



**"The Missouri District-LCMS
is to serve and encourage
congregations to fulfill the Great
Commission and promote unity
of the true faith."**



2021 Compensation Guidelines

Intended for use in fiscal year 2020-21 or calendar year 2021

These guidelines were prepared to assist congregations in studying and arriving at equitable salaries for their workers and were approved by the Missouri District Board of Directors on January 9, 2020.



Missouri District

THE LUTHERAN CHURCH — MISSOURI SYNOD



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INTRODUCTION

As a congregation considers the compensation it provides, leaders should review the Scriptural principles regarding the care of those who serve:

Stay in that house and eat and drink whatever they have, since a worker earns his pay ... Luke 10:7.

Let spiritual leaders who lead well be considered worthy of double honor, especially if their work is preaching and teaching, because the Scripture says "When the ox is treading out the grain, do not muzzle him," and, "a worker deserves his pay." I Timothy 5:17–18.

In the same way the Lord has commanded that those who preach the Gospel should receive their living from the Gospel ... I Corinthians 9:14.

Let the person who is taught the Word share all good things with his teacher. Make no mistake about this; you cannot fool God. For whatever a person sows he will also reap ... Galatians 6:6–7.

We ask you fellow Christians, to appreciate those who work with you and who lead you in the Lord and who warn you. Love them and think very highly of them on account of the work they are doing. Live in peace with one another ... 1 Thessalonians 5:12–13.

Christian stewardship is the free and joyous activity of the child of God and God's family, the church, in managing all of life and life's resources for God's purposes. Managing of the workers of a congregation in a God-pleasing manner is a stewardship issue. Congregations are encouraged to consider utilizing excellent stewardship materials and processes to assist in strengthening opportunities toward spiritual growth and generous giving. Please contact The Missouri District—LCMS office for available stewardship resources.

These guidelines are prepared for use by church councils and salary committees as they review annually the salaries of their professional church workers. They are not to be construed as an official salary scale of the Missouri District. In determining worker's salaries, their professional credentials should be considered and they should be remunerated accordingly. Education and ministry expectations qualify them to remuneration commensurate with that of other professionals of equivalent education, ability and responsibility. Christian ethics require a congregation to pay the workers a respectable salary.

The church should attempt to attract the best workers into the Gospel ministry. Competition for such workers is keen. If the church does not adequately compensate its workers, it may discourage qualified youth from choosing to work in the church.

Congregations are strongly encouraged to develop a form similar to Appendix A. This form should be given to each salaried individual to help them better understand their total compensation package. The fringe benefits provided reflect a considerable amount of compensation for each worker.

Average and median incomes of other professionals in the Midwest and the state of Missouri along with salary data of Lutheran workers in the Midwest were used in preparing the ensuing guidelines. The base salary recommended in these guidelines is annually adjusted using Consumer Price Index

data. This method looks at historical data and is non-predictive for future trends. Because these guidelines may be prepared twelve to eighteen months prior to a congregation's anticipated implementation, it is imperative that the congregation consider current economic conditions as a factor when determining actual salaries.

The object of a salary schedule is two-fold in nature. First, the salary schedule should recognize education, experience, and individual dedication to the Lord's work. Second, the salary schedule should encourage further formal education that would prepare the professional for a ministry that would be more fulfilling for him or her and the church as a whole.

It is a good idea to review each worker's duties and expectations on at least an annual basis. This review should be done by an established procedure based on appropriate lines of authority. This process allows for the setting of goals and gives opportunity for feedback and the sharing of concerns.

Congregations are subject to all laws and should remember to remit taxes and withholdings to the proper entities at the appropriate times.

Concordia Plan benefits are not a substitution for Workers Compensation Insurance. Congregations should make sure they are in compliance with all Worker Compensation Insurance Laws. It is recommended that all congregations carry workers compensation insurance on all its workers regardless of staff size.

TERMINOLOGY

For purposes of this document, certain terminology should be understood:

The recommended **base salary** is the basis upon which the total compensation paid to a worker is determined. When calculating total compensation, the same base salary is to be used for all workers. For Ministers of Religion, Ordained or Commissioned, housing is included in this base salary. Annual cost of living adjustments are applied to the base salary.

Base Salary History

| Year | Base Salary | Increase from Previous Year | Percent Increase |
|------|-------------|-----------------------------|------------------|
| 2021 | 42,625 | \$907 | 2.2% |
| 2020 | 41,718 | \$818 | 2.0% |
| 2019 | 40,900 | \$650 | 1.6% |
| 2018 | 40,250 | \$250 | 0.7% |
| 2017 | 40,000 | \$100 | 0.3% |
| 2016 | 39,900 | \$300 | 0.8% |
| 2015 | 39,600 | \$700 | 1.8% |
| 2014 | 38,900 | \$1,000 | 2.6% |
| 2013 | 37,900 | \$1,200 | 3.3% |
| 2012 | 36,700 | \$900 | 2.5% |
| 2011 | 35,800 | \$0 | 0.0% |
| 2010 | 35,800 | \$800 | 2.3% |
| 2009 | 35,000 | \$900 | 2.6% |
| 2008 | 34,100 | \$800 | 2.4% |

Based on a worker's job, years of experience, and education, a **multiplier** (taken from the tables in Sections XVII, XXIII, XXIV) is then applied to the base salary to determine the compensation paid the worker. The appropriate multiplier should be used for all workers.

Benefits and allowances should be considered after the base salary and multiplier have been applied to each worker. These benefits and allowances would include benefits such as coverage in the Concordia Plans, Travel and Auto Allowances, Professional Growth, etc.

For purposes of this document, certain employee classifications should be understood:

The term **exempt employee** shall mean an employee who holds a position as defined as exempt by the Fair Labor Standards Act (FLSA). An exempt employee, by nature of the position, is not eligible for overtime pay.

