The Southern District
of the LUTHERAN CHURCH—MISSOURI SYNOD

"But you shall receive power when the Holy Spirit has come upon you; and you shall be my witnesses in Jerusalem and in all Judea and Samaria and to the end of the earth." Acts 1:8

DATE: October, 2026

TO: All Congregations of the Southern District

FROM: Rev. Eric Johnson, President

RE: **2027 SOUTHERN DISTRICT SALARY GUIDELINES (Ministers of Religion – Ordained)**

Out of loving concern for our Professional Workers and their families, the Southern District salary guidelines are reviewed annually to determine what adjustments may be necessary. **The Southern District Board of Directors approved a 3% increase to the salary guidelines for 2027. The guidelines contained herein are intended for the year 2027.**

These advisory guidelines are intended to be helpful to congregations and workers. Congregations are urged to seriously consider the guidelines as they review their workers' salaries. If your congregation is below the guidelines for your worker(s), then I encourage you to strive to achieve the appropriate level of salary over time. The guidelines should in no way keep a congregation from considering a higher salary for its faithful workers. If your congregation is above the guidelines for your worker(s), I commend you.

If you need assistance in using these guidelines or have any questions regarding them, please contact the president's office at **985-635-4382** or **r.kurucar@southernlcms.org**

May God bless all of our congregations in their loving care of their professional workers!

COMPENSATION GUIDELINES 2027
LCMS Southern District
Ordained Ministers

October 2025

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Our Mission

The purpose of the Southern District officers, staff and leadership is to challenge, encourage, and support all congregations and workers in the partnership of "telling the Old Story in a new century."

LCMS SOUTHERN DISTRICT SALARY GUIDELINES

FOR PASTORS, TEACHERS, AND DIRECTORS OF CHRISTIAN EDUCATION

INTRODUCTION

Pastors, teachers, DCE's, DCO's and other professional church workers are gifts from God to the people and congregations of our District (Eph 4:11). Our care for these workers should reflect our own high regard for the divinely instituted Office of the Holy Ministry (Gal. 6:6). All workers are due a salary comparable to their professional peers, house or housing allowance, and health, retirement, and survivors benefits (1 Timothy 5:18). Those who have demonstrated unusual faithfulness in their labors should receive extra care (1 Timothy 5:7).

Proper care for our workers means more than just financial compensation (1 Thessalonians 5:12-13). We want our workers to devote sufficient time to their personal life, lest in tending the household of God they neglect their own family to the sorrow and disgrace of the Church (1 Timothy 3:4-5). To this end, the congregations, through their responsible officers, should ensure adequate vacation and weekly rest.

We further want our workers to receive emotional support as they conduct their ministry lest they become discouraged and cease to radiate the joy of the Gospel. To this end, we should pray for them, encourage them by our words and actions, and appreciate their need to gather frequently with other pastors and teachers.

We further desire our workers to relate to the issues of the day, so that through their understanding, the witness of our congregation to the world might be winsome and persuasive. To this end, the congregation should provide time and funds for the worker's continuing education (2 Timothy 2:15).

Pastors and teachers, as God's gifts to the Church, will be aware of their obligations to the people and congregations of our District. They will regard themselves not as a spiritually elite class, but as workers, servants of God's people, through the ministry of the Word and Sacraments (1 Corinthians 3:5). Workers will remember that their care is not confined to financial compensation, but includes also the expressions and tokens of love and respect from congregations, their officers, and fellow pastors and teachers.

They will remain abreast of the times through various opportunities for continuing their professional education so they might serve more effectively. Through word and example, they shall actively encourage our youth to consider careers in professional church work wherein they have found much joy and satisfaction (Acts 16:3). Most especially will our workers give daily attention to their devotional life and humbly practice exemplary stewardship of time and talents and treasures (1 Timothy 4:12).

THE SPIRIT OF THE GUIDELINES

As your congregation considers the compensation it provides for its pastor, your leaders must review the nature of the office of the public ministry and the Scriptural principles regarding the care of those who serve in that office.

Advising His disciples about their service, Jesus said: *Stay in that house and eat and drink whatever they have, since a worker earns his pay. . .*Luke 10:7.

