

RESOLUTION ON CHURCH EMPLOYEE COMPENSATION – 2021 TO BE EFFECTIVE JANUARY 1, 2022

APPROVED C.O.T. – 9/18/2021 – PENDING GENERAL CONVENTION APPROVAL

WHEREAS, there is a continuing need to emphasize the importance of an appropriate salary and adequate total compensation for clergy and laity of the diocese; and

WHEREAS, there is a need for total clergy and lay compensation to be appropriate in relationship to other dioceses; and

WHEREAS, government guidelines instruct the (a) clergy be issued Form W-2 (not form 1099), and (b) professional allowances be separated from stipend and managed according to an Accounts Reimbursable plan with their employer; and

WHEREAS, the Diocese continues to face a continued increase in the number of congregations unable to sustain full time ordained ministry thus necessitating re-examination of how best to compensate ordained leadership at the congregational level; and

WHEREAS, the Clergy Compensation Committee has been instructed to review compensation and provide information and counsel to congregations, clergy, and the Diocese of compensation matters; therefore, be it

RESOLVED: That the following clergy and lay employee compensation policy be adopted by the Diocese at its 151st Convention, to take effect January 1, 2022.

A. Clergy Compensation Schedule

Full-time priests and transitional deacons shall be paid Core Compensation that is at least equal to the Minimums established by the Diocesan Minimum Compensation Schedule. The schedule provides higher rates of compensation based on the number of years of full-time ministry completed since ordination to the diaconate. Increases will be set in the Minimum Core Compensation for 0-4 years, 5-9 years, 10-19 years, and 20-plus years.

Core Compensation is defined as 1) Stipend / Base Salary and 2) Housing Allowance. For illustration purposes, the approved schedule assigns a housing allowance at 30% of the Stipend/Base Salary. Since the housing allowance may vary between parishes or the priest/transitional deacon is provided housing, the sum of Stipend / Base Salary and Housing Allocation must meet or exceed the Total Core Compensation on Table 1.

Social Security Offset is a required component of a clergy's compensation package (unless they do not participate in the Social Security Program) and is calculated at a compounded rate of 7.65%. Per the Church Pension Group, Social Security Offset is included in calculations determining the required pension contribution.

IMPORTANT: In addition to the minimums provided by the schedule, the Committee included the Median Compensation Level for all male clergy in the Episcopal Church. This demographic's Median Compensation (Source: Church Pension Group: 2019 Episcopal Clergy Compensation Report published October 2020 – data adjusted for inflation) was selected as the rule of thumb because of their historically higher compensation amounts and the desire for equitable pay across genders and race. Each clergy position in the Diocese is unique. When determining a compensation offer or adjustment, those involved in the decision process should take into account numerous factors including, but not limited to:

- Cost of living in the relevant area
- Advanced Degrees (beyond a M.Div.) and relevant certifications
- Secular professional experience
- Parish's financial vitality
- Clergy's responsibilities and goals
- Applicant pool

Lay persons employed full- or part-time shall be paid a salary that is at least equal to the minimum hourly wage prevalent in their area.

The Bishop must approve all clergy Letters of Agreement (LOA) and may, from time to time, authorize an exemption to the minimum compensation requirement for a particular clergy placement. This will only be done in situations the Bishop determines as unique and necessary and must be mutually agreeable to the parish and the employee or prospective employee. Diocesan canons name possible imperilment of a congregation as a result of failing to pay the minimum clergy stipend. (Canon IV Sec 1B)

B. Cost of Living Adjustment

The Compensation Schedule will be updated annually to reflect any increases in the Cost of Living and insurance rates. The figure used will be the Consumer Price Index for the previous 12 months ending July 31.

C. Social Security Contribution

As discussed in Section A., the full employer's share of the social security tax is to be paid for clergy, unless they voluntarily do not participate in the Social Security system.

D. Pension

If you are an ordained Episcopal cleric, you automatically participate in the Clergy Pension Plan if you are compensated, regularly employed, expected to work five or more consecutive months for the same Episcopal employer, and your employer pays *Assessments* to CPF. If your position is expected to last for less than five months, and you have a letter of agreement directing the payment of Assessments by your employer for the services that you will provide, you have the option to participate in the Clergy Pension Plan.