The term **non-exempt** shall mean an employee who is covered by the Fair Labor Standards Act but who does not qualify for an exemption under the Act. Employees classified as non-exempt will be eligible for a minimum wage and overtime pay. Hours spent in preparation for regular work responsibilities must be included for wage computations of non-exempt employees. (i.e., organists' rehearsal and practice time)

Non-exempt employees shall receive an overtime payment for work beyond the normal work week in accordance with local laws. Employees eligible for overtime pay will be paid at the rate of one and one-half times their regular hourly rate for time worked in excess of 40 hours in any work week.

Exempt employees are not eligible for overtime pay.

I. COMPENSATION COMMITTEE

Since the base salary requires careful study and deliberation, a small, duly appointed or elected group is most effective in assembling and utilizing facts to make such salary recommendations. This group should invite the pastor and principal to discuss salaries and related matters with the group each year. They also should be responsible for recommending the appropriate scale to serve as a guideline for all salaries.

All components and resulting summaries should be variable and negotiable to accommodate the unique quality of each ministry.

II. INTERNAL REVENUE SERVICE CLASSIFICATIONS

Rostered, ordained pastors in the exercise of the ministry in The Lutheran Church—Missouri Synod (LCMS) are considered “Ministers of Religion” by the Internal Revenue Service (IRS) and are subject to special tax rules and privileges.

All Teachers, Directors of Christian Education, Directors of Christian Outreach, Deaconesses, Parish Assistants, Certified Lay Ministers, Directors of Parish Music, and Directors of Family Life Ministry, who are listed on Synod's Roster as “Ministers of Religion- Commissioned” are

considered “Ministers” because of special rulings by the IRS.

The LCMS holds that many different functions belong to the office of public ministry. These functions may be performed, to varying degrees, by persons holding various positions and titles. To clarify these positions and titles, the Synod has established two classifications: “Minister of Religion, Ordained” and “Minister of Religion, Commissioned.”

III. HOUSING AND UTILITIES

The recommended salary guidelines that follow are based on the assumption that congregations do not provide a residence for the worker. If housing is provided and utilities are paid by the congregation, subtract the fair rental value of the parsonage/teacherage including utilities (if provided) from the salary. The needs of the worker should be taken into account in regard to housing. Even if a parsonage/teacherage is furnished and all utilities are paid by the congregation, a part of the worker’s compensation should be designated as parsonage/teacherage allowance according to IRS regulations.

Congregations are reminded that workers living in church-owned housing must report the fair rental value of such housing to the IRS as part of the total compensation when figuring the Self-Employment Tax (Social Security) but not for income tax. Consult with local realtors to arrive at a fair rental value of the residence provided for the worker. This should be adjusted regularly to reflect the changing value of the housing provided.

To obtain all allowable tax exemptions for “Ministers of Religion,” the congregation should have a recorded resolution (prior to January 1 of the year it is to take effect), which authorizes the housing / utility/ or parsonage allowance in advance of any payment. The worker may exclude from income only that part of the housing/utility/or parsonage/teacherage allowance that is actually used; any excess is subject to tax.

If the congregation provides housing to the worker, that worker is not developing any equity in a home. Congregations should assist their workers in developing equity by annually setting aside investments in the name of the worker.

The “[Congregational Treasurer’s Manual](http://www.mo.lcms.org),” available through the Missouri District website, www.mo.lcms.org, or on The Lutheran Church—Missouri Synod website, www.lcms.org, is an excellent resource and should answer most questions in this area.

IV. RETIREMENT, SURVIVOR, AND HEALTH PLANS

Congregations are encouraged to participate in the Concordia Plans on behalf of all benefit-eligible workers. This includes the Concordia Retirement Plan (CRP), Concordia Disability and Survivor Plan (CDSP), Concordia Health Plan (CHP), and the Concordia Retirement Savings Plan (CRSP). Please contact Concordia Plan Services at 1-888-927-7526 for more details about plan participation.

Ministers of Religion, a special IRS classification (ordained pastors, certified lay ministers, male and female Commissioned Teachers, and Commissioned Directors of Christian Education) and eligible Commissioned Deaconesses) are classified by Social Security (S.S.) as “self-employed.” Therefore, employers normally do not contribute to S.S. for them. All such workers enrolled in the Concordia Retirement Plan as a “new worker” on January 1, 1982, or after, participate on the Regular Basis. Workers who enrolled in the CRP prior to that date, and whose CRP membership did not subsequently terminate, have the option to participate on either the Regular or Full Basis.

Part of the compensation process is to determine the level of benefits provided for workers, especially as it might relate to healthcare. With healthcare costs constantly on the rise, and budgets often strained, it is important that the budget *not* be balanced on the back of the workers. Providing comprehensive coverage that will best meet the needs of the workers will also help as congregations call new workers and retain existing workers.

Healthcare options should be provided to workers in an equitable and non-discriminatory manner. When preparing the salary guidelines, it is assumed that the full cost of healthcare premiums for the worker and some, or all, of the cost of their dependents will be paid.

If workers are expected to share in the cost of premiums, the congregation is encouraged to set up a cafeteria plan so that the workers’ share of any cost comes out of their paycheck on a pre-tax basis.

If a plan option with a deductible or significant out-of-pocket expense to workers is offered, the congregation is encouraged to set up appropriate **Personal Spending Accounts** so those 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). IRS guidelines must be followed in administering these types of accounts.* Depending on the type of account, it may be funded by the worker, the employer, or both. Concordia Plan Services offers access to all of these accounts to pair with the Concordia Health Plan. They can also help with setting up a Cafeteria Plan if one is not already offered. For more information, please contact Concordia Plan Services at 1-888-927-7526.

Workers nearing retirement should consult with the IRS or their tax accountant to make sure they are and will remain eligible to make contributions to such a plan. *Please note: Special rules apply to HSA participation for workers who are age 65 or older and may be eligible for Medicare benefits. Please contact Concordia Plan Services, or your healthcare provider, if you do not offer the Concordia Health Plan, to discuss the potential impact on these workers. Please also encourage these workers to speak directly with CPS, too!*

V. RELIGIOUS EXEMPTION FOR UNEMPLOYMENT INSURANCE

From Missouri Department of Labor website (labor.mo.gov):

Required Notice to Non-Covered Workers

If an employee of a church, religious order, or 501(c)(3) (not for profit) organization is exempt from unemployment insurance coverage as defined under Employment Security law, Missouri Revised Statutes section 288.041 requires a written notice from the employer to the exempted worker. The

notice must state that wages earned by the individual will not be used to determine insured worker status for unemployment benefits. The notice must be provided to each exempt individual at the time of initial hire or upon a change in the employing unit's status regarding liability for unemployment insurance coverage.