Paul wrote: *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 his Small Catechism Luther included a section called "Table of Duties". Under the heading of "**What Hearers Owe Their Pastors"**, Luther sites these additional references:

- *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.
- *Obey your leaders and submit to them for they must give an account of how they watched over your souls. Obey them so that they may be happy in their work and do not have to complain about you, for that would not be to your advantage. . .* Hebrews 13:17.
- It is the Gospel of peace with God through forgiveness in Christ [Romans 5:1] that motivates a congregation and its workers to deal faithfully and responsibly with and toward each other. God's promises are sure: *...bring all your tithes into the storehouse so there will be food in My temple, and please test Me this way, says the Lord of armies, and see I will open the windows of heaven for you and pour out a blessing for you till there is more than enough. . .*Malachi 3:10.

In summary, your pastor is called by God to be servant, leader, counselor, caregiver, proclaimer, teacher, listener, evangelist, and steward to your congregation. Your congregation is called to respond to these benefits and blessings. This response is in part demonstrated by the way the congregation provides an equitable salary, housing, supplemental benefits, vacation time, and financial assistance for spiritual and professional growth in ministry in a manner that reflects a genuinely caring attitude of love and concern for the pastor and his family.

GUIDING PRINCIPLES

Based upon these Scriptural Principles, the following principles are intended to guide your congregation as you approach the task of developing equitable and fiscally sound standards for the compensation of your pastor. These guidelines approach the subject of the pastor's compensation in a direct and uncomplicated manner. Because the pastoral ministry requires a unique education, experience, and leadership responsibility, the pastor deserves fair and equitable compensation. Fair and equitable compensation is that which provides for the physical well-being of the pastor and his family thereby releasing him from undue financial concern. Removing undue financial concern allows the pastor the freedom to give full devotion to his ministry in the congregation and everyone benefits. With this basic concept as a guide, your congregation is encouraged to address compensation issues fairly and establish a level appropriate to the community standards in which you live and which is equitable for the financial situation of the congregation. Some general factors to consider in establishing fair and equitable compensation for your pastor include:

COMMITMENT – dedication of self and time to the study of the Scriptures and the teaching, preaching, and living thereof; vigilance in caring for people; openness and availability; considering his duties as a calling and not only a "job".

EDUCATION – continued professional growth through seminars, workshops, clinics, institutes, conferences, graduate courses/ classes, reading of relevant books, journals, etc. . .

EXPERIENCE – time in the ministry, leading, conducting, or participating in workshops, seminars, etc. . . for your parish or others; creative and innovative preaching, teaching, planning, organizing, administration, evangelism, assimilation, stewardship, worship, etc.

RESPONSIBILITY – effective time management; conscientious in his ministry and his ministry responsibilities; continued growth in understanding of self and his gifts and capabilities; delegation of appropriate responsibilities; awareness and attention to his own spiritual needs; commitment to God, wife, children, and church – in that order; compassion; preparation for preaching, teaching, meetings, etc.

PERFORMANCE – doing the right job well; administering and delegating appropriately; good use of time, setting goals and objectives for self and congregation; seeing opportunity for ministry and seeking to meet the need; educating, stimulating, motivating, equipping the body of Christ for its ministry; utilizing the gifts of the people for the work of the church; seeking spiritual growth and development in God's people and the church staff.

The last item, *Performance*, is difficult to include in an approach to compensation for the pastor since he works in areas not always so easy to evaluate. In other ways evaluation is always going on – over a cup of coffee, the dinner table, in the parking lot, and everywhere people gather. Assessment of your pastor's performance is at best a subjective and personal judgment.

Congregations are encouraged to engage in some form of formal assessment or evaluation of their pastor. They should develop clear and mutually agreed upon criteria well before the evaluation takes place. This begins with a clear job description in which the expectations of the pastor and of the congregation's responsibilities to the pastor are well defined and understood.

Effective job descriptions include not only a listing of the pastor's duties and responsibilities but the expected level of performance. The pastor and the congregation are well served when the yardstick used to measure performance is commonly known, understood, and mutually agreeable.

