Missouri District

THE LUTHERAN CHURCH — MISSOURI SYNOD

COMPENSATION GUIDELINES 2026–2027

Intended for use in the fiscal year 2026-2027 or calendar year 2027.

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.

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



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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." 1 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 … 1 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

How To Use These Guidelines

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 workers' 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.

It is best practice for employers to discuss salary and benefit packages with each employee at least annually.

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 adjusted annually 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.

This document is intended to create a systematic approach to compensation, giving LCMS congregations and schools within the Missouri District a structure wherein all employees receive compensation in an unbiased and fair manner. A related tool is prepared by Concordia Plan Services (CPS). The CPS tool is easier to use in congregations with limited staff members but has limitations for administering larger staffs.

The two tools use different approaches and produce different results. Some of the differences include:

The District Guidelines rely heavily on CPI data

- take a forward looking approach (market expectations)
- can be applied across the board to an entire staff (the same base applies to all workers within the organization)

The Concordia Plans tool relies on LCMS worker data and incorporate specific market data

- Take a static approach (what are workers currently earning?)
- Are calculated on specific worker data points
- Give a range of "suggested" wages

You may find that there is a crossover point where either the District guidelines begin lower than the CPS tool or higher than the CPS tool, but after a period of time the opposite occurs. (in general the district guidelines grow faster than the CPS tool and the result is than reversed)

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.

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**	**Percent Increase**
2027	$51,529	$1,501	3.0%
2026	$50,028	$1,287	2.7%
2025	$48,713	$1647	3.5%
2024	$47,066	$1,591	3.5%
2023	$45,475	$1,960	4.5%
2022	$43,515	$890	2.1%
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%

Based on a worker's job, years of experience, and education, a **multiplier** (taken from the tables in Sections 1.1, 1.2, 1.3) is then applied to the base salary to determine the compensation paid the worker. The appropriate multiplier should be used for all workers.

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 in the 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.

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.

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 advise the pastor and principal of discussions regarding salaries and related matters each year. They also should be responsible for recommending the appropriate scale to serve as a guideline for all salaries.

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."

Please visit mo.lcms.org/compensation-guidelines for worksheets to aid in calculating each ordained and commissioned worker's salary.

Salary – Section 1.0

Following are the tables embedded in the above-mentioned worksheets. These tables are the basis of each worker's compensation.

1.1 – Annual Compensation Scale for Pastors

Years of Experience	Base	Multiplier	Salary
0	$51,529	1.45	$74,717
1	$51,529	1.47	$75,748
2	$51,529	1.49	$76,778
3	$51,529	1.51	$77,809
4	$51,529	1.54	$79,355
5	$51,529	1.57	$80,901
6	$51,529	1.60	$82,446
7	$51,529	1.63	$83,992
8	$51,529	1.66	$85,538
9	$51,529	1.69	$87,084
10	$51,529	1.72	$88,630
11	$51,529	1.75	$90,176
12	$51,529	1.78	$91,722
13	$51,529	1.81	$93,267
14	$51,529	1.84	$94,813
15	$51,529	1.87	$96,359
16	$51,529	1.90	$97,905
17	$51,529	1.93	$99,451
18	$51,529	1.96	$100,997
19	$51,529	1.99	$102,543
20	$51,529	2.01	$103,573
21	$51,529	2.03	$104,604
22	$51,529	2.05	$105,634
23	$51,529	2.07	$106,665
24	$51,529	2.09	$107,696
25	$51,529	2.11	$108,726
26	$51,529	2.13	$109,757
27	$51,529	2.15	$110,787
28	$51,529	2.17	$111,818
29	$51,529	2.19	$112,849
30	$51,529	2.21	$113,879

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.