VI. TRAVEL AND AUTOMOBILE ALLOWANCES

Travel expenses are “business expenses” of the congregation for which the worker should be fully reimbursed. The congregation should define which travel expenses will be reimbursed. Congregations are asked to periodically check the IRS guidelines for changes.

Allowance for automobile expenses may become necessary for the exercise of the worker’s function. The worker should be fully reimbursed for automobile use in exercise of their ministry. The suggested method is by direct reimbursement of expenses as outlined in Section 6.110 in the “[Congregational Treasurer’s Manual](#)”. The amount per mile should not exceed the IRS (www.irs.gov) guideline. If, instead of a dollar-for-dollar reimbursement of expenses, the congregation grants a cash expense allowance to the pastor or other workers with no substantiation requirement, as defined by the IRS, the amount paid by the congregation to the worker must be reported on the worker’s Forms W-2 and 1040. The worker must complete Form 2106, “Employee Business Expenses,” in order to deduct their business expenses. They are deductible as miscellaneous itemized deductions on Schedule A of Form 1040 only if they exceed two (2) percent of adjusted gross income.

VII. CONVENTIONS, RETREATS, AND CONFERENCES

The worker should be required to attend official district meetings with all expenses (travel, lodging and registration) paid by the congregation. Conventions, retreats, conferences and limited guest-speaking engagements should not be treated as vacation time. Rostered church workers are required by the Synodical Handbook to attend designated conferences and conventions. The congregation should provide the worker with the financial resources to attend these conferences.

VIII. PROFESSIONAL GROWTH

Continuing education in all fields of human endeavor, including the ministry, is increasingly necessitated by the complexities and rapidly changing characteristics of modern life. Parishes are encouraged to provide opportunities for their worker’s continued spiritual enrichment through continuing study.

Adequate time over and above vacation may be allowed each worker for this purpose, with provision for accrual of time and funds to permit flexibility in matching available programs.

Whenever workers undertake advanced study in their field which is related to their work, and such study is approved by the respective board, the congregation should consider paying some or all of the costs involved in such study; i.e. course fees, books and such other out-of-pocket costs as reasonable. Check the Treasurer’s Manual for taxability of such payments.

It is recognized that each congregation may have its own budget limitations; therefore, sufficient funds should be made available to cover a minimum of one course per staff member per year.

Workers should be given Professional Growth days during the year.

IX. ALLOWANCES AND REIMBURSEMENTS

The manner in which “business” expenses are treated on a federal income tax return depends on whether the expenses are reimbursed by the employer and whether the reimbursement is a fixed cash allowance or a dollar-for-dollar reimbursement under which the employee accounts adequately to the employer for the expenditures.

Cash allowances paid to the employee without required accounting of expenses to the employer are included as income on Form W-2. Business expenses for which the employee receives a direct reimbursement following an adequate accounting of expenses are not includable as income.

Reimbursable business and professional expenses may include transportation, overnight travel (including lodging and meals), entertainment, books and subscriptions, classroom supplies, continued education, vestments, professional dues, and moving expenses.

X. TAX DEFERRED SAVINGS PLANS

Tax deferred savings plans also known as 403(b) plans are available to workers under federal tax laws. It may be advantageous for a worker to contribute to a 403(b) plan. The congregation may elect to provide this as a no cost benefit to the worker. Tax deferred 403(b) plan regulations have onerous regulations regarding the employers’ responsibilities for record keeping. Due to these regulations, it is recommended that any 403(b) plans offered be through Concordia Plan Services’ CRSP plan. Workers nearing retirement should consult with the IRS or their tax accountant, as well as with the plan sponsor, such as CPS, to make sure they are and will remain eligible to make contributions to such a plan.

XI. VACATIONS

Workers should be encouraged to take vacations. Three weeks should be regarded as a minimum. Workers with longer experience may be allowed four weeks or more. In addition to the regular vacation, congregations also should consider providing pulpit relief for pastors once a quarter. Specific vacation policies should be established by each congregation.

XII. LEAVE POLICIES

“Leave of Absence” is defined as any time a worker is absent when normally scheduled for work responsibility. It is recommended that congregations have written policies on how leaves of absence are treated for full-time and part-time workers. Types of leaves may include:

Illness
Bereavement
Jury Duty

Emergency
Family and Medical Leave
Military Leave

Conferences/Workshops
Voting
Unpaid Leaves

Continuing Education
Witness/Victims of Crime

An illness policy should be written within the guidelines as set forth in the Concordia Plans (www.concordiaplans.org) and include adequate leave days until such time as the Concordia Disability Plan applies. Leave of Absence policies should also reference the amount of time that can be accrued from year to year.

XIII. SABBATICAL LEAVE

If a worker has been at your congregation for six or more years, a sabbatical for renewal and growth purposes may be considered. A congregation should develop a policy regarding sabbatical leaves. For a sample policy contact the Missouri District office.

XIV. SERVICE AWARDS, RETIREMENT RECOGNITIONS AND BONUSES

Congregations are encouraged to develop guidelines for the recognition of personnel for years of service. Dependent upon the position these recognitions may be for service at the organization and also for total years of service to the Lutheran Church – Missouri Synod. Most often workers are recognized for 10, 20, and every 5 years of active service thereafter until retirement.

Workers may also be recognized at the time of retirement. Retirement guidelines may recognize total years of service to the organization and to the church as a whole.

At Christmas, retirement, and anniversary, congregations often give workers gifts of money, trips or other non-cash gifts. The IRS considers all “gifts” of cash to an employee which have been paid directly from the congregational treasury or solicited from individual members in an organized manner as taxable income and should be included on the W-2. Check the Treasurer’s Manual for conditions on noncash gifts. When bonuses are given, they should be given in a non-discriminatory manner.

