

## Guide to the Diocesan Clergy Compensation Schedule - 2014

1. **Years ordained** – This number is determined by starting from ordination date as a Transitional Deacon.
2. **Stipend** – The figure provided is the diocesan minimum. This amount can be higher depending upon any negotiations between the congregation and the clergy and annual cost of living adjustments. \*
3. **Housing** – Note: emphasis on words actual and fair \*
  - a. **Equity**: Recognizes that while living in a rectory the Priest is not building equity in private residence.
  - b. **Allowance**: A tax benefit applicable to the ordained ministry that allows a portion of the salary to be non-taxable. Ex. If a Rector determines that the fair rental value of his/her house (plus utilities and furnishings) to be valued at \$1,000.00 p/mo. A non-taxable deduction from the Rectors salary of \$12,000.00 (\$1,000.00 X 12 months) is designated as the “housing allowance” for the Rector’s income tax filing. If the Rector’s annual compensation is \$60,000.00 p/yr., his/her taxable income is only \$48,000.00 (\$60,000.00 annual compensation minus the \$12,000.00 housing allowance (figures in the example are examples, only). \*
    - i. The fair rental amount must be declared in advance,
    - ii. Only used for qualified housing expenses, and
    - iii. Does not exceed fair rental value,
    - iv. The amount is determined by the ordained employee
    - v. The Vestry must approve a “Resolution of the Vestry” prior to the beginning of the tax year specifying compensation and housing allowance of and for the ordained employee
4. **Social Security offset** – Important that it is computed using full compensation of stipend and housing (housing equity or housing allowance is not deducted?) \*
5. **Pension** – Again, determined using full compensation amount of stipend, housing and Social Security offset \*
6. **Worker’s Compensation Insurance** – required \*
7. **Professional Expense Reimbursement** – Meals, etc., including mileage while the employee is “on-the-road” doing the work of the Church. All expenses submitted must be documented with receipts and actual business mileage incurred. Expense vouchers submitted for reimbursement must be dated and signed.
8. **Continuing Education** – Paid for, or reimbursed to, the Priest with receipts
  - a. Any portion of Professional Expense Reimbursement and/or Continuing Education benefits not used may NOT be given to the ordained employee. It becomes income to the Priest.
9. **Medical Insurance** – Any questions call the Diocesan office. Please note that the Diocesan standard is the Empire PPO 80/60 plan. For a higher option the ordained employee pays the difference in premium; for the lesser option the employer pays the difference to the ordained employee to offset deductible

costs of and for the employee/family. NOTE: the amounts listed are monthly amounts. Monthly amount X 12 will equal annual budgeted line item.

**Any questions? Please do not hesitate to call:**

**Determining Compensation for 1/2-time Priest?: use 1/2 of the above**

**Determining Compensation for 1/4-time Priest?: use 1/4 of the above.**

- = These amounts will change as the stipend or other forms of compensation change.

**Note: 3 b v. The Vestry must approve this Resolution prior to the beginning of the tax year. Please Vestry and Clergy should consult their tax consultant. Sample resolution(s) available upon request to the Diocese.**