

2015 Ordained Minister Compensation Guidelines

SOUTHERN OHIO SYNOD Evangelical Lutheran Church in America (ELCA)

INTRODUCTION

The apostle Paul wrote, *“the Lord commanded that those who proclaim the gospel should get their living by the gospel”* (1 Corinthians 9:14).

Lutheran congregations call their pastors to proclaim the Gospel, rightly administer the Sacraments, and serve Christ, the Church and their communities. Congregations are obliged to develop defined, consistent procedures so that annual compensation reviews will be completed with their pastors. Pastors are encouraged to take initiative in this process. While not able to address every local situation, these guidelines are offered to assist pastors and congregations in determining appropriate compensation.

If you or congregation members have questions or seek clarification about the synod’s compensation guidelines, you are welcome to contact the assistant to the bishop who works with your congregation.

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~ COMPENSATION ~ ORDAINED MINISTERS

SECTION 1: SALARY & HOUSING

(Please refer to Appendix A on pages 12-13 as you complete Section 1)

A. BASE SALARY

The following 2015 *Base Salary* figures for ordained ministers are based on a 40+ hour work week and they presume that the pastor will also be provided housing or a housing allowance (see parts F-I of this section). They are intended to be the starting point for discussion between the pastor and congregation as a *Base Salary* is negotiated, reflecting both the size and complexity of the congregation, as well as the work load, gifts and skills of the pastor.

<u>Confirmed Membership</u>	<u>Base Salary Guideline</u>
Up to 150	\$37,671
151-300	\$38,779
301-600	\$40,617
601-900	\$42,294
901 and up	\$44,044

Congregations considering multiple staff positions are encouraged to consult with synod staff regarding team ministries and to follow recommendations for developing job descriptions and compensation guidelines.

B. LOCAL COST OF LIVING ADJUSTMENT

The guidelines in (A) above are based on an average cost of living for the synod territory. Final *Base Salary* amounts, therefore, should be adjusted during initial and annual negotiations of the compensation plan to reflect the local community's cost of living that may fall above or below the synod average. Comparisons of local living costs may be obtained from the U.S. Department of Labor (www.bls.gov/home.htm).

C. YEARS OF EXPERIENCE

To the *Base Salary* shall be added an amount reflecting the pastor's years of experience. The synod's approved guidelines call for \$500 per year for each year of ministry since ordination.

D. MERIT INCREASE

Congregations are encouraged to consider affirming their pastor's ministry by providing increases in compensation based on merit.

E. TOTAL SALARY

To determine the *Total Salary*, add the total amounts for A, B, C and D above as shown in the following examples:

Example #1: Salary negotiations between a pastor with four years of ordained pastoral experience serving a rural congregation of 95 confirmed members in an economically challenged area might result in the following total salary:

a) Base Salary	\$37,671 (Starting point from guideline chart)
b) Local Cost of Living Adj.	(1,000.) (Reduction reflecting local conditions)
c) Years of Experience	2,000 (\$500 X 4 years experience)
e) <i>Additional Negotiated Salary</i>	<u>500</u>
 TOTAL SALARY	 \$39,171

Example #2: Salary negotiations between a pastor with 13 years of ordained pastoral experience serving an urban congregation of 515 confirmed members in an economically thriving area might result in the following total salary:

a) Base Salary	\$39,859 (Starting point from guideline chart)
b) Local Cost of Living Adj.	1,000 (Addition reflecting local conditions)
c) Years of Experience	6,500 (\$500 X 13 years experience)
d) Merit Increase	750 (Affirmation of ministry)
e) <i>Additional Negotiated Salary</i>	<u>1,200</u>
 TOTAL SALARY	 \$49,309

F. HOUSING ALLOWANCE (*WITHOUT PARSONAGE*)

(Complete Appendix C on pages 15-16 when establishing a Housing Allowance.)