1.2 – Annual Compensation Scale for Commissioned Workers*

YEARS				working toward MA		working toward MA				working toward PhD		working toward PhD	
EXP		B.S.		B.S.+10hrs		B.S.+20hrs		MA		+10hrs		+20hrs	
0	51,529	1.00	51,529	1.03	53,075	1.06	54,621	1.12	57,712	1.16	59,774	1.20	61,835
1	51,529	1.02	52,560	1.05	54,105	1.08	55,651	1.14	58,743	1.18	60,804	1.22	62,865
2	51,529	1.04	53,590	1.07	55,136	1.10	56,682	1.16	59,774	1.20	61,835	1.24	63,896
3	51,529	1.06	54,621	1.09	56,167	1.12	57,712	1.18	60,804	1.22	62,865	1.26	64,927
4	51,529	1.08	55,651	1.12	57,712	1.15	59,258	1.21	62,350	1.25	64,411	1.29	66,472
5	51,529	1.10	56,682	1.15	59,258	1.18	60,804	1.24	63,896	1.28	65,957	1.32	68,018
6	51,529	1.12	57,712	1.18	60,804	1.21	62,350	1.27	65,442	1.31	67,503	1.35	69,564
7	51,529	1.14	58,743	1.20	61,835	1.24	63,896	1.30	66,988	1.34	69,049	1.38	71,110
8	51,529	1.16	59,774	1.22	62,865	1.27	65,442	1.33	68,534	1.37	70,595	1.41	72,656
9	51,529	1.18	60,804	1.24	63,896	1.30	66,988	1.36	70,079	1.40	72,141	1.44	74,202
10	51,529	1.20	61,835	1.26	64,927	1.33	68,534	1.39	71,625	1.43	73,686	1.47	75,748
11	51,529	*		1.28	65,957	1.35	69,564	1.42	73,171	1.46	75,232	1.50	77,294
12	51,529			1.30	66,988	1.37	70,595	1.45	74,717	1.49	76,778	1.53	78,839
13	51,529			*		1.39	71,625	1.48	76,263	1.52	78,324	1.56	80,385
14	51,529					1.41	72,656	1.51	77,809	1.55	79,870	1.59	81,931
15	51,529					1.43	73,686	1.53	78,839	1.58	81,416	1.62	83,477
16	51,529					*		1.55	79,870	1.61	82,962	1.65	85,023
17	51,529							1.57	80,901	1.64	84,508	1.68	86,569
18	51,529							1.59	81,931	1.66	85,538	1.71	88,115
19	51,529							1.61	82,962	1.68	86,569	1.74	89,660
20	51,529							1.63	83,992	1.70	87,599	1.77	91,206
21	51,529							1.65	85,023	1.72	88,630	1.79	92,237
22	51,529							1.67	86,053	1.74	89,660	1.81	93,267
23	51,529							1.69	87,084	1.76	90,691	1.83	94,298
24	51,529							1.71	88,115	1.78	91,722	1.85	95,329
25	51,529							1.73	89,145	1.80	92,752	1.87	96,359
								+		+		+	

This salary schedule encourages further formal education that prepares the professional for a ministry that is more fulfilling for him or her and the church as a whole.

(+) 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 who have earned a Master's Degree, may have the multiplier increased by .02 for each additional year of service.

(*) Commissioned Workers include educators, DCE, DCO, Deaconess, etc.

1.3 – Annual Compensation Scale for Other Church Workers

Years of Experience	Custodian	Secretary	Child Care Director	Business Manager Director of Music
0	0.65	0.75	1.05	1.10
1	0.67	0.77	1.07	1.12
2	0.69	0.79	1.09	1.14
3	0.72	0.82	1.12	1.17
4	0.75	0.85	1.15	1.20
5	0.78	0.88	1.18	1.23
6	0.81	0.91	1.21	1.26
7	0.84	0.94	1.24	1.29
8	0.87	0.97	1.27	1.32
9	0.90	1.00	1.30	1.35
10	0.93	1.03	1.33	1.38
11	0.96	1.06	1.36	1.41
12	0.99	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 2026 is $51,529. The examples below do not take into account the base salary modifiers for local cost of living.