Because of the difficulty of using performance as a component in setting the pastor’s compensation, these guidelines do not include an evaluation for the purpose of setting a merit increase. However, clear and commonly understood responsibilities and goals for the pastor’s ministry can be very effective for both the pastor and the congregation. Therefore, an instrument for evaluating mutual ministry is included in these guidelines. This is not provided simply to rate the pastor but to help the congregation and the pastor gain a clearer perception and understanding of the scope and character of the pastor’s ministry and the congregation’s partnership in that ministry.

DEFINING SOME TERMS
What is salary?

The word salary is defined as *fixed compensation for services, paid to a person on a regular basis.* The adjective fixed is important in this definition because beyond this constant there are many variables to be considered. Four qualifying statements should guide you in your deliberations:

1. In practical matters, the District is advisory to the local congregation, providing resources to help the congregation fulfill its responsibilities and mission.

2. This manual is a guideline, not a directive. The District believes that our congregational leaders sincerely desire to fulfill their Christian duty that *everyone who is taught the Word share all good things with him who teaches* [Galatians 6:6].

3. This guideline should not keep a congregation from considering a higher salary for its faithful pastor.

4. The total cost of providing for the pastor is not the same as salary. The last point is perhaps the most misunderstood. For example, adequate compensation includes not only salary but:

1) a retirement program,
2) health insurance,
3) professional growth opportunities/conferences,
4) auto/travel expenses,
5) ministry related expenses, in addition to salary and housing.

When all of these items are grouped together in the congregational budget there is a temptation simply to add them up and come to the conclusion that the pastor is well–paid. For the pastor's point of view, however, only one item – salary – is available to clothe and feed the family, provide housing, furnish utilities, provide for children's college, etc. A fair salary comparison of a pastor to occupations outside the church must weigh what is a benefit, what is a necessary business expense, and what is salary.

ESTABLISHING SALARY
Establishing the salary begins with the base salary but added to this base salary are several components. Adjustments are made for location, education and experience, and level of responsibility. Factoring in these adjustments to the base salary will help you arrive at the suggested cash salary for the pastor.

BASE SALARY
Annually [by July 1st] the District Board of Directors will adopt a recommended **unadjusted base salary** for the next year. Congregations of the District will receive a compensation advisory letter with the recommended **unadjusted base salary** or they may phone the District Office for this figure. The recommended **unadjusted base salary** is not meant to be used alone but must be adjusted to reflect the cost of living for the Circuit in which the congregation is located, as well as by the other components included in these guidelines. This worksheet is found on page 6 below.

UNADJUSTED BASE SALARY FOR 2027 IS: $57,434
(should include base salary and housing figure)

[*enter in appropriate column on page 6*]

IRS MILEAGE REIMBURSEMENT FIGURE FOR 2025 IS as follows: The standard mileage rates for 2026 are set at 76 cents/mile for business miles driven; 23.5 cents/mile driven for medical or moving purposes; and 14 cents/mile driven in service of charitable organizations. Rates for **2027** will not be released until late in 2026.

NOTE: The Southern District Mileage Reimbursement for 2026 is 66 cents.

WORKSHEET FOR FIGURING THE TOTAL CASH SALARY

PASTORS RECEIVING A HOUSING ALLOWANCE	PASTORS LIVING IN CHURCH OWNED HOUSING
1. Unadjusted Base Salary _____ (from page 5)	1. Unadjusted Base Salary _____ (from page 5)
2. Circuit Adjustment + _____ (from page 7)	2. Circuit Adjustment + _____ (from page 7)
3. Education and Experience Factor + _____ (from page 9)	3. Education and Experience Factor + _____ (from page 9)
4. Responsibility Factor + _____ (from page 9)	4. Responsibility Factor + _____ (from page 9)
5. FINAL CASH SALARY = _____	Sub-Total = _____
6. Social Security Reimbursement + _____	5. Less 25% for Housing Provided - _____
TOTAL CASH COMPENSATION = _____	6. FINAL CASH SALARY = _____
(Amount designated housing allowance for the current year: _____)	7. Social Security Reimbursement + _____
(TSA's or other salary reductions _____)	**TOTAL CASH COMPENSATION = _____**
(Cash Salary Reportable to IRS _____)	(Amount designated housing allowance for the current year: _____)
	(Housing Equity provided/ Other TSA's or other salary reductions _____)
	(Cash Salary Reportable to IRS _____)
Total of these three must equal Total Cash Compensation. Whatever is not designated either as housing allowance or for a TSA must be reported as cash salary to IRS.	Total of these three must equal Total Cash Compensation. Whatever is not designated either as housing allowance or for a TSA must be reported as cash salary to IRS.

