

ANGLICAN DIOCESE IN NEW ENGLAND 2020 CLERGY COMPENSATION GUIDE

Approved and adopted by The
Bishop and Standing Committee
on November 19, 2020

With thanks to Judith Fontes, Rev. Micah Thompson, Thomas Champion, Rev. Martha Learned, Rev. Alan Wilmot, and Rev. Cn. Ross Kimball

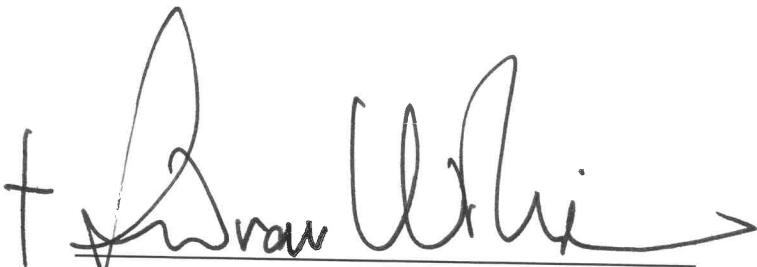
Dear Brothers and Sisters in Christ,

This edition of the ADNE Clergy Compensation Guide revises and supersedes the original guide adopted by the Standing Committee in 2011. We are enormously grateful to the team that drafted that manual.

The purpose of this guide is to provide updated standards for the proper compensation of Anglican priests employed as full-time parochial clergy in the ADNE and to provide guidance in the compensation for part-time and supply clergy. It is applicable to all congregations in the diocese. Where a Vestry or clergy person has a question regarding the guidelines or how to apply the guidelines, is uncertain whether it is acceptable to deviate from the guidelines, or seeks resolution of a conflict that may arise in applying the guide to particular situations, they should contact the Bishop's office.

Clergy need to receive adequate compensation to provide for their own needs and those of their families. It is also true that clergy do not work effectively when money is a constant worry. Although the previous Guide mandated that congregations provide certain benefits as part of the clergy compensation package, some of these requirements, most especially pension and health insurance, have not been met in all cases. Unfortunately, the result has been that some clergy have sacrificed planning for their retirement years and risked encountering significant unreimbursed medical bills for the sake of minimizing the burden on the congregation. We cannot emphasize enough the importance of correcting this trend.

It is required that prior to beginning any ordained ministry within the Anglican Diocese in New England, a Letter of Agreement (LOA) has been signed by all parties (priest, appropriate church officer, and Bishop). We have included a sample LOA for Rectors as Exhibit A. The language on pages 11-12 is suggested, but the parties may agree to modify it as appropriate, subject to the requirements set forth in the Guide. The form can also be modified for use with assisting clergy.

A handwritten signature in black ink, appearing to read "Andrew Williams", written over a horizontal line. To the left of the signature is a small cross symbol.

Rt. Rev. Andrew Williams

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Total Compensation packages for clergy fall into the categories of cash compensation, reimbursable expenses, required benefits, and recommended benefits. Each of these categories is described in detail on the following pages.

I. CASH COMPENSATION

A. SALARY

Salary is the cash amount which is paid directly to a member of the clergy, exclusive of housing, utilities, and Social Security Self-employment tax allowance of paragraph IV A. Decisions about clergy compensation, like all important decisions, should be made in the context of prayer. In the context of prayerful reflection, the first step in determining salary is to determine the most appropriate category based on the congregational situation and required responsibilities.

We have analyzed numerous sources of data to arrive at a recommended range of compensation for our clergy shown in the table on page 5. We have concluded that the most appropriate starting point for calculating reasonable cash compensation is the budget of the congregation, which will reflect the size of the church, the demands of the position, and, to some degree, the economic realities of the surrounding community. Salaries for clergy should take into account the salaries and cost of living in the community they are called to serve. We have made allowance for adjustments of the range based on multiple additional factors.

B. HOUSING ALLOWANCE

Congregations should provide a housing allowance for their clergy. Clergy that live in church owned housing are also eligible for a housing allowance for furnishings and other allowable housing expenses. The housing allowance must conform to the tax code and requires an annual Vestry vote. The allowance must be church designated and be done in advance of the allowance being taken, meaning that it cannot be acted upon retroactively.

