

RESOLUTION NO. 1

41th Annual Meeting of the Convention
of the Diocese of Hawai'i
October 23, 2009

TITLE: 2010 Minimum Clergy Compensation & Benefits Policy of the Episcopal Diocese of Hawai'i

SPONSOR: Diocesan Clergy Compensation Review Committee

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BE IT RESOLVED, that the 2010 Minimum Clergy Compensation and Benefits Policy of the Episcopal Diocese of Hawai'i be adopted.

RATIONALE/ EXPLANATION

The 2010 Clergy Compensation Schedule salary ranges and automobile allowance are unchanged from the 2009 schedule.

Information provided by the Church Pension Group and the 2009 Hawaii Compensation Report confirmed that Hawaii remained in first place in the National Episcopal Clergy median compensation ranking. The Committee supports maintaining the median compensation within the top 10% of the ranking in recognition of Hawaii's cost of living being one of the highest in the nation. Please be mindful that this is a recommended minimum compensation. Nothing precludes a congregation from paying its clergy an amount greater than the minimum. In fact 50% of our congregations are currently paying their clergy over their respective minimum compensation.

The Committee recommends leaving the minimum automobile allowance at \$8,190. The American Automobile Association (AAA) has indicated that the minimum may be reduced. Vestries/Bishop's Committees and Rectors/Vicars shall mutually determine whether a flat automobile allowance or a mileage system be implemented at their respective Congregation.

Regarding Mutual Ministry Review: Compensation provides a means by which Congregations enable Priests to exercise and express a professional vocation entrusted by God and affirmed by the Church. Inherent to the sacred trust shared by Priest and Congregation is the mutuality and accountability of communion. The following schedule and terms articulate the shape and expression of this mutuality and communion by providing the minimum expectations of compensation and professional support, according to various conditions necessary for life and ministry in the Diocese of Hawai'i. These minimum expectations articulate the base by which we support and affirm the ministry and leadership of our Priests. As an important part of our mutuality of ministry and life in communion, compensation must be considered and developed with clear expectations of ministry and presence. In order to achieve this, all Priests providing ministry and leadership beyond supply ministry will have a mutually agreed upon: Letter of Agreement; Position Description (to include a statement of ministry and professional goals); and biennial Mutual Ministry Review. This Mutual Ministry Review should discern and provide for the continued mutual life, ministry and vitality shared by Priest and Congregation.

Materials, resources, and guidance for Letters of Agreement, Position Descriptions, and Mutual Ministry Reviews are available from the Office of the Bishop.

An agreement among the Clergy, Wardens and Vestry/Bishop's Committee to a biennial discussion and mutual review of the total ministry of the Parish/Mission allows for the following:

- The opportunity to assess how well they are fulfilling their responsibilities to each other and to the ministry they share,
- The establishment of goals for the work of the Parish/Mission for the coming year(s),
- The identification of areas of conflict or disappointment that may be adversely affecting mutual ministry which may then be addressed appropriately, and
- The clarification of expectations of all parties to help reduce possible future conflicts and if any occur, make them more manageable.

A mutually agreed-upon third-party may be engaged to facilitate this process.

(The Clergy Compensation Review Committee suggests that this resolution with the attached schedule be presented and discussed with the Diocesan community around the State in pre-Annual Meeting gatherings with Clergy, Lay Delegates, Wardens and Treasurers as scheduled by the Diocesan Council)

2010 MINIMUM CLERGY COMPENSATION AND BENEFITS POLICY
The Episcopal Diocese of Hawai'i

	Compensation	<u>5 thru 9</u>	<u>10 thru 19</u>	<u>20 thru 29</u>	
Category	0 thru 4 years	Years	Years	Years	30+Years
	Minimum	Minimum	Minimum	Minimum	Minimum
A	86,556	97,356	108,168	116,808	129,780
B	78,732	88,500	98,328	106,140	117,924
C	71,568	80,484	89,424	96,552	107,268
D	65,016	73,260	81,396	87,996	97,764
E	60,240	67,032	74,472	79,824	88,692

This table does not include self employment tax.
 Compensation includes salary and housing

