,000
i church provided vehicle	
ii IRS mileage reimbursement	
iii Other mileage rate reimbursement	
iv credit card issued for all vehicle expenses	
v annual auto allowance	
b Mandatory district conferences (2 annually) meals/lodging/travel (PQ 11)	$ 1,200
c Professional development resources (cont. ed., books, periodicals, etc.) (PQ 12)	$ 750
d** Moving expenses for newly called pastor (PQ 13)	$ 12,000 1st yr only negotiable
e Other, describe (PQ 14)	$
Other, describe (PQ 14)	$
Other, describe (PQ 14)	$
Total Cash Cost to Congregation for Employing Minister — **Total all amounts in box**	$157,351

* "Housing Compensation" and "Housing Allowance Designation" have different meanings. Housing allowance designation represents the amount of the combined A, B, and C cash payments to the minister that the congregation has resolved at the minister's request for housing costs for IRS purposes. Such resolutions neither increase nor decrease the minister's cash compensation. Housing allowance desingnations can be made whether a minister resides in a parsonage or rents or owns a home. Whatever portion so designated that the minister can document was used to provide his home through receipts, billings statements, and contracts is excluded by the minister from income for income tax purposes. Any portion the minister does not document he adds back to his income on his Form 1040. The congregation has no responsibility for this documentation; it is the sole responsibility of the minister. The housing allowance designation resolution should be passed by the congregation prior to the beginning of the new calendar year so that it is in force for the entire tax year. A minister can request a change to the housing allowance designation by submitting a new resolution at any point during the year, however, the new resolution is in force only from the date it is passed forward, and the prior resolution remains in force until that date. Please review the housing allowance paragraphs in the Guideline Narrative and the LCMS Congregational Treasurer's Manual Chapter 2 for more information on housing allowance and parsonage. Ministers should be encouraged to seek the assistance of a tax professional as they learn how to navigate ministerial tax issues.

** Moving expense reimbursements must be included in taxable income regardless of documentation of expenses.