2020 CASH COMPENSATION GUIDELINES

Notes:

- If housing and utilities are provided in the form of Church-owned facilities, the cash compensation ranges may be reduced by 25%.
- Percentiles in the table have been calculated using national averages for senior pastors with 6-10 years of experience; churches should apply a cost of living adjustment based on latest data available on church location as compared to the national average cost of living. The “Cost of Living Adjusted Median” in the table reflects 35% above national average location, typical for suburban New England towns.
- The Rector’s salary should fall within the 25th – 75th percentiles, adjusted for cost of living.
- Compensation shall not be below the minimum of the range. A Vestry will be requested to obtain approval from the Bishop’s office if compensation does not meet this standard.
- Cost of living adjustment factors for your location can be found on the internet at this site or other similar sources: <http://www.city-data.com/zips/zipdir/dir1.html>

Annual Budget	25 Percentile	Median	75 Percentile	Example Cost of Living Adjusted Median
\$100K - \$250K	\$44,782	\$58,000	\$68,300	\$78,300
\$250K - \$500K	\$57,000	\$67,000	\$80,000	\$90,450
> \$500K	\$68,000	\$81,500	\$92,250	\$110,025

Compensation rate should also take into consideration these variable factors:

Special Skills and Qualifications

Skill in counseling; publications; recognition as an expert in a field; administrative leadership; fund-raising ability; ability to deal with media; post seminary education and/or doctoral or advanced degree work; average income for the church; average Sunday attendance; years of experience.

Job Complexity

Size of staff; variety of duties to be performed; stress factors; goals and objectives of congregation; quality of the lay leadership; transitional or stable membership.

C. GUIDELINES FOR THE COMPENSATION OF ASSISTING CLERGY

Determining the salary for assisting clergy is complex because of the range of skills, resources and particulars of the congregation they serve. As a guideline, in many places the compensation for assistants and associates ranges from 50-75% of the Rector's compensation.

D. GUIDELINES FOR SUPPLY CLERGY RATES

In an effort to provide guidelines in this area, the Committee believes the following schedule represents a reasonable recommendation for supply clergy to be paid by the Vestry of the church for whom services are supplied, given the time supply clergy spend preparing for and leading the services, and traveling to and from the church. Supply clergy and congregations may agree to alternative fees depending on relevant circumstances.

- 1 Sunday service with Sermon \$200.
- 2 Sunday services with Sermon \$300.

Clergy may also be paid for each additional service on the same weekend in an amount to be agreed upon between the congregation and the clergy person. Clergy are also to be reimbursed for travel costs at the current IRS reimbursable mileage rate.

II. REIMBURSABLE EXPENSES

A. TRAVEL (JOB-RELATED)

The church may provide the clergy person with an automobile, through lease or purchase, and pay the expenses of the same, with documentation to be submitted to the Vestry. Otherwise, the church must pay mileage per the IRS guidelines and other documented out-of-pocket travel expenses.

B. CONTINUING EDUCATION

All clergy are encouraged to engage in regular continuing education to strengthen their ministries. Churches are expected to provide both time and money to make such study possible. Continuing education time 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.

Churches shall contribute a stated amount each year (usually \$500-\$1,000, in no case less than \$350) toward the expenses of continuing education projects. Any

funds carried forward does not reduce the Vestry's obligation to budget a sum for continuing education each year.

C. SABBATICALS

After five years of service, a priest is eligible for sabbatical leave that has accrued at the rate of two weeks per year of service, up to a maximum of fourteen weeks of leave after seven years of service. Congregations shall build a 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 congregation.

D. DISCRETIONARY FUND

The church will provide funds from the operating budget each year for a separate discretionary fund to be dispersed by the Rector only. This is intended to aid individuals/families in financial need confidentially, or to cover the costs of non-budgeted mission or discipleship materials. Use must be within the stated mission of the church.

The discretionary funds are subject to audit and are to be included in the financial reports following standard accounting procedures. Discretionary funds remain with the congregation when the clergy departs.

E. BUSINESS ENTERTAINMENT (JOB-RELATED)

Entertaining on behalf of the church should be reimbursed upon submission of receipts and explanation of reason for expense (subject to guidelines and budget set by the Vestry). Vestries are encouraged to put an annual dollar amount in the operating budget to cover these expenses.

F. HOSPITALITY EXPENSE

The Vestry shall pay or defray church-related hospitality expenses incurred upon submission of receipts and explanation of reason for expense (subject to guidelines and budget set by the Vestry). This includes the costs of hosting church members for meals and events at the Rector's home.

G. MOVING

When a congregation issues a call, it is highly recommended that the congregation pay the expenses associated with the relocation. Clergy and congregations are encouraged to discuss the anticipated expenses in advance and to set aside funds to cover these expenses.