I. Full Salaried Positions

- a. The compensation categories and ranges are intended to be used as a framework within which the Vestry/Bishop's Committee and the clergy negotiate a mutually acceptable compensation. The compensation ranges are based on "years of service" to provide a guide for compensation increases as years of service increase. This compensation schedule sets the minimum for churches in the Diocese of Hawaii. "Years of service" means the number of years of status as a clergy person in good standing in The Episcopal Church in the USA. In Parishes, compensation is negotiated between the clergy person and the vestry. For Missions, compensation is negotiated between clergy and the Bishop's Committee with the approval of the Bishop. Credit for prior years of service as an ordained person in-good-standing in another denomination is negotiated between the clergy and the Vestry/Bishop's Committee with the approval of the Bishop. With respect to clergy newly called or appointed to a congregation, the Vestry/Bishop's Committee is required to notify the Treasurer of the Diocese as to the number of years of service at which they enter the Compensation Schedule approved by Diocesan Convention. In order to maintain accurate records, a schedule will be attached to the Parochial Report reporting the clergy compensation and the number of years of service as it increases each year.
- b. Clergy must be paid at least the minimum of the applicable category with salary reviews at least annually. Congregations and clergy should schedule and hold a biennial Mutual Ministry Review, complete with clear goals and objectives, mutual accountabilities and shared expectations by both the laity and the clergy.

- c. These categories are minimums and should be used as a starting point for salary negotiations. Vestries/Bishop's Committees shall seriously consider appropriate compensation.
- d. For ease of administration, all compensation figures will be rounded up into amounts divisible by 12.
- e. Each Vestry/Bishop's Committee, working in consultation with their clergy, shall approve a resolution determining the housing allowances for the following year. This Internal Revenue Service (IRS) requirement shall be completed by December 31st of the year preceding the commencement of the allowance.
- f. For clergy who are paid a cash housing allowance, the amount of the housing allowance shall be determined by negotiation between clergy and Vestry/Bishop's Committee.
- g. The 2010 Housing Allowance Guideline is \$19,080 and is included in the compensation amounts stated above. Any congregation that furnishes housing for a Fair Market Value that is less than the \$19,080 is encouraged to pay the difference in cash to the clergy. The value of housing that is decided shall be added to the cash salary in order to compute the total compensation for Church Pension Fund purposes.
- h. Congregations with assisting clergy are encouraged to classify the assistant's position into a category appropriate to the scope of the position.

II. Part Salaried Positions

- a. Part salaried clergy in charge of congregations will be paid according to the applicable range above, times the % as agreed for the position.

III. Full Salaried Clergy Benefits

- a. An automobile allowance of \$8,190 will be provided, unless the clergy and Vestry/Bishop's Committee mutually determine by December 31 of the year preceding the commencement of the allowance that a mileage plan (using the current IRS cents per mile) will be provided for the year instead. Clergy are encouraged to consider use of pre-tax dollars by setting up a reimbursable expense account plan or have the congregation provide an automobile.
- b. The congregation will pay the mandatory Church Pension Fund Assessment on salary, housing, social security reimbursement and on utilities (if applicable).
- c. \$100,000 Group Life Insurance as provided by the Church Pension Fund at no cost to the congregation.
- d. The congregation must provide the Diocesan Health Maintenance Organization (HMO) Plan for clergy. For exceptions, please apply to the Office of the Treasurer. Clergy will receive full family medical coverage according to the terms of the Diocesan HMO Plan, paid for by the congregation. (Clergy hired prior to 1/1/95 may continue with the Preferred Provider Plan.). Please budget an annual increase of 7% in medical cost for 2011 and 2012.

- e. The congregation will pay the cost of Worker's Compensation coverage.
- f. The Temporary Disability Insurance Plan for clergy is provided by the Church Pension Fund at no cost to the congregation.
- g. The congregation will pay the clergy social security costs at 7.65% of salary and housing.
- h. Full Salaried clergy are entitled to one month (30 calendar days) of annual vacation with full stipend and allowances. This vacation time cannot be more than 45 calendar days in any one year, except by the agreement of the Vestry/Bishop's Committee and with the consent of the Bishop in Aided Parishes and Missions. (In other words, no more than 15 days can be carried over to the following year.) Congregations should encourage clergy to take vacation.

