

Pastor Compensation Guidelines

Salary Guidelines To obtain comparative compensation data based on factors such as church size, budget and region, ER recommends that churches use ChurchSalary from Church Law and Tax. (cost is approx. \$25 for one pastor or \$100 for multiple staff)

<https://www.churchlawandtax.com/salary>

Minimum Salary Guidelines Minimum salary is set at the 75th percentile of the median compensation for each church as reported in ChurchSalary. The minimum salary is not meant to be a standard salary, but which indicates that to pay less is to stretch the pastor's sacrifice too far. With less than the minimum, the pastor is free to accept other employment or serve more than one church. This minimum cash salary is in addition to other allowances.

Resignation Love Gift If the pastor resigns to accept other employment or serve in another ministry, the Elder Board *may* decide to provide a monetary gift and/or receive a special offering* as a love gift on behalf of the pastor to express appreciation for his/her service as appropriate. The Church Health Director is available, if needed, for further guidance.

Severance If the pastor, Elder Board and Church Health Director agree that it is in the best interest of the church for the pastor to resign, the board may elect to provide severance pay. Consideration should be given to the pastoral agreement which may stipulate contractual obligations. Notwithstanding other circumstances, ER normally suggests up to 3 months' severance which includes any accrued unpaid vacation time. This agreement may also state that severance ceases upon the securing of full-time employment.

Retirement Love Gift Upon retirement, the Elder Board may elect to provide a monetary gift and/or receive a special offering* as a love gift on behalf of the pastor to express appreciation for his/her service. Though there are no standard "rules of thumb" for retirement gifts, we encourage churches to be generous (I Tim 5:18) while factoring in circumstances such as length of service, full time or part time status, size of church and budget, etc...

* Note: Love gifts are considered taxable income and should be included in the pastor's W-2 if parishioners receive tax deductible credit for their contributions.