III. REQUIRED BENEFITS

A. RETIREMENT PLAN

The Anglican Diocese in New England requires each church, mission and other ecclesiastical organizations to pay into a retirement/pension plan for their full-time clergy. It is highly recommended that churches participate in the retirement plan of the Anglican Church in North America.

In addition to paying salary and housing allowance, the congregation is obligated to contribute annually to such a qualified retirement plan. The Committee recommends that the annual payment be in the range of 10-12% of the clergy person's cash compensation (salary and housing allowance), but in no event shall it be less than 5%.

B. HEALTH INSURANCE

Adequate medical/dental group insurance is required for full-time clergy. The minimum standard for a health insurance plan should be the State Insurance Plan. For married full-time clergy, it is required that the Vestries provide full family insurance coverage unless alternate coverage has been provided. The church must pay the premiums for that coverage or reimburse the clergy person for premiums paid. Questions about the ACNA health insurance plan and enrollment information is available from the ACNA office and website.

C. DAYS OFF / VACATION 40 hours as determined by the ministry

A normal work week for full-time clergy is 40 hours to be determined by the needs of the ministry. Clergy are expected to have at least one continuous twenty-four hour period reserved for personal and family use.

In addition, clergy will have time off in observance of the following national holidays: Labor Day, Thanksgiving Day, Christmas Day, New Year's Day, Martin Luther King Day, Presidents' Day, Memorial Day and Independence Day. When the holiday is a workday or falls on a normally scheduled day off, the clergy person will be entitled to take another day off in that week.

Clergy shall have a total of one month (twenty workdays) of vacation time per year, which will include at least four Sundays.

D. EXTENDED SICK LEAVE / DISABILITY

Every congregation should have a written plan that details how the clergy person will be paid in the event of an extended sickness or disability and how long payments will continue. Insurance coverage is available through the ACNA and other sources for short term and long-term disabilities. Most churches will likely choose to self-insure

for short term disabilities and fund payments to the clergy from operating income (the ACNA short term policy has a two-week waiting period and then provides coverage for only 11 weeks). The ACNA long term policy has a 90-day waiting period then pays 60% of the clergy person's salary, as long as total disability continues, to at least age 65. The church might agree to pay the clergy person for the first 90 days of disability, after which payments for any continued disability would be paid through a long-term disability policy. The clergy person then receives payments under the long-term policy, beginning on the 91st day, as long as s/he is disabled. Of course, the clergy person could purchase his/her own policy instead.

E. FAMILY LEAVE

Clergy shall be accorded a minimum of four weeks paid leave of absence upon the birth or adoption of a child. The Church may also elect to provide clergy with Family Leave for a mutually agreed upon period of time. Additional unpaid time off can be taken in accordance with the Family Medical Leave Act. Where there are applicable requirements under state or federal law, the church shall, at a minimum, comply with those requirements. In situations where an extended leave of absence is necessary, the Bishop's office should be consulted to help with making arrangements for the care of both the clergy person and the congregation.

F. USE, MAINTENANCE, AND EXPENSES OF HOUSING PROVIDED BY THE CONGREGATION

Where housing is provided by the congregation:

The clergy person shall have full use of the provided housing as a personal residence, utilities shall be contracted for and paid by the church, and care and maintenance of the grounds are at the church's expense.

The church may contribute to an appropriate tax-deferred investment vehicle [i.e. 403(b)], which shall be the property of the clergy person, no less than 3% of what the estimated cash housing allowance would be for housing in the area. The intent of this provision would be in lieu of accumulating real estate equity.

In the event of the clergy person's death, the Vestry is urged to compassionately consider the short-term housing needs of the deceased Rector's dependents.

IV. RECOMMENDED BENEFITS

A. SOCIAL SECURITY SELF-EMPLOYMENT TAX ALLOWANCE

(Highly recommended) Self-Employment Tax: The Rector is considered self-employed for purposes of the Social Security and Medicare tax (15.3% of salary (excluding housing allowance). Ordinarily an employer would withhold half that

amount from the employee's salary, and the employer would contribute the other half, but that arrangement is not permitted for clergy under the tax code. If the church wants to provide the Rector with what would be its share of the tax, it can increase the Rector's salary by that amount. NOTE: This income is fully taxable and reportable as income to the clergy. It is not, however, considered part of cash compensation for purposes of determining the congregation's pension contribution.

B. LIFE INSURANCE COVERAGE

Congregations are encouraged to provide life insurance through the ACNA group plan or equivalent or better coverage through another plan.