E. Professional Expense Reimbursement

Vestries are encouraged to review annually with their clergy the actual expenditures incurred in the practice of ministry and to budget accordingly. The **minimum** professional expense reimbursement available to clergy will be \$5,000, including mileage reimbursed at the current rate allowed by the Internal Revenue Service. Such reimbursements are paid with an accountable reimbursement form. Other professional expenses may include, but are not limited to, non-automotive travel (train, bus, etc.); meals and other hospitality; books/journals; curricula; professional publication subscriptions; fees and expenses associated with professional conferences, conventions, retreats, seminars, and workshops; membership dues in professional societies; office supplies; and computer and printer costs (if used more than 50% of the time for professional activities).

F. Continuing Education

Full-time and part-time clergy receive an allowance of a minimum of \$1,250 annually for continuing education. Monies not used for continuing education will be allowed to accumulate up to 3 years, for special education projects, including sabbaticals. This minimum is NOT prorated based on part-time status.

G. Clergy Sabbatical

Cleric and congregation should plan well in advance for sabbatical time, which may be used for continuing education, travel, and refreshment. Typically, clergy receive three months of sabbatical time after five years served. Years of service toward sabbatical may be carried from one parish to another within the diocese only with mutual consent between clergy and congregation stipulated in the Letter of Agreement. Vestries should budget for sabbaticals on an ongoing basis. The Letter of Agreement should address such issues as timing of sabbatical for the mutual convenience of the cleric and congregation.

No more than three months of sabbatical time should be taken in any given year. The diocese expects the cleric will return to the congregation for a minimum of one year following the sabbatical leave. A terminal sabbatical (sabbatical taken at the end

of the cleric’s service to that parish) is not permitted, and unused sabbatical time may not be “cashed out.” In the case of a priest-in-charge becoming rector, sabbatical time should be counted from the time the original Letter of Agreement was signed.

H. 2022 Minimum and Median Clergy Compensation

The 2022 Clergy Compensation Schedule is listed below.

TABLE 1

DIOCESAN CLERGY MINIMUM COMPENSATION TABLE - 2022 - 2024								
FULL-TIME CLERGY								
COMPENSATION ITEM	YEARS ORDAINED							
	2022-24 Minimum	REFERENCE: Median All Male Clergy Rate	2022-24 Minimum	REFERENCE: Median All Male Clergy Rate	2022-24 Minimum	REFERENCE: Median All Male Clergy Rate	2022-24 Minimum	REFERENCE: Median All Male Clergy Rate
	0-4 Years	0-4 Years	5-9 Years	5-9 Years	10-19 Years	10-19 Years	20 Plus Years	20 Plus Years
Stipend / Base Salary	\$40,500	\$50,500	\$48,700	\$60,750	\$56,000	\$70,000	\$64,100	\$79,750
Housing Allowance Allocation (Standard 30%)	\$12,150	\$15,150	\$14,610	\$18,225	\$16,800	\$21,000	\$19,230	\$23,925
Total Core Compensation	\$52,650	\$65,650	\$63,310	\$78,975	\$72,800	\$91,000	\$83,330	\$103,675
Social Security Offset	\$4,361	\$5,438	\$5,244	\$6,542	\$6,031	\$7,538	\$6,903	\$8,588
Total Cost of Compensation	\$57,011	\$71,088	\$68,554	\$85,517	\$78,831	\$98,538	\$90,233	\$112,263
Pension Contribution @ 18%	\$10,262	\$12,796	\$12,340	\$15,393	\$14,189	\$17,737	\$16,242	\$20,207
Professional Expenses	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
Continuing Education	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250
Est. Workmans Comp.	\$621	\$775	\$747	\$932	\$859	\$1,074	\$984	\$1,224
Total Cost of Employment (NOT INCLUDING MEDICAL INSURANCE)	\$74,145	\$90,909	\$87,891	\$108,092	\$100,129	\$123,599	\$113,708	\$139,944

Source: Median All Male Clergy Compensation rates were derived from the Church Pension Group’s 2019 Clergy Compensation Report published in October of 2019. Rates have been adjusted for inflation.)