IV. Part Salaried Clergy Benefits

- a. Part salaried clergy will receive the federal guideline reimbursement of business automobile mileage instead of the stipulated allowance.
- b. The congregation will pay the mandatory Church Pension Fund assessment of salary, housing, social security reimbursement and on housing utilities (if applicable).
- c. If qualified, part salaried clergy will receive the designated Group Life Insurance benefit as provided by the Church Pension Fund.
- d. The congregation must provide the Diocesan HMO plan for part salaried clergy who are 50% or more salaried. Part salaried clergy who are less than 50% salaried will receive the dollar value of the percentage of the value of a full coverage HMO plan. (Prior to the adoption of this policy, all part salaried clergy who are currently serving in a congregation, will be grandfathered into the type of medical coverage they now enjoy.)
- e. The congregation will pay the cost of Worker's Compensation coverage.
- f. The Temporary Disability Insurance Plan for part salaried clergy is provided by the Church Pension Fund.
- g. The congregation will pay the clergy social security costs at 7.65% of salary and housing.
- h. Part salaried clergy are entitled to one month (30 calendar days) of annual vacation with agreed stipend and allowances. This vacation time cannot be more than 45 calendar days in any one year except by the agreement of the Vestry/Bishop's Committee and with the consent of the Bishop in Aided Parishes and Missions. (In other words, no more than 15 days can be carried over to the following year.) Congregations should encourage clergy to take vacation.

V. Other

- a. Moving Expenses: Clergy will receive an allowance for moving expenses from the US Mainland, typically in the range of \$12,000 to \$20,000 depending on location.

- b. Sabbatical: Clergy are eligible for sabbatical leave at the ratio of one month per year of service in the congregation, to be available after the third year, and cumulative through the fourth year. The maximum amount of leave is limited to 4 months. The Vestry/Bishop's Committee shall annually budget funds to accumulate to provide pastoral and sacramental supply during the clergy person's sabbatical leave. Sabbatical leaves are provided for the benefit of both the congregation and clergy. Thus, before a sabbatical leave is granted, clergy must agree to serve the congregation for at least one year upon returning from the sabbatical. In addition, the request for sabbatical must be accompanied by a full and detailed description of the activities to be undertaken during the leave and, if granted, clergy shall submit to the Bishop and the Vestry/Bishop's Committee at the end of the leave, a report on the accomplishments of the leave. Accrued but not taken sabbatical leave can be carried over to following years in the same parish/mission. Accrued but not taken sabbatical leave is not paid out at retirement.
- c. Continuing Education: Clergy are required by Canon and Diocesan policy to continue their education. The congregation should provide funds in its annual budget for this continuing education. The minimum recommended amount is \$900/year. This amount should accumulate if unused and may carry over to the next year. This fund should also be available for sabbatical expenses.

VI. Supply Clergy Compensation

- a. The minimum compensation for supply clergy shall be as follows:

One Service: \$152.00
Two Services: \$205.00
Each additional Service: \$100.00

Clergy will be reimbursed for travel (mileage or airfare) and housing (if applicable).

CONGREGATIONAL COMPENSATION CATEGORIES

CATEGORY E	10 TO 115
CATEGORY D	116 TO 179
CATEGORY C	180 TO 240
CATEGORY B	241 TO 392
CATEGORY A	393 AND ABOVE

**2010 CONGREGATIONAL COMPENSATION CATEGORY
COMPUTATION WORKSHEET BASED ON
2008 PAROCHIAL REPORT DATA**

I. Number of Pledging Units

Number of Pledging Units _____

Multiplied by .40 = _____

II. Average Attendance

Average Sunday Attendance _____

Multiplied by .30 = _____

III. Annual Operating Income

Annual Operating Income in \$1,000 _____

Multiplied by .30 = _____

TOTAL OF WEIGHTED FIGURES _____

Anyone who may have questions on how to utilize these worksheets and compensation categories, ranges and tables may contact the Diocesan Clergy Compensation Review Committee Chair, and/or Mr. Peter Pereira, Diocesan Treasurer.

ADDENDUM TO MINIMUM CLERGY COMPENSATION SCHEDULE

Examples:

1. Clergy with 5 years service is called to serve in a Category E Parish/Mission. Minimum compensation should be \$67,032. As a minimum this should be used as a starting point in the negotiation. Vestries/Bishop's Committees should seriously consider appropriate compensation.
2. Clergy with 20 years of service is called to serve in a Category C Parish. Minimum compensation should be \$96,552. As a minimum this should be used as a starting point in the negotiation. Vestries/Bishop's Committees should seriously consider appropriate compensation.
3. Clergy with 25 years of service is called to serve as a part salary vicar in a Category E Mission. The position is for 50% of salary. Minimum compensation should be \$39,912 (\$79,824 divided by 2 = \$39,912). As a minimum this should be used as a starting point in the negotiation. Vestries/Bishop's Committees should seriously consider appropriate compensation.
4. Clergy with 2 years of service is called to serve in a Category D church. Minimum compensation should be \$65,016. However, due to the parameters of the search and the scarcity of applicants, the congregation agreed to pay the clergy \$85,000.