A *Housing Allowance* shall be provided for pastors who own or rent their homes to cover the mortgage or rent, interest, taxes, utilities, maintenance and reasonable furnishings. This allowance should be adjusted yearly in order to keep pace with inflation. The starting point for determining a monthly *Housing Allowance* should be:

1. One percent per month of the fair market value of an average house within the general community in which the congregation resides; plus
2. The cost of utilities for such a home; plus
3. The difference in cost for the rental value of such a home furnished as compared to the rental value of such a home unfurnished. (A realtor can help determine this figure.)

Congregations may also agree to loan funds to a pastor to aid in the purchase of a house. The details of such loans should be carefully spelled out in writing with regard to repayment, interest, etc., so that there is a clear record of the transaction for future officers. Normally, such loans shall be payable when the pastor's call to the congregation is ended for any reason.

G. HOUSING EQUITY ALLOWANCE (*WITH PARSONAGE*)

(Complete Appendix D on page 17 when establishing a Housing Equity Allowance)

If the pastor lives in a rent-free home provided by the congregation, a *Housing Equity Allowance* shall be provided to furnish the financial resources for the pastor to provide housing upon retirement or to provide down payment money for the purchase of a house during active ministry:

1. The recommended allowance for 2015 is \$1815.
2. The church pays the allowance in monthly installments to a depository agreed on by the church and pastor.
3. Use of the funds is limited to the provision of housing for the pastor whenever needed.
4. Provision should be made for changes of the depository when required by relocation provided that the original contractual limitation on the funds is maintained.
5. Upon the termination of the pastorate, the funds on deposit will be given to the pastor.

H. UTILITIES ALLOWANCE (*WITH PARSONAGE*)

If the pastor lives in rent-free housing provided by the congregation, the congregation shall provide a *Utilities Allowance* to cover the expenses of the parsonage including utilities and maintenance. This may be done by:

1. Providing a fixed monthly amount based on the needs of the pastor and parsonage; or
2. The congregation paying all utilities and maintenance costs directly.

I. FURNISHINGS ALLOWANCE (*WITH PARSONAGE*)

(Complete Appendix E on page 18 when establishing a Furnishings Allowance)

If the pastor lives in rent-free housing provided by the congregation, the congregation may provide a *Furnishings Allowance* to cover the expenses of appropriate furnishings. This shall be designated as an allowance for IRS purposes. Congregations may wish to take into consideration that furnishings costs may be higher at certain times in the pastor's ministry (such as at the time of a first call or after any move resulting from a new call) and make adjustments appropriately. It shall be understood that furnishings purchased with this allowance are the property of the pastor and his family.

SECTION 2: BENEFITS

(Please refer to Appendix A on pages 12-13 as you complete Section 2)

A. SECA (SELF-EMPLOYMENT COMPENSATION) ALLOWANCE

Pastors are considered self-employed for Social Security purposes. A *SECA Allowance* may be provided to reimburse pastors for what would normally be the congregation's share of Social Security and Medicare Tax. A *SECA Allowance* should be based upon the *Total Base Salary* plus *Housing Allowance*. (If a parsonage is provided, the *SECA Allowance* is based on the *Total Base Salary* plus 30% of the base salary.)

The suggested allowance is one-half of the amount of the pastor's self-employed Social Security tax. Check the Social Security website (<http://www.ssa.gov/>) for the actual 2015 self-employed Social Security tax rate. Some congregations choose to cover the pastor's full SECA tax. Whatever amount is provided must be reported to the IRS as salary.

B. TAX SHELTERED ANNUITY

Contributions may be made by the congregation into a *Tax Sheltered Annuity* for the pastor by way of a voluntary salary reduction.

C. PENSION, HEALTH, SURVIVOR AND DISABILITY BENEFITS

Congregations shall sponsor the pastor in the Pension and Other Benefits Program of the ELCA which provides retirement, disability, survivor, and medical-dental coverage. Sponsorship will include medical-coverage for the pastor's spouse and children unless they have other employer-provided group medical insurance coverage and the pastor consents to waiving medical-dental coverage for them under the ELCA program.