XV. SECOND-CAREER CHURCH WORKERS

Oftentimes a professional church worker enters the ministry after serving for a period of time in another profession. Acknowledging that all Christians are called to a vocation, and that all Christians are in ministry in that calling, consideration of those years of service is appropriate. In addition, provision should be made to recognize the experience, skill, and maturity that such a person brings to the ministry. The congregation should consider adopting a policy. Some sample policy considerations follow:

- A. If a pastor enters the ministry coming from a church career (e.g. Lutheran teacher who becomes a pastor) a year of experience may be applied for every year employed as a full-time church professional prior to entering the pastoral ministry.
- B. If a pastor enters the ministry from secular occupations which are beneficial to the church (e.g. people skills, organizational skills, administrative skills, training ability, counseling skills), he may be credited with a percentage of his years of experience based on the transferability of his skill set.

- C. A teacher who enters the teaching ministry with years of experience in another school system may be credited with half the years of experience up to a maximum of (7-10) years.

XVI. PULPIT SUPPLY/VACANCIES

Pulpit Supply:

It is recommended that guest pulpit supply shall be compensated based upon the guidelines for pulpit supply remuneration found below.

The following is suggested as a *minimum* amount:

| | |
|-----------------|--|
| One Service | \$125.00 |
| Two Services | \$160.00 |
| Bible Class | \$50.00 |
| Mileage | IRS Rate |
| Lodging & Meals | Paid if overnight stay is deemed necessary |

Vacancies:

It is recommended that remuneration for a vacancy pastor be based on the Compensation Scale for Ministers of Religion-Ordained, and prorated based upon specific hours agreed upon by the pastor and the congregation. In addition, reimbursement for mileage should be furnished at the IRS rate.

XVII. MINISTER OF RELIGION-ORDAINED ANNUAL COMPENSATION SCALE

| Years of Experience | Base | Multiplier | Salary |
|---------------------|----------|------------|----------|
| 0 | \$42,625 | 1.45 | \$61,806 |
| 1 | \$42,625 | 1.47 | \$62,659 |
| 2 | \$42,625 | 1.49 | \$63,511 |
| 3 | \$42,625 | 1.51 | \$64,364 |
| 4 | \$42,625 | 1.54 | \$65,643 |
| 5 | \$42,625 | 1.57 | \$66,921 |
| 6 | \$42,625 | 1.60 | \$68,200 |
| 7 | \$42,625 | 1.63 | \$69,479 |
| 8 | \$42,625 | 1.66 | \$70,758 |
| 9 | \$42,625 | 1.69 | \$72,036 |
| 10 | \$42,625 | 1.72 | \$73,315 |
| 11 | \$42,625 | 1.75 | \$74,594 |
| 12 | \$42,625 | 1.78 | \$75,873 |
| 13 | \$42,625 | 1.81 | \$77,151 |
| 14 | \$42,625 | 1.84 | \$78,430 |
| 15 | \$42,625 | 1.87 | \$79,709 |
| 16 | \$42,625 | 1.90 | \$80,988 |
| 17 | \$42,625 | 1.93 | \$82,266 |
| 18 | \$42,625 | 1.96 | \$83,545 |
| 19 | \$42,625 | 1.99 | \$84,824 |
| 20 | \$42,625 | 2.01 | \$85,676 |
| 21 | \$42,625 | 2.03 | \$86,529 |
| 22 | \$42,625 | 2.05 | \$87,381 |
| 23 | \$42,625 | 2.07 | \$88,234 |
| 24 | \$42,625 | 2.09 | \$89,086 |
| 25 | \$42,625 | 2.11 | \$89,939 |
| 26 | \$42,625 | 2.13 | \$90,791 |
| 27 | \$42,625 | 2.15 | \$91,644 |
| 28 | \$42,625 | 2.17 | \$92,496 |
| 29 | \$42,625 | 2.19 | \$93,349 |
| 30 | \$42,625 | 2.21 | \$94,201 |

It is recommended that a congregation develop a policy or procedure for multiplier increases beyond 30 years of service. For example, Ministers of Religion - Ordained exceeding 30 years of service may have the multiplier increased by .02 for each additional year of service.

XVIII. SOLE PASTOR OR SENIOR ADMINISTRATIVE PASTOR

The congregation may recognize that a senior pastor has considerable additional responsibility because of his position and may consider using an additional multiplier to be based on worship attendance.

Worship Attendance

| | |
|---------|-------------------------------|
| 150-350 | .05 - .10 added to multiplier |
| 351-750 | .10 - .15 added to multiplier |
| 750+ | .15 - .25 added to multiplier |

Other factors to be considered:

- A) Prevailing community standards
- B) Number of congregations served
- C) Specialized education
- D) Special situations and challenges (chaplaincy, campus ministry, etc.)
- E) Additional continued education
- F) Advanced degrees

For vicarage compensation information, contact the appropriate seminary.

XIX. MINISTER OF RELIGION-COMMISSIONED COMPENSATION

For the professional worker in the church, a Baccalaureate Degree with no experience is usually considered the base salary. In using an index scale, the base salary is multiplied by 1.00. The base salary for men and women should be equal.

Teachers with less formal education than a college degree would have a multiplier smaller than 1.00 applied to the base salary. In the same regard, teachers with education beyond the Bachelor's Degree would use a multiplier larger than 1.00 commensurate with the additional hours earned.

Although the same index scale can be used by all congregations in the Missouri District, adjustments in the base can be made up or down depending upon the local living cost (See Section XXV Base Salary Modifiers). It would be appropriate to contact the local public school district and consider its base salary as a comparable figure.

A base salary is defined as, "that salary paid to a teacher with a B.S. and no years of experience for 12 months of service." Remember that teachers on 10-month calls/contracts are paid on 10/12 of this base.

A congregation may consider an additional multiplier for workers who are on the Roster of Ministers of Religion – Commissioned or eligible to be on that roster.