1.) New hire custodian — Base salary $51,529x .65 = $33,494 per year / 2080 (52 weeks x 40 hours) = $16.10 per hour.

2.) Secretary 8 yrs. of experience — Base salary $51,529x .97 = $49,983 per year / 2080 (52 weeks x 40 hours) = $24.03 per hour.

1.4 – Other Considerations for 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:

1.) Prevailing community standards such as high cost of living areas
2.) Number of congregations served (dual and multi-site parishes)
3.) Specialized education (certificates related to ministry)
4.) Special situations and challenges (chaplaincy, campus ministry, etc.)
5.) Additional continued education
6.) Advanced degrees second or third degrees related to ministry

For vicarage compensation information, contact the appropriate seminary.

1.5 – 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:

- 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.
- 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.
- 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.

1.6 – Other Considerations for Commissioned Minister Compensation

For the professional worker in the church, a Baccalaureate Degree with no experience is usually paid 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 economies (See Section 1.7). 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. or a B.A. and no years of experience for 12 months of service." Remember that teachers on 10-month calls/contracts are sometimes 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.

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 accordingly.

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

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:

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

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 be considered.

1.7 – Local Economic Adjustment

Due to significant cost of living adjustments and projected inflation, the Missouri District strongly recommends utilizing multiple data points for determining salary schedules. In addition to the Missouri District Compensation Guidelines and talking to your local school officials, the following resources are recommended:

Concordia Plans Services
Compensation Tool for Churches: https://tc.cbiz.com/CompToolCPS/Login.aspx
Compensation Tool for Schools: https://tc.cbiz.com/CompToolCPSEd/Login.aspx

Web Resources
Tableau Public: https://public.tableau.com/app/profile/kara.potter/viz/2022SalaryBook-
Missouri National Education Association: https://www.mnea.org/research

Because differences exist in the cost of living in the various counties of Missouri, a congregation may choose to make a local economic adjustment to the base salary.

The Missouri District encourages congregations to review and develop their own local economic adjustments. As a best practice, your local economic adjustments should compare your location to St Louis and Kansas City.

To assist congregations, below are 2 different approaches for calculating a local economic adjustment*

Option 1: Compare your local school district's salaries to the salaries of an average of St Louis City, St Louis County, Kansas City (city) and Jackson County. A good starting point may be the resources listed above.

Option 2: On the Concordia Plan's tool, compare your congregation to a minimum of three congregations in St Louis and Jackson County. It is preferable to use congregations that are comparable to your own (membership, school, and number of employees). The table above provides a link to the Concordia Plans Compensation Tool

For both of the options above it is recommended to look at an array of information including years of service and position type. For example, educators might use an assortment of years of service and education levels attained.

Once a local economic adjustment is established it should not be changed haphazardly. Changing the local economic adjustment could significantly change a worker's compensation from year to year. It is suggested to only change it periodically and in small increments when the data suggests a change is warranted.

Care should be given to use a consistent method of determining the base salary and local economic adjustment 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 local economic adjustment should not be used to lower an existing worker's compensation.

**In the case of a congregation with only one or two workers, it might be better and easier to use the Concordia Plans Tools*

1.8 – 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 (an accountable plan).

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.

Business travel expenses are 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. It is recommended that congregations employ an Accountable Plan as detailed in section 6.110 because employees can no longer claim a tax deduction for their unreimbursed business expenses incurred and related to their employment. This means mileage expenses when using a personal vehicle for work is no longer tax deductible on the employee's IRS Form 1040.

1.9 – Pulpit Supply, Vacancies, Pro-rata Salaries

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

Pulpit Supply-Suggested Minimum Amount	
Presiding – No Sermon	$50
Preaching One Service	$175
Preaching Two Services	$250
Bible Class	$75
Mileage	IRS Rate
Lodging & Meals	Reimburse as deemed necessary

Vacancies/Pro-rata compensation: It is recommended that remuneration for a vacancy pastor be based on the Compensation Scale and prorated based upon specific hours agreed upon by the worker and the congregation. In addition, reimbursement for mileage should be furnished at the IRS rate if travel is required.