Portico Benefit Services adjusts contribution rates annually based on current economic and regional realities. The board sends a letter to each congregation in mid-August that delineates the figures for the next year. The most current contribution rates may be also acquired by visiting the Board of Pensions web site and following the instructions for its easy-to-use contribution rate calculator at <http://www.porticobenefits.org>. Portico Benefit Services is happy to answer questions about their benefits programs. Call them at their Service Center at 1-800-352-2876 or 1-612-333-7651.

1) *ELCA Pension, Health, Survivor and Disability Benefits* costs (or equivalent program costs) are based on the pastor's "Annual Defined Compensation" which includes:

- *Total Base Salary* (see Section 1E above)
- *Housing Allowance* paid to pastors who own or rent their homes (see Section 2A above)
- *Housing Equity Allowance* paid directly to pastors living in parsonages (see Section 2B above)
- Thirty percent of the total of the base salary plus social security allowance [(Base Salary + Social Security) X .30] when the pastor lives in rent free housing provided by the congregation.
- *Tax-Sheltered Annuity* contributions made by way of voluntary salary reduction agreements (see Section 2F above)
- SECA allowance (see Section 2E above)
- *Utilities and/or Furnishings Allowances* if paid directly to the pastor (see Sections 2C and 2D above)

2) Annual Defined Compensation should *not* include:

- *Utilities Allowance* if paid directly to the utility companies.
- *Housing Equity Allowance* contributions made to the Board of Pensions Optional Pension Plan or to another financial institution.
- Employer-paid additional *Pension Contributions* made in behalf of the pastor, in addition to salary.
- *Automobile Allowance*
- *Book Allowance*
- *Continuing Education Allowance*
- *Professional Expenses*
- *Congregational Expenses*

D. CONTINUING EDUCATION ALLOWANCE AND SABBATICALS

Continuing education is important for pastors to improve or acquire skills, and experience personal and professional growth for a more effective ministry. The ELCA recommends that pastors have a minimum of 50 contact hours of continuing education per year. In addition to vacation, therefore, congregations are encouraged to make available at least two weeks per year (including two Sundays) for pastors to engage in continuing education.

The congregation shall provide a minimum of \$750.00 per year to assist the pastor in meeting the costs of tuition, books, supplies, travel and living expenses while on educational leave, as well as continue the pastor's regular compensation, defray the cost of pulpit supply and meet the expense of other pastoral services.

Continuing education time and allocated funds accrue to an individual pastor in relation to a call in a particular congregation. When a pastor leaves that specific call, accrued continuing education time and funds are forfeited. Additionally, continuing education time and funds may not be transferred to a pastor who replaces a pastor in a place where such time has accrued.

It is also recommended that:

- Dates and programs for continuing education be mutually agreeable between the pastor and congregation council.
- The pastor and congregation develop goal-specific programs of continuing education.
- Congregations and pastors may negotiate additional continuing education if mutually agreeable.

Sabbaticals (Extended Study Leaves) may be granted to provide an opportunity for the pastor to take an extended period of time for reflection and renewal, which may include personal enrichment, study, spiritual growth, travel, skill development and/or research. An extended study leave should be approved based upon a specific proposal that indicates how the planned activities will benefit the pastor, the congregation, and/or the wider church. All provisions should be negotiated well in advance of the leave and be clearly stated in writing. The proposal/agreement should define how the congregational ministry is to be handled during the pastor's absence.

This leave would normally be granted for up to three months after each five years of service in the same call. The pastor is expected to remain in his/her parish for at least one year (or other predetermined period) after completion of the sabbatical.