CIRCUIT ADJUSTMENT FACTOR

Because the cost of living varies within the four states which comprise the Southern District, the base salary needs to be adjusted to reflect these variances. The cost of living can vary widely between major cities, suburban areas, small towns, and rural areas.

NOTE: Previous adjustment factors were based only on housing costs. These adjustments use the full "cost of living" measurement, which more accurately measure all costs.

Circuit adjustments have been developed through a comparison of the cost of living from each city in which a Southern District congregation is located. These have been averaged for the Circuit to come up with an adjustment factor appropriate for that Circuit compared to the circuit with the lowest cost of living index average. While there are always exceptions, the Personnel Committee found this to be the most workable means of addressing the cost of living variances within the District. Each congregation is urged to do further research on the cost of living in their communities. "Cost of Living" factors can be found at www.city-data.com.

Table of Circuit Adjustments

Circuit #	Area	Circuit Adjustment
#1	New Orleans Metro Area	.201
#2	Metairie Area	.163
#3	----------	----------
#4	Baton Rouge Area	.104
#5	North Louisiana	.036
#6	South Louisiana	.017
#7	Mississippi	.022
#8	North Alabama	.069
#9	Central Alabama	.068
#10	Western Florida Panhandle	.051
#11	Mobile Bay Area	.049
#12	Southwest Alabama	.026
#13	Southeast Alabama	.013
#14	Mississippi Gulf Coast	.069
#15	Eastern Florida Panhandle	.080

Example: If your congregation is in Circuit #7, the Circuit adjustment factor is .022. Multiply $ _____ (current year unadjusted base salary) by .022 and you arrive at $ _____ for the Circuit Adjustment. Do your own calculations below:

Unadjusted Base Salary _____

X

Circuit Adjustment Factor _____

Circuit Adjustment = _____

[enter this figure in appropriate column on page 6]

EDUCATION, EXPERIENCE, AND LEVEL OF RESPONSIBILITY
The next component of the salary is the adjustment for education and experience. Here are the factors you will need to consider.

EDUCATION AND EXPERIENCE
The effectiveness and proficiency of your pastor are expected to increase with each year of experience and with additional education. Therefore, congregations should consider including salary increments for experience, for college/seminary credit, and degrees earned. Use the table below to determine the appropriate adjustment.

Note: Many pastors enter the ministry as a second career. Some credit should be given for the pastor's maturity and experience prior to his ordination. Congregations may wish to credit the pastor with one–half year for each full year of experience between age 30 and the pastor's year of ordination. Use the factor for the highest degree attained.

Years Since Ordination	M. Div.	STM, D. Min. or Th. D. Degree
0	.000	.075
1	.015	.115
2	.055	.155
3	.095	.195
4	.135	.205
5	.175	.225
6	.185	.235
7	.195	.245
8	.205	.255
9	.215	.265
10	.225	.275
11	.245	.295
12	.265	.315
13	.285	.335
14	.305	.355
15	.325	.375
16	.345	.395
17	.365	.415
18	.385	.435
19	.405	.455
20	.425	.475
21	.435	.485
22	.445	.495
23	.455	.505
24	.465	.515
25	.475	.525
26	.485	.535
27	.495	.545
28	.505	.565
29	.515	.575
30	.525	.585
31	.535	.595
32	.545	.605
33	.555	.615
34	.565	.625
35	.575	.635

Example: If your pastor is in his tenth year since ordination and has an STM degree, your adjustment factor for education and experience would be .275. Multiply the unadjusted base salary of $_____ by .275 and you arrive at $ _____ for the adjustment factor **for education and experience**. Do your own calculations below:

Unadjusted Base Salary _____

X

Education and Experience Factor _____

Education and Experience Adjustment = _____

[enter this figure in appropriate column on page 6]