XX. ADDITIONAL RESPONSIBILITY

In order to take into account other items which may be reflected in a worker's salary, a congregation may give additional compensation for responsibility beyond that of a classroom teacher or other called positions.

After calculating the compensation an additional amount may be added to the multiplier according to the following:

| | |
|--|---------|
| Executive Director | .25-.45 |
| Principal | .20-.40 |
| Early Childhood Director | .10-.20 |
| Assistant Principal | .10-.20 |
| Director of Christian Education | .10-.20 |
| Director of Music for Congregation | .05-.15 |
| Director of Youth | .05-.15 |
| Staff Person Serving as Administrator for all Part-Time Agencies | .05-.15 |
| Athletic Director for Congregation | .05-.15 |
| Technology Coordinator for Congregation | .05-.15 |

XXI. EXTRACURRICULAR STIPENDS

Stipends may be paid to workers for coaching or directing extracurricular activities of the congregation or school. Stipends may vary depending upon the amount of time required to lead the activity. Activities included may be:

| | |
|-------------------------|-----------------|
| Athletic Teams | Cheerleading |
| Drama | Musicals |
| Yearbook | Newspaper |
| Student Council | Honor Societies |
| Christmas Programs | Class Advisors |
| After School Activities | Clubs |

It is wise to connect these amounts to the base salary by using a multiplier so that stipends increase as the salary base increases. Years of experience at the activity may also be included.

XXII. SERIOUS FINANCIAL CONCERNS

In the event of serious financial stress, a congregation may be forced to consider temporary deviations from the salary scale. If a congregation uses a compensation scale and doesn't follow it in a given year, it is recommended that:

- A. From time to time congregations have considered freezing salaries. If a congregation uses a compensation scale, it is recommended that if the base salary is frozen, the incremental steps for additional years of experience and increased education be given to the worker.
- B. If a congregation has already frozen salaries without increases for years of experience and education, then it is strongly recommended that all workers should be brought up to the appropriate multiplier on the scale, reflecting their years of experience and education, even if the base is not increased (Sections XVII, XXIII, XXIV).
- C. In extreme cases where salaries must be temporarily reduced, thought should be given to reducing the base salary and leaving the multipliers at the appropriate level. In this case a plan should also be developed to return to at least the previous base salary in future years.
- D. If salaries have been temporarily reduced or frozen every effort should be made to reestablish both the base and the multipliers.

In the event that a congregation may need to eliminate one or more positions, the congregation should have established Reduction in Force Guidelines that take into account the needs of the worker, the ministry plan of the congregation, and legal considerations. A document for this situation titled, "Resources for Developing Reduction in Force Guidelines" is available on the Missouri District website.

XXIII. MINISTER OF RELIGION-COMMISSIONED COMPENSATION SCALE

| YEARS | | | | B.S. | | B.S. | | | | MA | | MA | |
|-------|--------|------|--------|--------|--------|--------|--------|------|--------|--------|--------|--------|--------|
| EXP | | B.S. | | +10hrs | | +20hrs | | MA | | +10hrs | | +20hrs | |
| 0 | 42,625 | 1.00 | 42,625 | 1.03 | 43,904 | 1.06 | 45,183 | 1.12 | 47,740 | 1.16 | 49,445 | 1.20 | 51,150 |
| 1 | 42,625 | 1.02 | 43,478 | 1.05 | 44,756 | 1.08 | 46,035 | 1.14 | 48,593 | 1.18 | 50,298 | 1.22 | 52,003 |
| 2 | 42,625 | 1.04 | 44,330 | 1.07 | 45,609 | 1.10 | 46,888 | 1.16 | 49,445 | 1.20 | 51,150 | 1.24 | 52,855 |
| 3 | 42,625 | 1.06 | 45,183 | 1.09 | 46,461 | 1.12 | 47,740 | 1.18 | 50,298 | 1.22 | 52,003 | 1.26 | 53,708 |
| 4 | 42,625 | 1.08 | 46,035 | 1.12 | 47,740 | 1.15 | 49,019 | 1.21 | 51,576 | 1.25 | 53,281 | 1.29 | 54,986 |
| 5 | 42,625 | 1.10 | 46,888 | 1.15 | 49,019 | 1.18 | 50,298 | 1.24 | 52,855 | 1.28 | 54,560 | 1.32 | 56,265 |
| 6 | 42,625 | 1.12 | 47,740 | 1.18 | 50,298 | 1.21 | 51,576 | 1.27 | 54,134 | 1.31 | 55,839 | 1.35 | 57,544 |
| 7 | 42,625 | 1.14 | 48,593 | 1.20 | 51,150 | 1.24 | 52,855 | 1.30 | 55,413 | 1.34 | 57,118 | 1.38 | 58,823 |
| 8 | 42,625 | 1.16 | 49,445 | 1.22 | 52,003 | 1.27 | 54,134 | 1.33 | 56,691 | 1.37 | 58,396 | 1.41 | 60,101 |
| 9 | 42,625 | 1.18 | 50,298 | 1.24 | 52,855 | 1.30 | 55,413 | 1.36 | 57,970 | 1.40 | 59,675 | 1.44 | 61,380 |
| 10 | 42,625 | 1.20 | 51,150 | 1.26 | 53,708 | 1.33 | 56,691 | 1.39 | 59,249 | 1.43 | 60,954 | 1.47 | 62,659 |
| 11 | 42,625 | * | | 1.28 | 54,560 | 1.35 | 57,544 | 1.42 | 60,528 | 1.46 | 62,233 | 1.50 | 63,938 |
| 12 | 42,625 | | | 1.30 | 55,413 | 1.37 | 58,396 | 1.45 | 61,806 | 1.49 | 63,511 | 1.53 | 65,216 |
| 13 | 42,625 | | | * | | 1.39 | 59,249 | 1.48 | 63,085 | 1.52 | 64,790 | 1.56 | 66,495 |
| 14 | 42,625 | | | | | 1.41 | 60,101 | 1.51 | 64,364 | 1.55 | 66,069 | 1.59 | 67,774 |
| 15 | 42,625 | | | | | 1.43 | 60,954 | 1.53 | 65,216 | 1.58 | 67,348 | 1.62 | 69,053 |
| 16 | 42,625 | | | | | * | | 1.55 | 66,069 | 1.61 | 68,626 | 1.65 | 70,331 |
| 17 | 42,625 | | | | | | | 1.57 | 66,921 | 1.64 | 69,905 | 1.68 | 71,610 |
| 18 | 42,625 | | | | | | | 1.59 | 67,774 | 1.66 | 70,758 | 1.71 | 72,889 |
| 19 | 42,625 | | | | | | | 1.61 | 68,626 | 1.68 | 71,610 | 1.74 | 74,168 |
| 20 | 42,625 | | | | | | | 1.63 | 69,479 | 1.70 | 72,463 | 1.77 | 75,446 |
| 21 | 42,625 | | | | | | | 1.65 | 70,331 | 1.72 | 73,315 | 1.79 | 76,299 |
| 22 | 42,625 | | | | | | | 1.67 | 71,184 | 1.74 | 74,168 | 1.81 | 77,151 |
| 23 | 42,625 | | | | | | | 1.69 | 72,036 | 1.76 | 75,020 | 1.83 | 78,004 |
| 24 | 42,625 | | | | | | | 1.71 | 72,889 | 1.78 | 75,873 | 1.85 | 78,856 |
| 25 | 42,625 | | | | | | | 1.73 | 73,741 | 1.80 | 76,725 | 1.87 | 79,709 |
| | | | | | | | | + | | + | | + | |