Pastors and congregations considering a sabbatical for the pastor are strongly encouraged to consult with the synod office, other pastors who have been on sabbatical, and resources such as *Clergy Renewal: The Alban Institute's Guide to Sabbatical Planning*, the ELCA website at <http://www.elca.org/Growing-In-Faith/Vocation/Rostered-Leadership/Leadership-Support/Sabbatical.aspx>, and those provided by the Lilly Endowment, which offers particularly valuable guidance (and funding to successful applicants) through the National Clergy Renewal Program. For more on this program, see the Lilly Endowment's website at http://www.lillyendowment.org/religion_ncr.html.

~ COMPENSATION ~ 2015 INTERIM PASTORS OR SUPPLY WORSHIP LEADERS

INTERIM PASTORS -

On-Call Interim:

\$480 per month, plus mileage

Part-Time Interim:

Two Sunday services or less: \$180 per day, plus mileage

Three or more Sunday services: \$210 per day, plus mileage

Part Time Interim (Hourly):

\$25.00 per hour, plus mileage

Full-Time Interim:

Arranged with reference to current approved Ordained Minister Compensation Guidelines

SUPPLY WORSHIP LEADERS ⁽¹⁾ -

Supply worship leaders, whether ordained or lay, who lead worship during the called pastor's absence provide a valuable service to congregations. They may also be willing to provide educational leadership (e.g., leading a Sunday School class, Bible study, adult forum), but should certainly be compensated for such services. Congregations are urged to supply them with as much advance information regarding the plans for the day as possible, including copies of bulletins, curriculum, etc.

One Service: \$150, plus mileage

Two Services: \$180, plus mileage

Three Services: \$215, plus mileage

Additional Services over three: \$25 per additional service

Educational service: \$50

MILEAGE is to be equal to the current IRS rate (Check the IRS website at www.irs.gov for the latest mileage reimbursement rate).

⁽¹⁾ These guidelines apply to certified lay worship leaders as well as ordained clergy.

~ CONGREGATIONAL EXPENSES ~

(Please refer to Appendix B on page 14 as you complete Congregational Expenses)

The following items are **not** considered to be part of the minister's compensation but rather are costs (similar to Workers' Compensation) necessarily incurred by the congregation so that the minister can fulfill terms of the call. These costs should, therefore, be listed in congregational budgets as "regular operating expenses" rather than as part of the minister's compensation package. Any reimbursements or allowances made to the minister for these congregational expenses should be paid completely and regularly (at least monthly).

A. AUTOMOBILE EXPENSES

When a pastor is required to use her/his automobile in carrying out his/her ministry and responsibilities, the use of the automobile is a business expense of the congregation. The congregation may negotiate with the pastor to:

1. Lease or purchase an automobile for use by the pastor and pay all related expenses; or
2. Pay a cents-per-mile reimbursement for actual business miles driven at the current IRS rate when the pastor uses his or her automobile (Check the IRS website at www.irs.gov for the latest mileage reimbursement rate.); or
3. Pay the pastor an equal monthly allowance sufficient to cover auto expenses when the pastor uses his or her automobile. In this case, the IRS requires the pastor to keep accurate records of business miles driven and/or expenses, and report those figures regularly to the congregation. If the miles driven times the current IRS cents-per-mile reimbursement rate equals an amount less than the total allowance paid during the year, the difference must be reported as taxable income. Automobile allowances should be adjusted yearly to keep pace with inflation.

B. PROFESSIONAL EXPENSES

Professional expenses include books, professional journals, magazines, vestments, assembly expenses and other costs that help a pastor carry on an effective ministry in the congregation. The congregation may negotiate with the pastor to either:

1. Pay all professional expenses as they occur with no maximum; or
2. Pay all professional expenses as they occur up to a maximum allowance; or
3. Establish an expense allowance paid in equal monthly installments. In this case, if the pastor's total professional expenses for the year equal an amount less than the total allowance paid during the year, the difference must be reported as taxable income.

Professional expense lines should be adjusted yearly to keep pace with inflation. Congregations may also want to consider increasing professional expense allowances at certain times, such as after a move or during periods of increased continuing education. It shall be understood that purchases are the property of the pastor.