EXHIBIT A

Letter of Agreement between

The Wardens and Vestry of _____,

The Rt. Rev. _____,

and

The Reverend _____.

This page and the next to be updated annually, the rest as needed by agreement of all parties

Position/Title: _____

Term (part/full time, hours/wk): _____

Compensation:

Annual Salary: _____

Annual Housing Allowance: _____

Other considerations (SECA reimbursement, etc.): _____

Benefits:

Agreement toward medical/dental insurance:

Contribution to retirement account: _____

Paid time off: _____

How does Time off consider Sundays/Holidays? _____

Sabbatical Arrangement: _____

Maternity/Paternity Leave: _____

Extended Sick Leave/Disability: _____

Life Insurance: _____

Reimbursable Expenses:

Discretionary Fund:	\$ _____
Travel Reimbursement:	\$ _____
Business Entertainment (meals, etc.):	\$ _____
Hospitality Expenses:	\$ _____
Business Expenses:	\$ _____
Continuing Education:	\$ _____
Moving expense	\$ _____

This Compensation agreement is effective on _____ (date)

**This is to be updated annually by the vestry and clergy. Annual financial changes do not require the involvement of the bishop, so long as they do not fall below the minimum suggested salary/benefits of the ADNE.*

Signed:

(Authorized Church Representative) (date)

(Clergy/Employee) (date)

(Bishop) (date)

Explanation and Details of Letter of Agreements

The text in gray is an example, to be replaced by each vestry, clergy, and bishop's agreement.

Position/Title:

The Rector shall lead the Church as the pastor, priest and teacher, sharing in the councils of this congregation and of the whole church, in communion with our Bishop. By word and action, informed at all times by the Holy Scriptures, the Book of Common Prayer, and the Constitution and Canons of the Anglican Church in North America and the Anglican Diocese in New England, the Rector shall proclaim the Gospel, love and serve Christ's people, nourish them, and strengthen them to glorify God in this life and in the life to come.

The Rector has the following tasks and duties:

- Care for the spiritual life and health of the church and its members and attenders.
- Oversee and lead regular liturgical practice of the Church, including weekly celebration of Holy Communion and other Holy Days.
- Lead and develop the lay ministry team that will have responsibility for the various ministries of the Church under the Rector's leadership.
- Lead, or appoint someone to lead in the Rector's place, meetings of the Church and vestry including the Annual Meeting and other meetings as required by the bylaws.
- Direct the teaching and preaching ministry of the Church.
- Oversee the staff, clergy, and ministry of the church.
- Support and direct Missional Communities.
- Comply with the diocesan guidelines for care of clergy.

Term (part/full time, hours/wk):

Full Time. Starting date: _____.

The Rector's work includes not only activities directed to the parish and its well-being, but also labors on behalf of the Diocese and community. A normal work week for a Rector is 40 hours to be determined by the needs of the ministry. In general, no more than three evenings per week are expected. The Rector is expected to preserve at least one continuous twenty-four hour period each week solely for personal and family use.

Compensation:

Annual Salary:

The Rector's annual cash salary (including housing allowance) will be paid monthly on or before the 1st day of the month, to be reviewed and adjusted annually in light of the applicable Diocesan minimum clergy salary standard.

Annual Housing Allowance:

Upon the Rector's timely annual request, the Vestry will vote to designate a portion of the total cash salary as "Housing Allowance" under the Federal Internal Revenue Code and record the vote in the Vestry minutes.

Other considerations (SECA reimbursement, etc.):

The Rector's salary (including housing allowance) will be increased by 8%, to cover the additional burden of payroll tax incurred by the self-employed. Although the additional 8% will be taxable income to the Rector, it will not be included in cash compensation in determining the congregation's contribution to the Rector's pension account.

The Rector shall not charge fees for performing any rites of the Church (baptisms, marriages, funerals, etc.) for members of this parish. The Rector may, however, receive income from other sources, such as:

- Sacramental services on behalf of persons not in any way related to this parish.
- Fees and honoraria for professional services performed on personal time for groups unrelated to this parish, or for sermons, books or articles published outside the parish.
- The Rector maintains the copyright to all sermons, curricula, etc. produced while employed at the church; but grants the rights of usage to the church for all materials unless specified otherwise on a case by case basis.

Benefits:

Agreement toward medical/dental insurance:

The Church shall pay 100% of the premium costs for medical and dental coverage, in accordance with the requirements set forth the Anglican Diocese in New England 2020 Clergy Compensation Guide, for the Rector and his or her dependents.