- (*) It is suggested that when a teacher reaches the end of column A, B, or C, that their multiplier will not increase with additional years of service. This is done to encourage further graduate education. For other Ministers of Religion - Commissioned (DCE, DCO, etc.), congregations may determine multipliers for additional years of service and whether any further education is required.
- (+) It is recommended that a congregation develop a policy or procedure for multiplier increases beyond 25 years of service. For example, those Ministers of Religion - Commissioned and teachers at the end of column D, E, and F, may have the multiplier increased by .02 for each additional year of service.

XXIV. OTHER CHURCH WORKERS ANNUAL COMPENSATION SCALE

| <u>Years of Experience</u> | <u>Custodians</u> | <u>Secretaries</u> | <u>Child Care Director</u> | <u>Business Manager/ Director of Music</u> |
|----------------------------|-------------------|--------------------|----------------------------|--|
| 0 | .65 | .75 | 1.05 | 1.10 |
| 1 | .67 | .77 | 1.07 | 1.12 |
| 2 | .69 | .79 | 1.09 | 1.14 |
| 3 | .72 | .82 | 1.12 | 1.17 |
| 4 | .75 | .85 | 1.15 | 1.20 |
| 5 | .78 | .88 | 1.18 | 1.23 |
| 6 | .81 | .91 | 1.21 | 1.26 |
| 7 | .84 | .94 | 1.24 | 1.29 |
| 8 | .87 | .97 | 1.27 | 1.32 |
| 9 | .90 | 1.00 | 1.30 | 1.35 |
| 10 | .93 | 1.03 | 1.33 | 1.38 |
| 11 | .96 | 1.06 | 1.36 | 1.41 |
| 12 | .99 | 1.09 | 1.39 | 1.44 |
| 13 | 1.02 | 1.12 | 1.42 | 1.47 |
| 14 | 1.05 | 1.15 | 1.45 | 1.50 |
| 15 | 1.08 | 1.18 | 1.48 | 1.53 |
| 16 | 1.11 | 1.21 | 1.51 | 1.56 |
| 17 | 1.14 | 1.24 | 1.54 | 1.59 |
| 18 | 1.17 | 1.27 | 1.57 | 1.62 |
| 19 | 1.19 | 1.29 | 1.59 | 1.65 |
| 20 | 1.21 | 1.31 | 1.61 | 1.68 |

It is recommended that a congregation develop a policy or procedure for multiplier increases beyond 20 years of service. For example, workers exceeding 20 years of service may have the multiplier increased by .02 for each additional year of service.

The base salary set for 2021 is \$42,625. The examples below do not take into account the Base Salary Modifiers (See Section XXV) for cost of living.

- 1) New hire custodian Base salary $\$42,625 \times .65 = \$27,706$ per year / 2080 (52 weeks x 40 hours) = \$ 13.32 per hour.
- 2) Secretary 8 yrs. of experience Base salary $\$42,625 \times .97 = \$41,346$ per year / 2080 (52 weeks x 40 hours) = \$19.88 per hour.

XXV. BASE SALARY MODIFIERS

Because differences exist in the cost of living in the various counties of Missouri, a congregation may choose to modify the base salary. The table in this section was developed to accommodate the variations in the cost of living in different counties within the district. This table was last updated in December of 2015. It should be noted that just as there are differences within the State of Missouri, there are also differences within each county. A larger city within a county may have a very different cost of living from another area 20 miles away in which there is little economic activity, or where the economy is depressed due to a plant shutdown or similar events. The following modifiers should be used in the context of the local economy. One of the best places to look for an indicator of an appropriate base salary is in the local school district. It would be appropriate to contact the local public school district and consider its base salary as a starting point for setting the congregations base salary. Care should be given to use a consistent method of determining the base salary each year to help reflect changes in the true cost of living and to provide for the worker in a fair and consistent manner. The base salary modifiers should not be used to lower an existing worker's prior compensation. The figures indicated in the table in this section were derived from the following website <http://www.relocationessentials.com/aff/www/tools/salary/col.aspx>.