~ WORK CONDITIONS ~

This section discusses the types of time-off periods that are granted to pastors as a condition of a call. Time-off may be mandated by the call document, mandated or implied by ELCA policy, or established by agreement between pastors and congregations. While this benefit does not involve additional compensation for a pastor, it does require that funds be provided in the budget to provide for services required while a pastor is absent.

A) WORK WEEK

Church work requires a great deal of evening and weekend involvement. In order to reasonably set expectations with the pastor, it may be useful to think in terms of blocks of time. Each day can be considered to have three blocks of time: morning, afternoon and evening. A seven-day week consists of twenty-one blocks. So a normal full time work week expectation in the secular world might be defined as 10 blocks. Many professionals and administrators might work 11-12 blocks. A reasonable expectation of full-time service for a pastor might be 12-13 blocks. This would be comparable to a professional in the marketplace who also volunteers at the church and/or in the community. This slightly higher expectation takes into account the demands of congregational ministry, but ensures that the pastor has sufficient time off for nurturing of marital and family relationships, rest and renewal of spiritual, emotional, and physical resources, and personal business, issues which are critical to the health and well-being of the pastor and pastor's family. The arrangement should be flexible for both pastor and congregation, but should also be clearly defined, and provision should be made for emergency pastoral care when the pastor is not available.

B) CHURCHWIDE AND OTHER COMMITMENTS

Pastors may be called to serve in ways that take them beyond the congregation. Examples may include church-related activities such as serving as a Bible study leader or chaplain at a church camp, or on a synodical or ELCA committee or task force. It can also include service in the secular arena such as National Guard/Reserve duty, jury duty, or short-term teaching at a college or seminary. In any case, this “extended ministry” should be carefully negotiated with the congregation council. This time should be regarded as an extension of the congregation's ministry and should not be considered as vacation time.

C) SICK LEAVE

Sick Leave shall be provided for up to six weeks per year with full salary, housing, benefits, and, if applicable, with provision for partial disability thereafter, as agreed. *Sick Leave* is to be coordinated with the *ELCA Pension, Health, Survivor and Disability Benefits* guidelines.

D) VACATION

A minimum of four weeks of paid *Vacation* (including four Sundays) per year is recommended. Additional vacation time may be considered based on length of time in the ordained ministry.

E) HOLIDAYS

The responsibilities of ordained ministers often means that they are unable to take advantage of the three-day weekends and other holidays, such as Christmas and Easter, that most other people are able to observe. It is recommended, therefore, that the nine to eleven holidays observed by the general public, plus three floating personal days, should be designated as observed holidays by the congregation. Considerations should then be given, and rostered leaders should be encouraged, to

take these days off at another time during the week whenever they cannot be observed because of pastoral responsibilities.

F) MATERNITY/PATERNITY/ADOPTION LEAVE

The congregation shall provide six weeks *Maternity Leave*, including full salary and benefits, at the time of the birth of a child. Additional time and salary considerations may be negotiated between the congregation and the pastor.

The congregation shall provide *Paternity Leave* of at least one week, including one Sunday, with full salary and benefits, at the time of the birth of a child. Additional time and salary considerations may be negotiated between the congregation and the pastor.

The congregation shall provide up to six weeks *Parental Leave*, including full salary and benefits, at the time of the adoption of a child. Additional time and salary consideration may be negotiated between the congregation and the pastor.

G. HEALTHY LEADERS

As suggested by a 2002 ELCA study on Ministerial Health and Wellness, many rostered leaders are currently suffering from stress, overweight, high blood pressure and/or high cholesterol, much of which stems from their vocational responsibilities. These unhealthy conditions not only reduce their effectiveness and quality of life, but also contribute directly to the rising cost of the congregation's cost for healthcare benefits.

