EPISCOPAL DIOCESE
of Rhode Island

Clergy Salary and Benefits Minimum Requirements - 2020

Total Clergy Compensation minimums for full-time priests-in-charge in the Diocese of Rhode Island in 2020 are as follows:

	CHURCH TYPE/SALARY GRADE			
SERVICE LEVEL	I and II	III	IV	V
A 1 - 5 years similar svc.	58,709	64,579	71,038	78,142
B 6 - 10 years similar svc.	67,516	74,269	81,695	89,865
C 10+ years similar svc.	77,644	85,408	93,948	103,343

The chart included in this packet uses your church's 2018 Parochial Report to identify your church type. "Fulltime" is considered to be at least 40+ hours per week. Part-time positions are negotiated.

This chart is for clergy employed as a full-time Priest-in-Charge, Interim, Vicar or Rector. Part-time clergy compensation and benefits are negotiated individually based on the priest's needs and the church's means (see section on Part-Time Clergy for guidance).

Churches must maintain their clergy salaries at least at the minimum, however, this in no way affects the ability of individual churches to enhance their priests' compensation packages as they are able to move within the range for your size parish. We recommend that churches increase their priests' salary by 2 ½ % annually so that they are prepared for the next service level.

Rectory, Housing Allowance and Social Security.

Cash compensation for a clergyperson living in provided housing is reduced by the value of the rectory as defined by Church Pension Fund (30% of total compensation). So, for example, if the total compensation is $60,000, then the rectory is valued at $20,000 (housing + utilities) and the priest receives $40,000 as cash compensation.

The Housing Allowance is a portion of the priest's salary which is designated as such. The priest sets the amount as this does not impact the compensation package in any way. In the example above, the priest's total compensation is $60,000 (cost to the church). The priest may designate any portion of that as Housing Allowance, including the full amount of compensation. The priest is responsible for paying income taxes on any funds received that are not used for housing. Housing allowance includes mortgage payments or rent, utilities, landscaping, furniture and anything that isn't consumable down to the teaspoons and tea towels. It is the priest's responsibility to maintain records and file their taxes. The Vestry or Bishop's Committee must pass a resolution recorded in the minutes designating the priest's desired Housing Allowance *before* any payments are made for the exclusion to be in effect (usually at the December board meeting but definitely before the end of the year).

Social Security is part of the diocesan minimums outlined above. However, many clergy coming from other dioceses may be accustomed to receiving an additional 7.5% as a Social Security Allowance. We have incorporated that into the salary figure as it must be paid to the priest as cash salary and is taxable as such. However, a church may choose to provide a Social Security Allowance and include that in the cash compensation figure which is reported on the priest's W-2. The value of the rectory and the housing allowance are NOT included on the W-2 as income, only the cash compensation.

Full-time Assistants

Full-time transitional deacons and those priests serving in an assisting position during the first two years of ordained ministry shall be compensated at a rate no less than $51,000 plus mandated benefits. Assisting Priests with more than two years of experience shall be paid no less than 70% of their appropriate service level/salary grade amount.

Planning for the future:

Giving the 2 ½% annual cost of living increase prevents a sudden "jump" when a priest moves to the next compensation band. Here's an example where a priest in a church that is type III, hired in 2018 at the minimum for Service Level A and given an increase of 2.5% per year.

2019	$64,579
2020	$66,193
2021	$67,848
2022	$69,544
2023	$71,283
2024	$73,065
2025	$74,269

$74,269 Required minimum for Church Type Ill, Service Level B without any increase in minimum levels

Service Level and Church Type

Service Level for Clergy is NOT based on years of ordained ministry but rather the number of years a priest has served as the rector/vicar. The grid presumes continued service in a particular size of church.

Service Level A is the entry-level minimum for a church of that type for a priest who has not served as rector/vicar in a church of a similar size.

Service Level B would be appropriate for a priest after 5 years of service in the current position, 5 years of service in a similar position in another church of a similar size, or a combination thereof.

Service Level C would be appropriate after 10 years of service in the current position, 10 years of service in a similar position in another church of the same size, or a combination thereof.

The appropriate level for each clergy person will necessarily be determined by a combination of factors: years in the actual position in question, experience in prior comparable positions, and relevant experience in non-ordained positions. The salary levels set forth here are meant to be minimums for those who have held their (or similar) positions for the requisite number of years and are not to taken as limiting the freedom of clergy and vestries to recognize particular situations which require additional compensation. With the increasing number of second career clergy, it is important that congregations take that experience into consideration. That is especially true if the prior experience is directly applicable to parish and significantly enhances the priest's ability to serve the congregation.

Additional Mandatory Benefits

- Pension premiums as determined by the formulas of the Church Pension Fund
- Medical and Dental insurance premiums with a contribution of **17 %** by all participants (note this is a change from 2018). This applies to all employees at your church eligible for this benefit. If a priest's spouse is over 65, the spouse can go onto a Medicare supplement plan which is less expensive than buying a family plan. The church would pay for the total of both plans, minus the 17% clergy share.
- Life insurance of 4 times total compensation with a maximum of $ 100,000 provided by the Church Pension Fund
- Worker's Compensation insurance and/or any other benefit required by law
- Professional Ministry Expense Reimbursement line in parish budget of not less than $4,000 to reimburse the cleric for expenses necessary to carry out his/her ministry, such as, mileage for travel on behalf of the parish, attendance at meetings or

conferences, purchases of books and journals, entertainment of individuals with a purpose directly related to the congregation's ministry.
- Continuing Education Reimbursement line in parish budget of not less than $1,000 with two weeks (including Sundays) time
- One month of vacation (including five Sundays)

Additional Compensation Factors

The clergy compensation minimums are set to be in line with what is being offered in other New England dioceses so that we remain competitive when calling strong clergy candidates. They presume that the clergy member is the rector or sole priest at a parish with full responsibility for the parish and its basic pastoral and liturgical responsibilities—perhaps assisted by a part-time parish secretary and/or part-time sexton. However, the pastoral size of the parish is often only one part of what we call clergy to do in our parishes and it is important that we then compensate above the minimum compensation rates for these expectations. Diocesan staff are available to assist in determining how much additional compensation is appropriate for these expectations and if these conditions exist in your parish.