RESPONSIBILITY

Leadership responsibility for a school, multi–staff ministry, or for a larger congregation should also be recognized as a factor in the determination of the pastor's salary. The additional workload required for effective leadership should be included in the consideration of salary. As the administrative and leadership responsibilities grow, so should the pastor's salary. The two factors on which these guidelines base a salary increment are size of worshiping congregation and the presence of a school or other multi–staff ministry (full-time associate pastor, DCE, DCO, ECE Director, etc.). I**nclude all factors that apply in the salary adjustment.**

Avg. Weekly Worship Attendance	Adjustment for Solo/ Senior Pastor	Adjustment for Multi-Staff Ministry	Adjustment for a School
0 – 75	.025	.000	.075
75 – 150	.050	.000	.100
150 – 250	.075	.025	.125
250 – 350	.100	.050	.150
350 – 450	.125	.075	.175
450+	.150	.100	.200

Example: If your congregation has a worship attendance of 225 and DCE on your staff in addition to a pastor, multiply the current unadjusted salary figure $_____ by .100 (.075 + .025) and you come up with a **responsibility adjustment factor** of $ _____ . Do your own calculations below:

Unadjusted Base Salary _____

X

Responsibility Adjustment Factor _____

Responsibility Factor = _____

[enter this figure in appropriate column on page 6]

IF THERE IS A LARGE GAP between the current and the recommended salary, you need to consider a method of closing that gap over a larger period of time. If your congregation has a gap between what it would like to pay its pastor and what it can afford, tell your pastor honestly and frankly that the congregation wants to pay the suggested salary but the amount is beyond the means of the congregation at this time. The congregation should then develop plan to close that gap over 2 to 4 years – reducing the gap by 50%, 33%, 25% or 10% each year until it is closed. This approach sets a goal for the congregation and lets your pastor know that there is a plan to bring compensation up to the recommended level. The congregation can feel good about its action and the pastor will feel good about the congregation's effort to increase compensation.

HOUSING
Called and ordained ministers of religion are eligible under Section 107 of the 1965 Internal Revenue Code and subsequent revisions to exclude from their gross income that portion which is used to rent or provide housing. Details on how a congregation should handle compensation to allow their professional workers to take advantage of this IRS ruling may be found in the congregational Treasurer's Handbook or by calling the Southern District Office (504-282-2632) or www.southernlcms.org.

Caution: Your pastor may exclude from gross income the portion used to provide housing for income tax purposes but NOT for self–employment tax purposes (Social Security). The congregation must by formal resolution designate the amount of the total cash compensation that is being designated **housing allowance** every year. The congregational Treasurer's Handbook has sample resolutions that may be used by your congregation. Make sure you consult with your pastor before making this designation.

WHEN THE PASTOR LIVES IN CHURCH-OWNED HOUSING
The recommended salary guidelines above are based on the assumption that your congregation does NOT provide a residence for your pastor but includes a housing allowance as part of his salary. If your congregation provides a residence to your pastor, this salary must be adjusted by the value of that church-owned housing. Reduce the total salary by **25%** if the pastor lives in church-owned housing and the congregation pays for the utilities. This is the formula used by the Worker Benefit Plans of our Synod when reporting compensation. Congregations are reminded that pastors living in church-owned housing must report the fair market value of such housing to IRS as part of the total compensation when figuring the Self–Employment Tax (Social Security) but not for income tax. If you are unsure of the fair rental value of the residence provided for the pastor, consult with local realtors to arrive at a fair and equitable figure. This should be adjusted every 2–3 years to reflect the changing value of the housing provided.

HOUSING EQUITY ALLOWANCE
If your congregation provides housing to your pastor, that pastor is not developing any equity in a home. At the time of retirement or if the pastor should die in office, he would not be able to provide his family with housing. Congregations should assist their pastor in developing equity by annually setting aside funds [deferred income] in the name of the pastor. Several methods can be used to accomplish this purpose. Some have adjusted the amount according to the consumer price index and others have used the amount that would have been paid in property tax. Perhaps the most equitable method is to set aside between 1–2% of the fair market value of the church owned house and set this aside in tax deferred investment. The fair market value of the house can easily be obtained from a realtor and should be adjusted every 3–5 years to reflect changing market conditions.

In the event of the pastor's death the accumulated amount will be transferred to his survivors or estate. Upon building his own home, retiring, or moving to another parish, the accumulated amount is also to be conveyed or transferred to the pastor.