In 2015 the ELCA healthcare plan for rostered leaders will continue to focus on encouraging healthy behaviors and lifestyles. In support of this effort, pastors, lay rostered leaders, and congregational leaders are encouraged to engage in a discussion to identify methods of safeguarding and improving the physical, emotional, social, intellectual, vocational, and spiritual health and well-being of their rostered leaders. Such a discussion should define specific and mutually beneficial practices that respect a rostered leader's personal time, establish reasonable work schedules, and encourage a healthy lifestyle. Visit the ELCA website (<http://www.elca.org/Growing-In-Faith/Vocation/Rostered-Leadership/Leadership-Support/Health.aspx>) and Portico Benefit Services website (<https://www.porticobenefits.org>) for additional information.

In addition, the focus of the Southern Ohio Synod's *Advancing God's Mission: Living Faith* strategic plan's goal 2 is to promote greater congregational health and healthy leaders. One recommendation under this goal encourages congregations to offer partial reimbursement for health/exercise membership as a way to promote the health of their pastor and other rostered leaders on their staff.

Keep in mind that "people grow best in their discipleship in healthy congregations, and are best served by healthy leaders." (*Advancing God's Mission: Living Faith* p.8)

~ Appendix A ~

COMPENSATION WORK SHEET

Numerical headings below correspond to headings found in the guidelines. **Items marked with an asterisk (*) are to be included.** The others are recommended items that should be negotiated between the pastor and congregation.

SECTION 1: SALARY & HOUSING *(See Guidelines, pages 3-4)*

*A. Base Salary \$ _____
(Use appropriate figure from the table on
page 2 as determined by the confirmed
membership of your congregation)

B. Local Cost of Living Adjustment \$ _____

*C. Years of Experience \$ _____

D. Merit Increase \$ _____

E. Additional Negotiated Salary \$ _____

TOTAL SALARY \$ _____
(1A through 1E)

*F. Housing Allowance (without parsonage) \$ _____
(If using 1F, do *not* complete 1G, 1H, or 1I)

G. Housing Equity Allowance (with parsonage) \$ _____
(If using 1G, do *not* complete 1F)

*H. Utilities Allowance (with parsonage) \$ _____
(If using 1H, do *not* complete 1F)

I. Furnishings Allowance (with parsonage) \$ _____
(If using 1I, do *not* complete 1F)

TOTAL HOUSING \$ _____
(1F through 1I)

SECTION 2: BENEFITS *(See Guidelines, pages 4-7)*

A. SECA Allowance \$_____

B. Tax-Sheltered Annuity \$_____

**Subtotal for Pension, Health, Survivor
Disability Benefit Calculation \$_____**
(Total Salary+Total Housing+SECA+Annuity)

*C. Pension, Health, Survivor and
Disability Benefits \$_____

*D. Continuing Education Allowance \$_____

TOTAL BENEFITS \$_____
(2A through 2D)

TOTAL COMPENSATION TO MINISTER \$_____
(Total Salary+Total Housing+Total Benefits)

~ Appendix B ~
CONGREGATIONAL EXPENSES WORK SHEET
(See Guidelines, pages 8-11)

*A. Automobile Expenses \$ _____

*B. Professional Expenses \$ _____

TOTAL CONGREGATIONAL EXPENSES \$ _____
(A plus B)

SALARY & HOUSING (APPENDIX A) _____
+
BENEFITS (APPENDIX A) _____
+
CONGREGATIONAL EXPENSES (APPENDIX B) _____
+
VACATION SUPPLY COVERAGE _____
=
TOTAL COST TO CONGREGATION \$ _____

~ Appendix C ~
HOUSING ALLOWANCE

Use the three following forms in developing a Housing Allowance for the pastor:

1) Pastor's Estimate of Housing Expenses

TO: (Name of Congregation)
FROM: (Name of Pastor)
DATE:
SUBJECT: Housing Allowance for year extending from _____, 20____
to _____, 20____.