Additional minimum benefits provided by congregations for clergy include:

Church Pension Fund Premiums – a parish is required to contribute 18% of a clergy’s assessable compensation if they are scheduled to work 20 or more hours a week.

Parishes are required to provide worker’s compensation insurance at no cost to the employee.

I. Medical and Dental Insurance

All parishes are required to offer medical coverage to both clergy and lay employees that qualify to participate in the Episcopal Church’s Denominational Health Plan (DHP). While the minimum premium coverage by a parish for the employee is listed below, a parish may elect to cover premiums above the minimum, including the full premium. Similar to Core Compensation, medical premium coverage is a attractive incentive that may help secure the right candidate.

Please note that whatever plan offerings and cost sharing a parish negotiates with an employee, the SAME coverage must be offered to all employees eligible to participate in the DHP. There are no exceptions. An eligible employee is an employee who works and is compensated for a minimum of 1,500 hours annually.

The minimum required coverage offered to employees may be either the Anthem BCBS BlueCard PPO 70, requiring parishes cover full premiums for the employee, Plus Spouse/Partner, or Plus Child and/or the Anthem BCBS CDHP-20/HSA covering 100% of the premiums plus monthly contributions (listed in Table 2) into the employee’s HSA account.

An employee may select Family coverage under either the PPO 70 or the CDHP-20/HSA. In either case, parishes must pay, at a minimum, 85% of the premium for the Family option in the PPO 70 plan or 85% of the monthly premium plus 85% of the monthly HSA contribution to employee’s HSA account.

Parishes may select other plan options offered by the Diocese to clergy and lay employees. When doing so, the parish must, at a minimum, cover the same premium amount as the cost of the Anthem BCBS BlueCard PPO 70 for the chosen category (Single, Plus Sps/Partner, etc.), but may choose to cover some or all of the premiums above that level. It is important to remember that plan offerings and premium coverages MUST be the same for qualifying clergy and lay employees.

The Diocese also offers two types of dental insurance coverage and requires that parishes offer, at a minimum, Basic Dental covering the full monthly premiums for all family insurance configurations.

Below are the 2022 monthly premiums for the various plans offered within our Diocese. These rates are typically adjusted annually by CPG and plan offering are also subject to change.

2022 - DIOCESAN MEDIAL INSURANCE OFFERINGS AND MONTHLY RATES – TABLE 2					
Plan Name	Plan Code	Single	Plus Sps/Partner	Plus Child	Family
Anthem BCBS BlueCard PPO 70	MPP4	\$849	\$1,698	\$1,528	\$2,547
Anthem BCBS CDHP-20/HSA	MHDE	\$788 + \$61 monthly contribution into employee’s HSA account	\$1,576 + \$122 monthly contribution into employee’s HSA account	\$1,418 + \$110 monthly contribution into employee’s HSA account	\$2,364 + \$183 monthly contribution into employee’s HSA account
Anthem BCBS BlueCard PPO 90	MPP2	\$1,026	\$2,052	\$1,847	\$3,078
Anthem BCBS BlueCard PPO 100	MPP1	\$1,220	\$2,440	\$2,196	\$3,660
Basic Dental – 50/150	DD50	\$60	\$120	\$108	\$180
Dental & Ortho – 25/75	DD25	\$80	\$160	\$144	\$240

Denominational Health Plan (DHP). The Participating Group understands that the Medical Trust has been authorized by the General Convention of The Episcopal Church to implement the Denominational Health Plan as set forth in General Convention Resolution 2009-A177, 2012-B026 and Title I, Canon 8, of the Canons of The Episcopal Church. Accordingly, the Participating Group agrees to cooperate with the Medical Trust with respect to all matters relating to the implementation of the DHP. The resolution requires that all domestic dioceses, parishes, missions and other ecclesiastical organizations or bodies subject to the authority of The Episcopal Church enroll clergy and lay Employees who are scheduled to work a minimum of 1,500 hours annually. All groups who are required to participate were to provide healthcare benefits through the Medical Trust no later than January 1, 2013. – Source: CPG

Dioceses must have a group-wide employer cost-sharing policy for medical benefits coverage. The policy must provide that the level of cost-sharing is the same for both eligible clergy and eligible lay employees. An eligible employee is an employee who works and is compensated for a minimum of 1,500 hours annually.