| County | Mult | County | Mult | County | Mult | County | Mult |
|----------------|------|-----------|-------|-------------|-------|---------------|------|
| Adair | 0.85 | Dallas | 0.93 | Livingston | 0.89 | Randolph | 0.86 |
| Andrew | 1.03 | Daviess | 1.03 | Macon | 0.86 | Ray | 0.92 |
| Atchison | 1.03 | DeKalb | 1.03 | Madison | 0.84 | Reynolds | 0.89 |
| Audrain | 0.86 | Dent | 0.89 | Maries | 0.89 | Ripley | 0.82 |
| Barry | 0.93 | Douglas | 0.95 | Marion | 0.86 | Saline | 0.88 |
| Barton | 0.89 | Dunklin | 0.86 | McDonald | 0.93 | Schuyler | 0.86 |
| Bates | 0.89 | Franklin | 0.89 | Mercer | 0.86 | Scotland | 0.86 |
| Benton | 0.87 | Gasconade | 0.89 | Miller | 0.89 | Scott | 0.83 |
| Bollinger | 0.89 | Gentry | 1.03 | Mississippi | 0.89 | Shannon | 0.89 |
| Boone | 0.85 | Greene | 0.95 | Moniteau | 0.86 | Shelby | 0.94 |
| Buchanan | 1.03 | Grundy | 1.03 | Monroe | 0.86 | St. Charles | 0.94 |
| Butler | 0.82 | Harrison | 1.03 | Montgomery | 0.86 | St. Clair | 0.89 |
| Caldwell | 1.03 | Henry | 0.86 | Morgan | 1.10+ | St. Francois | 0.89 |
| Callaway | 0.86 | Hickory | 0.93 | New Madrid | 0.89 | St. Genevieve | 0.89 |
| Camden | 0.87 | Holt | 1.03 | Newton | 0.86 | St. Louis | 0.98 |
| Cape Girardeau | 0.89 | Howard | 1.10+ | Nodaway | 1.03 | Stoddard | 0.89 |
| Carroll | 1.03 | Howell | 0.87 | Oregon | 0.95 | Stone | 0.93 |
| Carter | 0.89 | Iron | 0.89 | Osage | 1.10+ | Sullivan | 1.03 |
| Cass | 0.89 | Jackson | 1.00 | Ozark | 0.93 | Taney | 0.94 |
| Cedar | 0.95 | Jasper | 0.85 | Pemiscot | 0.89 | Texas | 0.86 |
| Chariton | 0.86 | Jefferson | 0.93 | Perry | 0.89 | Vernon | 0.86 |
| Christian | 0.93 | Johnson | 0.87 | Pettis | 0.88 | Warren | 0.94 |
| Clark | 0.94 | Knox | 0.94 | Phelps | 0.89 | Washington | 0.90 |
| Clay | 0.98 | Laclede | 0.89 | Pike | 0.94 | Wayne | 0.90 |
| Clinton | 1.03 | Lafayette | 0.87 | Platte | 1.03 | Webster | 0.93 |
| Cole | 0.89 | Lawrence | 0.95 | Polk | 0.93 | Worth | 1.03 |
| Cooper | 0.86 | Lewis | 0.94 | Pulaski | 0.89 | Wright | 0.93 |
| Crawford | 0.89 | Lincoln | 0.94 | Putnam | 1.03 | | |
| Dade | 0.93 | Linn | 1.03 | Ralls | 0.94 | | |

APPENDIX A - WORKER COMPENSATION WORKSHEET

Name: _____

Fiscal Year: _____

The following provides information about salary and benefits. Salary adjustments will begin on _____.

The check on _____ will reflect the change.

For questions contact: _____.

1. Salary

A. District Base Salary \$42,625

B. Base Salary Modifier (See Section XXV) _____

C. Multiplier for Additional Responsibilities (Sec. XVIII and XX) _____

D. Multiplier for Years of Service and Education _____

E. Factor for number of months worked divided by twelve _____

F. **Salary Calculation** $A \times B \times D \times E$ _____

2. Additional Responsibility (See Section XX) Calculation $A \times B \times C$ _____

3. Total Salary (Line 1 + Line 2) \$ _____

4. Other Cash Compensation (not part of normal job responsibilities)

_____ \$ _____

_____ \$ _____

Total other compensation _____

5. Reduction for parsonage/teacherage (_____)

6. New Total Salary (Line 3+Line 4) _____

7. Old Salary _____

8. Benefits provided (not included above)

Concordia Health Plan (CHP) _____

Concordia Disability Survivor Plan (CDSP) _____

Concordia Retirement Plan (CRP) _____

FICA (7.65% of line 6) _____

Total of Benefits _____

9. Value of parsonage/teacherage (Line 5) _____

Total Salary and Benefit Package: (Lines 6+8+9) _____

Employer is exempt from unemployment taxes and worker is not eligible to claim benefits.

APPENDIX B - SAMPLE COMPENSATION WORKSHEET

Name: *Teacher John Smith (a called worker)*

Fiscal Year: *2020-2021*

The following provides information about salary and benefits. Salary adjustments will begin on *July 1, 2020*. The check on *July 15* will reflect the change. For questions contact *Church Treasurer Jones*.

| | |
|---|------------------------------|
| 1. Salary | |
| A. District Base Salary | <i>\$42,625</i> |
| B. Base Salary Modifier (See Section XXI) | <i>.89 Franklin County</i> |
| C. Multiplier for Additional Responsibilities (Sec. XV and XVII) | <i>.15 Athletic Director</i> |
| D. Multiplier for Years of Service and Education | <i>1.61Masters/19 years</i> |
| E. Factor for number of months worked divided by twelve | <i>.83 (10/12) months</i> |
| F. Salary Calculation A x B x D x E | <i>\$50,694</i> |
| 2. Additional Responsibility (Section XVII) Calculation A x B x C | <i>\$5,690</i> |
| 3. Total Salary (Line 1 + Line 2) | <i>\$56,384</i> |
| 4. Other Cash Compensation (not part of normal job responsibilities) | |
| <i>Basketball Coach</i> | <i>\$350</i> |
| <i>Yearbook Editor</i> | <i>\$250</i> |
| Total other compensation | <i>\$600.00</i> |
| 5. Reduction for parsonage/teacherage | <i>NA</i> |
| 6. New Total Salary (Line 3+line 4) | <i>\$56,984</i> |
| 7. Old Salary | <i>\$55,785</i> |
| 8. Benefits provided (not included above) | |
| Concordia Health Plan (CHP - employee only – HDHP) | <i>\$8,782</i> |
| Concordia Disability Survivor Plan (CDSP - 1.2% for single worker) | <i>\$684</i> |
| Concordia Retirement Plan (CRP – 11.7% - Full Basis) | <i>\$6,667</i> |
| FICA (7.65 % of Line 6) | <i>NA</i> |
| Total of Benefits | <i>\$16,133</i> |
| 9. Value of parsonage/teacherage (Line 5) | <i>NA</i> |
| Total Salary and Benefit Package: (Lines 6+8+9) | <i>\$73,117</i> |

APPENDIX C – SAMPLE LETTER OF AGREEMENT (FOR NON-ROSTERED STAFF)

Letter of Agreement

(Congregations of The Lutheran Church—Missouri Synod may only use this letter of agreement for Teachers who are NOT on the Church Worker Roster of the Synod)

In the name of the Father, the Son and the Holy Spirit. Amen.