The amounts set forth below are the amounts I expect to spend during the period from _____ to _____ (as above) to rent or otherwise provide a home for my family and me:

1. Rent on leased property or payments on purchase of
a home (including down-payment, acquisition costs, mortgage payments on principle)
\$ _____
2. Garage rental (if not included above) \$ _____
3. Utilities (gas, electricity, water, sewer, oil,
telephone, refuse removal charges, firewood,
TV cable) \$ _____
4. Insurance (homeowner's, fire, extended coverage,
liability, contents, flood) \$ _____
5. Repairs and maintenance \$ _____
6. Furnishings and improvements \$ _____
7. Interest on mortgage \$ _____
8. Property taxes \$ _____
9. Other housing expenses (list in detail) \$ _____
- TOTAL** \$ _____

Pastor's Signature

2) Draft Language for Congregation Council Action On Housing Allowance

The _____ Committee advised the Congregation Council that under the tax laws an ordained minister of the Gospel is not subject to Federal Income Tax with respect "to the rental/housing allowance paid as part of compensation to the extent used to rent or provide a home." Where the Pastor owns a home the amount of the allowance will be an amount equal to the fair rental value of the home, including furnishings and appurtenances such as a garage, plus cost of utilities.

The Council, after considering the statement of the Rev. _____ setting forth estimates of the amount expected to be spent to rent or otherwise provide a home during the period from _____, 20____ to _____, 20____, and in light of the Federal Income Tax law and of the established salary level, on motion duly made and seconded, adopted the following resolution: Resolved that the Rev. _____ receive a salary of \$ _____

for the year _____, and a housing allowance of \$ _____ for the year, the housing allowance to be so designated in the official records.

Council Secretary's Signature

3) Notification of Housing Allowance by Congregation (Employer)

DATE:

TO: (Name of Pastor)

This is to advise you that at a meeting of the Congregation Council of _____ Lutheran Church held on _____, 20____, your housing allowance for the year 20____ was officially designated and fixed in the amount of \$ _____.

Accordingly, \$ _____ of the total compensation payable to you for the year 20____ will constitute housing allowance and the balance will constitute "salary" (as interpreted by the Federal Income Tax Law).

Council Secretary's Signature

~ Appendix D ~

HOUSING EQUITY DESIGNATION

This form is for use when the congregation does not make contributions to a housing equity allowance to the member's ELCA optional pension plan. When payment is made to the ELCA optional pension plan, the congregation uses the forms presented by the custodians of this fund.

Housing Equity Allowance Agreement

At a properly called meeting of the congregation of _____ Lutheran Church, with a quorum present, held on _____, it was moved, seconded, and noted to establish a housing equity allowance fund for the Rev. _____ with (1) initial contribution of \$ _____ for the year 20____ and (2) with subsequent annual contributions to be determined each year thereafter by vote of the congregation.

The conditions of this agreement are as follows:

- a) The annual contribution shall be placed in an interest-bearing account in the name of the congregation.
- b) The fund shall not be available for use by the congregation or the pastor except for the purchase of a house by the pastor or the pastor's spouse.
- c) The fund shall be paid in full to the pastor or survivors in the event of the pastor's disability, retirement or death.
- d) Upon resignation as pastor from this congregation and acceptance of a call to another congregation or organization, the fund balance shall be transferred to the new employer or the pastor, as the pastor may direct.
- e) The funds shall be payable to the pastor's estate if there is no surviving spouse.

Signed by an Officer of the Congregation Date _____

Signed by the Pastor Date _____

~ Appendix E ~

FURNISHINGS ALLOWANCE DESIGNATION

The Council, after considering the statement of the Rev. _____ setting forth estimates of the amount expected to be spent to provide home furnishings during the period from _____, 20__ to _____, 20__, and in light of the Federal Income Tax law and of the established salary level, on motion duly made and seconded, adopted the following resolution:

Resolved that the Rev. _____ receive a salary of \$ _____ for the year _____, and a furnishings allowance of \$ _____ for the year, the furnishings allowance to be so designated in the official records.

Signed by an Officer of the Congregation

Date

Signed by the Pastor

Date