

## Compensation Guidelines for Pastors in the FMC

In the Franconia Conference, congregations and institutions who employ pastors are urged to follow the "Guidelines for Pastors' Salaries/Benefits in the US" in determining pastoral compensation. Since ministerial compensation is more about relationships than it is about dollars, the following guidelines are offered as a process for addressing issues related to the compensation of pastors.

1. A special group of three to five persons should be designated to address salaries and benefits of the pastor(s). This group should include both those who bring spiritual wisdom and those with experience in personnel matters, and engage the conference minister as a consultant. It is important that this process be distinguished from the accountability group (frequently the elders) and the budgeting process of the church, but may include representatives of these groups.
2. This group should begin its work at least four months in advance of decisions about the congregational budget and be completed two weeks prior to public discussion and decision on the budget. A recommendation from this group should be communicated to those who work on the congregational budget.
3. In preparation for their work, group members should familiarize themselves with:
  - Their own feelings about compensation, including one's own salary and benefits.
  - The denominational guidelines for salaries and benefits.
  - The unique features of pastors' salaries and benefits, including their role as IRS designated self-employed persons, the unique tax laws for pastors, and the church's readiness for pastor(s) to make full use of tax advantages available to them.
  - The potential for creative compensation such as "in-kind" benefits (perhaps a parsonage or leased car), benefits that will have future value (a tax deferred annuity), or a shared health care deductible that benefits the congregation while providing adequate care to the pastor.

4. It is important that each year there be at least two occasions of direct conversation between the group and pastor(s): first, prior to determining a salary/benefit recommendation, and second, before a salary recommendation is made public to the congregation. Communication in these meetings needs to be mutual regarding the needs and expectations of the pastor and the missional and financial realities of the congregation. The trust and respect these conversations will elicit are very important to mutually agreeable outcomes from the process.

5. The group working on salaries/benefits needs to place their discernment in the context of the church's mission. The congregation will benefit from having a pastor who experiences a strong sense of support and affirmation for leading the church in its mission, and the pastor will be blessed through a sense of affirmation for the mission entrusted to his/her leadership. While in the church performance of leaders is not generally tied to financial reward (as in business), occasional corporate efforts should be made to let the pastor know that his/her leadership is appreciated.

6. It is important that there be congruency between the compensation provided and the actual time expected of a pastor. If the congregation cannot provide a full-time salary, it is important that it be described accurately in terms of the proportion of time of service it represents. It is appropriate to expect pastors to be accountable for the time they serve. Offering compensatory time when the pastor needs to serve beyond normal expectations should be considered.

7. Congregations will experience joy and foster long-term leadership confidence through generosity. The goal is not to "save money" or "balance the budget" but to enhance the mission of the congregation. Since in our culture salaries are generally not public information, and given the uniqueness of the pastor's role among people with diverse backgrounds on personnel and financial matters, care should be exercised in presenting information on the pastor's salary and benefits.

Conference Board Ministerial Committee  
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