**2010 COMPENSATION BASED ON 2008 PAROCHIAL DATA
ALPHABETICAL**

CHURCH	No. of Pledging Units	Average Attend.	Assessm't Operating Income	Weighted Totals	Category	0 thru 4 years	5 thru 9 years	10 thru 19 years	20 thru 29 years	30 + years
ALL SAINTS	47	98	175,984	101	E	60,240	67,032	74,472	79,824	88,692
CALVARY	66	104	320,947	154	D	65,016	73,260	81,396	87,996	97,764
CHRIST CHURCH	40	73	223,040	105	E	60,240	67,032	74,472	79,824	88,692
CHRIST MEMORIAL	11	37	125,106	53	E	60,240	67,032	74,472	79,824	88,692
EMMANUEL	43	61	186,534	91	E	60,240	67,032	74,472	79,824	88,692
EPIPHANY	82	147	296,938	166	D	65,016	73,260	81,396	87,996	97,764
GOOD SAMARITAN	45	47	131,673	72	E	60,240	67,032	74,472	79,824	88,692
GOOD SHEPHERD	108	154	342,913	192	C	71,568	80,484	89,424	96,552	107,268
GRACE	47	79	84,856	68	E	60,240	67,032	74,472	79,824	88,692
HOLY APOSTLES'	58	106	271,835	137	D	65,016	73,260	81,396	87,996	97,764
HOLY INNOCENTS'	44	80	152,271	87	E	60,240	67,032	74,472	79,824	88,692
HOLY NATIVITY	102	135	400,259	201	C	71,568	80,484	89,424	96,552	107,268
ST. ANDREW'S	176	232	1,439,787	572	A	86,556	97,356	108,168	116,808	129,780
ST. AUGUSTINE'S	76	79	129,348	93	E	60,240	67,032	74,472	79,824	88,692
ST. CHRISTOPHER'S	104	117	332,859	177	D	71,568	80,484	89,424	96,552	107,268
ST. CLEMENT'S	128	162	555,783	267	B	78,732	88,500	98,328	106,140	117,924
ST. ELIZABETH'S	73	138	368,265	181	C	65,016	73,260	81,396	87,996	97,764
ST. GEORGE'S	15	50	27,340	29	E	60,240	67,032	74,472	79,824	88,692
ST. JAMES'	68	92	227,485	123	D	65,016	73,260	81,396	87,996	97,764
ST. JOHN'S, KULA	92	122	240,355	146	D	65,016	73,260	81,396	87,996	97,764
ST. JOHN'S BY/SEA	51	72	102,964	73	E	60,240	67,032	74,472	79,824	88,692
ST. JUDE'S	7	21	34,831	20	E	60,240	67,032	74,472	79,824	88,692
ST. LUKE'S	15	27	128,716	53	E	60,240	67,032	74,472	79,824	88,692
ST. MARK'S	55	74	271,025	126	D	65,016	73,260	81,396	87,996	97,764
ST. MARY'S	20	59	219,709	92	E	60,240	67,032	74,472	79,824	88,692
ST. MATTHEW'S	30	34	43,953	35	E	60,240	67,032	74,472	79,824	88,692
ST. MICHAEL'S	75	156	323,391	174	D	65,016	73,260	81,396	87,996	97,764
ST. NICHOLAS	38	95	199,335	104	E	60,240	67,032	74,472	79,824	88,692
ST. PAUL'S, OAHU	156	238	151,153	179	D	65,016	73,260	81,396	87,996	97,764
ST. PETER'S	58	122	432,546	190	C	71,568	80,484	89,424	96,552	107,268
ST. PHILIP'S	9	26	34,232	22	E	60,240	67,032	74,472	79,824	88,692
ST. STEPHEN'S	24	45	85,621	49	E	60,240	67,032	74,472	79,824	88,692
ST. THOMAS	5	7	25,941	12	E	60,240	67,032	74,472	79,824	88,692
ST. TIMOTHY'S	96	148	246,251	157	D	65,016	73,260	81,396	87,996	97,764
TRINITY BY/SEA	56	65	206,535	104	E	60,240	67,032	74,472	79,824	88,692
WEST KAUAI	24	59	86,074	53	E	60,240	67,032	74,472	79,824	88,692