



ADOTS Rector Compensation Guidelines

Approved by Standing Committee October 6, 2018

Title II, Canon 4, Section 7 of the Diocesan Canons (pp. 40-41) states that the Vestry of each congregation shall adopt an annual budget which includes: "Support of the Rector and his family, including contributions to a retirement plan or pension" as well as "an adequate insurance program for the Rector" and "support of the Rector in all aspects of his ministry."

These guidelines are designed to illustrate what a comprehensive package as described in the canons for a parish Rector would look like. It is understood that not all congregations will be able to support everything listed here, but it is a goal to work toward, particularly as a congregation grows and its financial position improves.

1. Salary & Housing allowance

A good comparison figure for a Rector's salary and housing allowance is the local elementary school principal's remuneration (or high school vice principal). This takes into account the responsibility of the position as well as the cost of living in the local community.

Another source for salary comparisons is the *Compensation Handbook for Church Staff* by Richard R. Hammar which is updated annually. For the legal implications and necessities of establishing a clergy housing allowance in writing each year, see the latest edition of *Church and Clergy Tax Guide*, also by Richard R. Hammar. There are other sources as well.

The Vestry should understand that their Rector is in a different tax category from most parishioners since they file as self-employed for social security purposes and thus pay double what is customary for most people. This should be part of the consideration when establishing salary and housing.

The Rector's level of experience, education and the responsibility of the position should be taken into account when setting an appropriate level of salary and housing.

If a parsonage is provided, the fact that the Rector will not be accruing equity in a home during their tenure should be taken into consideration.

A mandatory annual cost-of-living adjustment should be built into the hiring agreement. The annual Social Security COLA is a good standard.

If the Rector is required to relocate to accept a new position in the parish, the receiving congregation should provide for the cost of the move.

2. Insurance

All full-time Rectors on staff in our parishes should have comprehensive medical coverage for themselves and their family. This is available through the ACNA and elsewhere.

It is recommended that dental and vision coverage be included as well.

Additional consideration may also be given for life insurance and/or disability insurance.

3. Retirement Account

Congregations should contribute to a 401k or similar retirement plan on behalf of the full-time Rector. A reasonable standard is 10-15% of salary & housing (although a 5%/5% matching arrangement may be acceptable given the financial situation of the parish). The ACNA has a retirement plan which clergy may join (<http://anglicanchurch.net/>). Congregations may make other arrangements for a retirement plan as appropriate to their situation.

4. Holiday and Vacation Time

Rectors are in need of rest every bit as much as their parishioners. Eight to twelve designated Holidays should be provided. Comp days should be given in cases where holidays fall on dates where services are required to be held. A minimum list would include:

- New Year's Day
- Easter Monday
- Memorial Day
- The 4th of July
- Labor Day
- Thanksgiving Day & the day after
- The day after Christmas

Other holidays depending on local observance might include MLK day and President's day. Consideration for Rectors with school-aged children should be made for holidays observed by the local school district.

Four weeks of annual paid vacation is the standard for Diocesan clergy. Additional benefits may be offered including maternity/paternity leave, sick days or personal days. No less than one day off per week, and preferably two when possible, should be provided by the congregation.

5. Cell Phone and Computer

Congregations should provide a mobile phone for the full-time Rector. If it is more economical for the Rector to have a plan for their entire family, the congregation should make a contribution toward that plan equal to the cost of one standalone phone and its monthly service charge.

A desktop computer/laptop or tablet should be provided to the Rector as necessary to conduct work.

6. Auto Allowance

The Rector should be reimbursed for church-related travel at the amount set annually by the IRS for business-related travel. It is simplest to do this as a monthly "expense" for which a record should be kept and submitted to the treasurer of the congregation.

7. Expense Allowance

The congregation should provide expense allowances for required diocesan conferences such as the annual clergy retreat and diocesan synod. Other allowances for items such as books and entertainment will vary due to the responsibilities of the Rector as well as the congregation's ability to fund.

8. Continuing Education and Sabbatical

One to two weeks of continuing education time as well as some consideration for assisting with associated expenses should be considered for the Rector.

Each congregation should provide for a sabbatical in employment agreements for the full-time Rector. Sabbatical time should accrue at 1½ weeks for each year served and be taken every 5-10 years at a time that is mutually convenient for both the Rector and the congregation. Rector turnover is far more expensive both financially and for the spiritual life and growth of the parish than an occasional period of rejuvenation for the parish priest.

9. Written Agreement

The Rector and Vestry should document compensation arrangements in the form of a "letter of agreement" that is mutually reviewed and updated as needed annually. The annual review could be held in conjunction with the annual adoption of the clergy housing allowance referenced in Section 1 above.