(Name of School) is a ministry of (Congregation or congregations). As such, its purpose (From Mission Statement of congregation) is to teach students in the Christian faith and assist parents in this endeavor.

By the authority with which God has vested His church on earth, (insert name) Lutheran Congregation of (insert city), Missouri, offers this letter of agreement to (insert full name of prospective employee) as a teacher in its school for the term beginning (insert month, year) and ending (insert month, year). Notwithstanding any other provision of this offer, this teacher is an “at will” employee, i.e., either party may terminate this employer-employee relationship at any time.

By signing this letter of agreement, the teacher obligates (select himself or herself) to perform faithfully the services specified in the accompanying document, which is to be considered a part of this letter of agreement. These services are to be performed according to the Word of God and the confessional standards of The Lutheran Church—Missouri Synod as drawn from Scripture and found in the Book of Concord, in Martin Luther’s Small Catechism.

The teacher also expresses the determination to strive toward ever-increasing competence in Christian teaching, to maintain Christian discipline in love, to work in Christian harmony with principal, fellow teachers, pastor and board of education, and to set a Christian example.

By signing this letter of agreement, the congregation through its officers pledges this teacher its prayerful cooperation and support, its respect for the office, and its intention to deal with this teacher in Christian love.

We pray God will bless this professional educator’s service in our church and school to the glory of God’s holy name, the building of His church, the temporal and eternal welfare of many people, and the teacher’s own great joy and blessing.

This letter of agreement becomes effective for the designated term when signed by both parties (See Supplement to Teacher’s Letter of Agreement for further details).

Signed this day of _____, A.D. _____ on behalf of (insert full name of congregation) of (city), Missouri, by:

Signature of teacher: _____ Date: _____

**APPENDIX D – SAMPLE SUPPLEMENT TO LETTER OF AGREEMENT
(FOR NON-ROSTERED STAFF)**

Supplement to Teacher's Letter of Agreement

(To be attached to the document titled "Teacher's Letter of Agreement" issued by congregations of The Lutheran Church—Missouri Synod only to those Teachers who are NOT on the Church Worker Roster of the Synod)

Name of Teacher: _____

Address: _____

Congregation: _____

Located at: _____

Teaching Service

This appointment is for grade(s): _____

Other Services

Extra-curricular Responsibilities:

Compensation Base Salary: _____

Education/Experience Multiplier: _____

Salary: _____

Paid over number of months: _____

Health Insurance: _____

Congregation's Share: _____

Worker's Share: _____

Disability and Retirement:_____

Total of Salary and Benefits:_____

It is agreed that:

1. Faculty members will share in non-stipend assignments. Paid stipend assignments will be made in consultation with the teacher.
2. Teachers will meet and provide documentation for requirements and qualifications.
3. While this is an “at will” agreement, the school requests that a minimum of 30 days’ notice be given in writing in the event the teacher wishes to resign during the school year.
4. The congregation/school may terminate this agreement according to provisions outlined in the Employment Policy.

Because the church/school is exempt from paying into the unemployment benefits system, its employees are not eligible to claim unemployment insurance benefits if they are laid off, terminated, or their letter of agreement is not renewed for any reason.

APPENDIX E – OTHER RESOURCES

Organist / Music Director:

American Guild of Organists
www.agohq.org

Association of Lutheran Church Musicians www.alcm.org

ChoralNet
www.choralnet.org

The following resources are available from Synod's website at
<http://www.lcms.org/page.aspx?pid=1138>

LCMS Church Office and Administration Resources:

Church Office Administration Resources

This collection of church office administration resources provides information and support for LCMS congregations and pastors in managing church operations.

Personnel Matters

[Employment Resource Manual](#)

Provided to assist congregations and districts of the Synod understand and apply good sound employment principles.

[Sample Performance Appraisal Worksheets](#)

Contains guidelines for conducting the review; employee self-appraisal section; supervisor's appraisal section; and summary of evaluation.

Job Descriptions

Suggested position descriptions for a variety of staff and officer positions. The following document contains several job descriptions for each category.

- [Ministry Staff Positions](#)
- [Congregational Officers](#)
- [Administrative Staff Positions](#)
- [Facilities Staff Positions](#)

Concordia Plan Services

[Learn about your benefits](#) as an employee in an LCMS congregation.

Please email the LCMS Human Resources department at lcmsjobs@lcms.org if you have any questions.

Financial Matters

[Congregational Treasurer's Manual](#)

The Congregational Treasurer's Manual provides information on various aspects of the duties of congregational treasurer.

Resources for HR Issues:

<http://labor.mo.gov/posters/> website for mandatory employment posters (the posters are free downloads from this site. There is no need to pay outside vendors to provide the posters.

<http://www.dol.gov/> website of the US Department of Labor

www.labor.mo.gov/ website of the Missouri Department of Labor

<http://mo.lcms.org> Missouri District website. Salary Guidelines, Congregational Treasurers' Manual, and office contact information available here.

A new tool is available from Concordia Plan Services to assist congregations in determining worker salaries. This resource is available:

for churches at: <https://tc.cbiz.com/CompToolCPS/Login.aspx>

for schools at: <https://tc.cbiz.com/CompToolCPSEd/Login.aspx>