Individual employers within the group can offer a higher level of cost-share, but it must apply equally to clergy and laity. It is the dioceses’ responsibility to communicate the policy to their participants. The Plan expects the diocese to enforce its group-wide policies along with the Plan’s eligibility and enrollment rules as part of DHP requirements.

J. Part-time clergy

Based on a full-time week of 44 hours and diocesan standards for years of service, congregations will provide compensation including housing for the work of part-time clergy in proportion to mutually-agreed-upon hours of service.

Professional expenses to be reimbursed according to Section D of this resolution. The minimum professional expense allotment is prorated by the positions weekly hourly time commitment. The congregation and the ordained person may negotiate for greater reimbursement as part of the total compensation package.

Minimum health insurance coverage requirements remain at full-time levels, provided the employee's part-time status is equal to or exceeds 1,500 hours annually. Clergy persons eligible for Medicare, Tricare, or similar federal or state insurance programs will receive a proportionate share of "medigap" insurance.

Sabbatical leave will be prorated to compensation contracted work time. Vacation time of at least four Sundays a year remains in effect for part-time clergy.

Clergy employed by two or more congregations to make a full-time job shall receive full-time salary and benefits as negotiated by the churches served.

K. Supply Clergy

The stipend for supply clergy is \$150 for one service and \$175 for two services. Beyond two services a day, the rate is to be negotiated. Mileage is to be reimbursed at the current rate allowed by the Internal Revenue Service.

L. Vocational Deacon Reimbursement

Mileage for church business conducted by vocational deacons is to be reimbursed at the annual rate allowed by the Internal Revenue Service. In addition, a minimum continuing education allowance of \$1,250. Unused amounts for continuing education shall continue to accrue for up to 3 years and may be used for special education projects including a sabbatical. A minimum \$300 professional expense reimbursement is to be provided. These reimbursements are to be reviewed annually by the Diocesan Compensation Committee.

M. Retired Clergy Insurance

As part of the benefits offered through Church Pension, retired clergy are offered supplemental insurance for Medicare. The comprehensive supplement included with retired clergy benefits. Two other levels of supplemental coverage are also available at additional cost. Parishes or the Diocese are not responsible for covering the cost of supplemental insurance for Medicare. Clergy and lay employees may negotiate this as an option with their parish.

N. Lay Employees

Actions of General Convention have set standards by which all entities within the Episcopal Church are expected to follow with regard to lay employment practices. Lay employees MUST BE compensated at an hourly rate (or salary equivalent) of the higher of the Federal Minimum Wage and the Pennsylvania State Minimum Wage, both currently \$7.25 an hour. It is HIGHLY RECOMMENDED that lay employees are compensated at a rate above this amount. Parishes should research prevailing wages in their particular region for specific positions and offer competitive compensation packages.

The Clergy & Lay Employee Compensation Committee is actively researching specific compensation information for our Diocese. The Committee's intention is to provide modifications to this section of the manual that, if approved, would become effective for 2023.

It is required that lay employees who work one thousand or more hours per year be provided with retirement benefits after one year of service. Parishes are required to contribute 9% of an employee's assessable compensation monthly to eligible employee's defined contribution plan. In addition:

- 1) Those employees twenty-one years old and older and working 1,000 hours may begin a 403b defined contribution plan immediately upon hiring.
- 2) All lay employees working 1,500 hours annually are to be offered health insurance coverage.

- 3) An agreement also should be reached with those employees on life insurance, paid holidays, vacation, and sick leave.
- 4) Worker's compensation insurance premiums must be paid by employer for all employees.
- 5) Further, it is encouraged that short-term disability insurance be obtained for lay employees as well.

O. Equal Opportunity Employment

The Episcopal Diocese of Central Pennsylvania and the parishes within it do not and shall not discriminate on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, hiring and firing of staff, selection of volunteers and vendors, and provision of services. We are committed to providing an inclusive and welcoming environment for all members of our staff, congregations, volunteers, vendors, and guests.

Committee on Clergy Compensation

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