Benefits – Section 2.0

2.1 – 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 or 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, available through the Missouri District website, https://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.

2.2 – 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.

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 Plans 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 Plans, 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!*

2.3 – Tax Deferred Savings Plans (CRSP)

Tax deferred and Roth savings plans are available to workers under federal tax laws. It may be advantageous for a worker to contribute to such a plan. The congregation may elect to contribute to CRSP on behalf of 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.

2.4 – 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.

2.5 – 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
- •Emergency
- •Bereavement
- •Family & Medical
- •Jury Duty
- •Military
- •Voting
- •Continuing Education
- • Witness/Victim of a Crime
- • Unpaid
- •Conferences/Workshops

An illness policy should be written within the guidelines as set forth in the Concordia Plans (https://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.

2.6 – 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.

2.7 – 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.

2.8 – Religious Exemption for Unemployment Insurance

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.
> *Excerpted from Missouri Department of Labor website (labor.mo.gov)*

Church Worker Care – Section 3.0

Worker care begins with a recognition that we are all children of God. As such we live under the Gospel and should strive to take care of one another as best we can. It is well documented that workers leave their professions due to feeling fatigued and burned out. Among such contributing factors are long hours, feelings of being undervalued, and low pay. It is written, "Let the elders who rule well be considered worthy of double honor, especially those who labor in preaching and teaching. For the scripture says, you shall not muzzle an ox when it treads out the grain, and the laborer deserves his wages" (1 Timothy 5:17-18). Therefore, supporting church workers is not only important but stressed. Support is not only financial, but also includes spiritual, mental, and physical care, without such care a worker's relationships and duties greatly suffer and it will communicate an opposing witness to the Gospel (ref. meaning of 4th Commandment, Table of Duties and Christian Vocation in the Small Catechism).

Consideration for prayer support, opportunities for appreciation, support for professional development, retirement, and health benefits, as well as providing opportunities for supporting physical health and mental wellbeing ought to be an intentional part of a ministries efforts to support and care for their workers. For further support information and resources to maintain a high level of ongoing support, guidance and care for your workers please feel free to contact the Missouri District office for assistance. 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.

3.1 – Conventions, Retreats, and Conferences

Workers 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.

3.2 – 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 and professional enrichment through continuing study.

Adequate time over and above vacation may be allowed for 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.

3.3 – 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 1.1, 1.2, 1.3).

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. One important factor to consider is that the congregation does not/did not pay into unemployment benefits, therefore special care should be taken to make sure the worker does not suffer needlessly on account of this.

Appendix A – Resources

The following resources provide information and support for LCMS congregations and pastors in managing church operations.

Personnel Matters
Church & School Administration website: https://www.lcms.org/page.aspx?pid=1138
Suggested Position Descriptions
Ministry Staff: https://files.lcms.org/file/preview/KkSE6L5CNLgaa9dSvnvaPAmwk33rb9TP
Congregational Officers: https://files.lcms.org/file/preview/Axc948sDTABf9iQSvrcVCDTJx21PhtPP
Administrative Staff: https://files.lcms.org/file/preview/F9CV6FryyJv23g8TCAC9UNPqxxP1Ot3x
Facilities Staff: https://files.lcms.org/file/preview/MqQKj3U6gFNJjFUG6JhNLRGJL9S1Nte6
Financial Matters
Congregational Treasurer's Manual: https://www.lcms.org/resources/ctmanual
Human Resources
US Department of Labor: https://www.dol.gov/
Missouri Department of Labor: https://labor.mo.gov/
Missouri Mandatory Employment Posters Downloads: https://labor.mo.gov/posters
Benefits
Concordia Plans Services Employer Site: https://www.concordiaplans.org/employers/employer-home

Organist/Music Director
American Guild of Organists: www.agohq.org
Association of Lutheran Church Musicians: www.alcm.org
ChoralNet: www.choralnet.org