PARSONAGE ALLOWANCE
Pastors living in church owned housing are still entitled to designate a portion of their income as housing allowance. IRS regulations allow for such an allowance covering the cost of such items as drapes, cleaning supplies, furnishings, etc. **Consult the Treasurer's Manual or District or Synod for specific information before designating a parsonage allowance.**

I. PROFESSIONAL EXPENSES

CONGREGATIONAL EXPENSES

There are some expenses your workers have that are related to their assigned duties. These items are the congregation's expense of "doing business" and should not be considered a benefit to the worker and/or included in his/her salary package. These expenses should be reimbursed to the worker.

AUTO EXPENSES

Many congregations continue to give the pastor an "auto allowance" though the I.R.S. now prefers a per mileage reimbursement. It is recommended that the congregation adopt the IRS annual mileage base

Note: Mileage from home to generally the church or school is not reimbursed since these are considered a worker's expense of making a living.

Under such a reimbursement plan the worker should keep a daily record of "Business Related" miles driven and must submit a mileage request to the congregational treasurer who reimburses the worker based on the agreed upon mileage base. These reimbursements are NOT to be included on the worker's tax document W-2.

If the congregation still uses the Auto Allowance, it should be adequate so that the worker does not have to cover any additional mileage.

CONFERENCE AND CONVENTION

Synodical rules require rostered called workers to attend all District conventions, conferences, or workshops and with the concurrence of their congregations should do so at the congregation's expense.

Church workers should be encouraged to attend conferences and conventions regularly with all expenses (travel, meals, lodging, registration, etc.) paid by the congregation. These expenses (those not included in the congregational assessment) should be validated with receipts, and such reimbursements are NOT to be included in the worker's tax document W-2.

II. SUPPLEMENTAL FRINGE BENEFITS

The spiritual, mental, emotional and physical well–being of the pastor is also part of the congregation's responsibility. The congregation is encouraged to establish a holiday schedule, a regular day off, and a vacation policy. The congregation should encourage the pastor to use the full allotted vacation time for the enrichment of his ministry, his personal health, and the welfare of his family. It is to no one's benefit for a pastor to avoid taking regular time off or vacations.

CONCORDIA PLAN SERVICES

Congregations are encouraged to enroll and support their professional church workers in the Concordia Worker Benefit Plans of our Synod. While these plans are a significant expense to the congregation, they do provide the utmost protection of the worker and his family for health care, disability, and retirement. These plans are portable and allow a worker to accept a position in your congregation without a lapse of benefit coverage or penalty.

There are five programs of benefits within the Concordia Worker Benefit family:
1. The Concordia Health Plan (health insurance/major medical)
2. The Concordia Retirement Plan (supplement to Social Security)
3. The Concordia Disability and Survivor Plan (benefits to family in case of a worker's death or severe disability)
4. The Concordia All Cause Accidental Insurance Plan (optional)
5. The Concordia Vision Plan

Details on these plans are available from the Concordia Plan Services, 1333 S. Kirkwood Road, St. Louis, MO, 63122–7295 or 1–888-927-7526. The Concordia Plan Services require the congregation to pay the full amount of the premium for the Retirement and Disability and Survivor Plans. Remember that those participating in the "Offset/Regular" basis of the Concordia Retirement Plan, those enrolled after January 1, 1982 are to receive the difference between the full and offset contribution as cash income to provide for an individual retirement investment.

The provisions of the Health Plan are different and Concordia Plan Services has developed a full range of cost sharing options for employers and workers. If your congregation does not pay the full amount for worker and family, you should

consider this expense from his income and adjust the income so that the worker can afford this important benefit. Current laws also provide for the designation of a portion of a called worker's income for use for medical expenses and thus excluding that portion of his income from income tax. For details call the District Office or the Concordia Plan Services Office.

If congregations do not participate in the Concordia Health Plan they should carefully research other coverage options to insure that their workers are covered both adequately and consistently.