Examples to consider:

- Being the primary person responsible for an extensive physical plant or particularly old or historically significant facilities that requires a significant amount of time and expertise in contracting, overseeing workers, negotiating, managing workflows, etc.
- Overseeing a school or day care or any other auxiliary operation as manager (not just having a school present in your buildings or where the priest sits on the board)
- Supervising a large staff, especially those not directly working on pastoral or liturgical issues—which requires a significant amount of managerial skill, time and effort
- Organizing and/or running a major fundraising effort (e.g., over $25,000, complex, requiring recruiting and managing multiple volunteers, etc.) or a major capital campaign
- Taking on a diocesan designated church re-start
- Working without benefit of any clerical or administrative support requiring hours of work beyond the normal expected of a priest
- The congregation asks for the priest to be highly involved in community, civic or charitable events and activities beyond typical outreach activities
- The congregation asks the priest to start new, weekly liturgies that expand the reach of the parish into the community and draw people who do not attend regular weekend services

Some of these may result in an adjustment to the compensation (if they are ongoing). Additionally, rewarding clergy for achieving pre-determined goals established by the parish or for exceptional service in unexpected or unusually difficult circumstance can be done through bonuses or even through non-monetary rewards. These are methods that make it

possible to express support and appreciation to our clergy with low-impact or no-impact on your annual budget. Some clergy may prefer more time off, for example. Others may prefer having you hire staff to take over some portion of administrative type work freeing up the priest to do more ministry.

Lowering Compensation

Of course, the other side to compensation also exists. There may be times when your church is at a level that you feel is inappropriate or declines in attendance or budget may move you to a lower level than you were before. Your first action should **not** be to lower your priest's compensation!

Honest conversation with your priest is the most important first thing to do. Clergy generally know when there is an issue so a quiet, respectful conversation between the wardens and priest is your starting point. Talk about the issue and ask the priest to help you decide what to do. In some cases, the priest may suggest a reduction in salary or change in benefits. In other cases, the priest may suggest other ways to address the situation – including actions by the priest and/or congregation. Other clergy will acknowledge that the situation has changed and that it is time for them to begin the search for a new position.

If you agree to lower a priest's compensation, make sure your priest truly agrees and is affirmed in other ways. If you agree to go below the minimums (starting minimum plus the 2 ½% annual increase), you must obtain the Bishop's permission, so you need to work out an agreement that is comfortable to your priest before you approach the Bishop. Here are some things to consider on this side:

- Your attendance/membership is small, but your budget is high because you have a large endowment that enables you to maintain a large building and staff. Your priest basically is just serving as the next level down sized congregation in a large building and doesn't have major responsibilities that would justify that level of compensation
- Your congregation simply cannot afford to pay the compensation package you are now paying – or you can see that time coming in the next 2-3 years (start that conversation now)
- You started out at the top of the band that you are in, but attendance/membership and your budget has been steadily declining for at least five years and your priest has done little or nothing to address that

Part-time Clergy

Compensation for part-time clergy is pro-rated on a percentage basis but often has more flexibility, depending on the needs of the church and priest. The following serves as a guideline to begin conversations.

- 10 hours a week is considered quarter time (divide full-time compensation by four). It usually includes Sunday services with coffee hour, basic pastoral care and a

Vestry/Bishop's Committee meeting. Other meetings or tasks are negotiable but mostly are carried out by laity who share information with the priest.

- 12-14 hours a week is considered one-third time (divide full-time compensation by three). It is for congregations that have more pastoral care needs and may include an additional meeting or two each month where a priest's leadership is desired.
- 20 hours a week is considered half-time and
- 30 hours a week is considered three-quarter's time.

Vacation and continuing education days are four weeks/five Sundays for vacation and two weeks/two Sundays for education. The reimbursement amount is proportional. So, for example, a half-time priest would get half the amount of a full-time priest reimbursement.

Health insurance is the item most likely to require negotiations. For clergy who need insurance, it is often advantageous for the church to pay less salary and pay the full amount of health insurance as that is a tax-deductible benefit. Begin by prorating the insurance (halftime = half the cost of insurance). Then deduct the priest's "share" from the cash salary and have the church pay the full insurance amount. Most churches with part-time clergy do not require priests to pay the 17% share of the premiums that full-time clergy pay as the priest is already carrying a significant amount of their health insurance costs.

If a priest's spouse is over 65, the spouse can go onto a Medicare supplement plan which is less expensive than buying a family plan. So, for example, with a half-time priest, the church and priest would share the combined costs of a single plan (priest) and the Medicare supplement plan (spouse).

Honorariums for weddings and funerals are paid to a part-time priest (vs. full time clergy when they are given to the Discretionary Fund). If there are frequent weddings and/or funerals that do provide any or inadequate compensation, it is appropriate for the church to provide additional compensation for each one as both of these pastoral events entail a significant number of hours of work by the priest.

Supply Clergy Rates

$170 for one service; $50 for each additional service for weekend services
$50 for a weekday service or nursing home/institution service without formal sermon
$30 hourly compensation for pastoral calls or other tasks
All plus IRS business rate for travel