Contribution to retirement account:

The Church shall contribute ___% of the Rector's total annual cash salary (including Housing Allowance or the value of the church provided housing) to the Rector's account in the ACNA Retirement Plan.

Paid time off:

The Rector will have the following periods of leave at full compensation:

- National Holidays identified in the Anglican Diocese in New England 2020 Clergy Compensation Guidelines, annual vacation, Continuing Education.

How does Time off consider Sundays/Holidays?

The Rector's vacation days include four Sundays, and holidays are to be flexible, so as not to interfere with worship for major occasions.

Sabbatical Arrangement:

During the Rector's fifth year, the Rector and vestry will make a plan for the Rector's sabbatical in compliance with the clergy compensation guide. During the sabbatical, the Rector will receive full compensation and benefits. Unused sabbatical time will be forfeited.

The Church will set aside money each year to fund the supply of clergy, leadership, materials, etc. during the rector's sabbatical.

The sabbatical is intended to provide rest and renewal, but should have a structure, to accomplish further study of interest or a project. This structure should be developed with the vestry and the bishop.

Family Leave:

A minimum of four weeks paid leave of absence upon the birth or adoption of a child.

Disability Insurance:

The vestry agrees to maintain an appropriate policy in the event of injury/disability.

Life Insurance:

The vestry will contribute \$___ monthly toward an appropriate life insurance policy. This money may not be taken as salary in lieu of a life insurance policy.

Reimbursable Expenses and Discretionary Fund:

Discretionary Fund:

The parish will provide funds from the operating budget each year for a separate discretionary fund to be dispersed by the rector only. This is intended to aid individuals/families in financial need confidentially, or to cover the costs of non-

budgeted mission or discipleship materials. Use must be within the stated mission of the church.

Travel Reimbursement:

The Vestry shall pay Church-related travel expenses, up to the amount indicated in the annual budget, plus any additional amount the vestry approves. Mileage shall be reimbursed at the prevailing IRS rate. Parking fees, tolls, bus fares, etc. shall be reimbursed upon receipt of receipts and explanation of reason for expense.

Business Entertainment (meals with visiting clergy, new members, etc.):

The Vestry shall pay or reimburse Church-related business entertainment expenses incurred upon receipt of receipts and explanation of reason for expense (subject to guidelines and budget set by the vestry)

Hospitality Expenses:

The Vestry shall pay or defray Church-related hospitality expenses incurred upon receipt of receipts and explanation of reason for expense (subject to guidelines and budget set by the vestry). This includes the costs of hosting church members for meals and events at the rector's home.

Business Expenses:

The Vestry shall pay expenses incurred in the course of professional activities on behalf of the Church. These are to be reimbursed upon receipt of receipts and explanation of reason for expense (subject to guidelines and budget set by the vestry).

Continuing Education:

The Vestry shall pay up to the amount budgeted to cover the costs of conferences, seminars, tuition, travel, or other related expenses in addition to the salary for up to ten days of continuing education/professional development.

Other Considerations/Agreements

1: CHURCH LEADERSHIP TEAM RETREAT

A Church Leadership Team Retreat provides a time apart for the Vestry and Rector to begin to define and understand their relationship. This retreat should be held no later than four weeks after the Rector arrives. The retreat covers a range of topics which include:

- Spiritual Reflection
- Develop Guidelines for Working Together
- Clarify Expectations
- Review Goals

- Clarify Roles and Responsibilities
- How to Deal with Differences

2: MUTUAL STUDY OF MINISTRY

A Mutual Study of Ministry will be scheduled between the first six to twelve months of a new pastorate and once every year thereafter. This will give the Vestry and Rector time to talk together about ways to improve their working relationships, to discuss how the various church activities and programs are meeting the needs of the church and its members, and to look at new ideas for ministry. It is a time to ask:

- "What is working well and what needs our attention?"
- "Do we need to make changes in our stated goals?"
- "Are our goals relevant to where we find ourselves today?"
- "Are our expectations fair, realistic, a stretch, but not impossible?"

The Mutual Study of Ministry will be facilitated by a mutually agreed upon third party

3: MEDIATION

If the Rector and Vestry are in disagreement concerning interpretation of this Letter of Agreement, either party may appeal for mediation to a mutually agreed upon third party, the Bishop remaining the final arbiter.

Signed by:

Rector

Date

Senior Warden

Date

Bishop

Date