FOR MORE INFORMATION ON IMPORTANT TOPICS

For information on a broad range of tax and investment topics please consult the ***LCMS Congregational Treasurer's Manual*** or ***Income Tax for Pastors and Teachers***. Topics covered include:

Please make reference to your congregation's Treasurer's manual for detailed information on items such as: self-employed ministers of the gospel, social security tax allowance, opposition to social security, taxation of housing reimbursement and housing allowances

- Self-employed ministers of the Gospel
- Self-employment tax
- Social Security Tax Allowance
- Opposition to Social Security
- Taxation of Housing Reimbursement and Housing Allowances
- Individual Retirement Accounts
- Tax Sheltered Annuities
- Flexible Spending Agreements for Health Coverage

VACATION AND REGULAR DAYS OFF

Your Pastor needs time for renewal through regular days off and a planned vacation; this is essential to his ministry. As a congregation you should insist that the pastor take a regular day off for himself and his family and that he use all the vacation time allotted to him.

Years of Service	Vacation Days Allowed
Less than 5	3 Weeks (21 days; 3 Sundays)
5 – 20	4 weeks (28 days; 4 Sundays)
20+	5 Weeks (35 days; 5 Sundays)

The anniversary date of the pastor's ordination is used in calculating vacation time. When a pastor has entered service later in life, you may wish to add one half year for every year between age 30 and ordination. Every pastor and his family needs time off and the congregation is encouraged to provide and respect at least one full day off for the pastor. In addition some congregation have allowed their pastor a weekend off on those months when there are five Sundays. This is considered compensatory time for the extra duties normally required during holiday seasons. Because pastors and their families are not free to observe the holidays, some congregations have provided several days and the Sunday following Christmas and Easter off – in addition to the regular day off and vacation time allotted.

Note: Days off to attend required District pastoral conferences, Circuit conferences, and meetings and attendance at professional seminars and workshops are not vacation time and congregations are discouraged from considering these required meetings and professional growth conferences as days off or part of the allotted vacation time. In fact congregations are required to pay for the cost of the District pastoral conferences and should make every effort to see that their pastor participates regularly in these District and Circuit conferences. These provide a place where the pastor is both accountable to and responsible for his peers in the ministry.

SICK LEAVE
These guidelines do not intend to establish personnel policies for the congregation; however, it is in the best interest of the congregation to protect the health of the pastor. It is to no one's benefit when the pastor attempts to carry out necessary pastoral responsibilities while seriously ill. It is suggested that sick leave be granted in accordance with the Concordia Disability and Survivor Plan, that is, fourteen (14) days per year. After fourteen consecutive days of illness, the Concordia Plan provides wage replacement. The Concordia Health Plan encourages preventive health care and provides an allowance for an annual physical examination. Your congregation is encouraged to insist that your pastor avails himself of this benefit and may, if necessary, supplement the allowance to insure ongoing preventive health care for your pastor.

PERSONAL LEAVE AND SPECIAL LEAVE TIME
Personal business may occasionally require the pastor to be away. Many congregations provided two days per year for personal leave. This does not count toward the regular days off or allotted vacation time. To cover special cases of emergency leave, such as a death in the immediate family, a congregation may grant special leave at the discretion of the Board of Elders and/or Church Council. Special leave should not be counted as a regular day off or as part of the vacation, sick leave, or personal leave time allotted by the congregation. If the emergency requires that the pastor will be gone on a weekend, the pastor should make arrangements for the worship services and pay for the cost of a substitute while he is away. It is also appropriate for the pastor to make arrangements for ministry to the sick and other emergencies if he is gone for an extended period of time.

MILITARY LEAVE
If your pastor is a chaplain in an Armed Forces Reserve Unit, he will need special leave during the time he is required to serve on active duty. This is usually a two week period during the summer months. The pastor should receive full salary during this training period. The pastor should arrange for a substitute when the reserve training requires him to be away from the worship services. Unless it is an unusual situation, the pastor should pay for one Sunday and the congregation for the other. A pastor should be contacted to cover for pastoral care to the sick and in emergencies. Weekend duty is also required once per month. Usually this does not interfere with the pastor's Sunday obligations. Unless an unusual situation exists, there is no need for special compensation arrangements for weekend duty.

Caution: Whatever your congregation does with regard to sick or personal or military leave, you must use the same approach for all other full–time staff. Federal regulations require that all be treated the same. A staff person may not under federal law waive this requirement.