

48th Annual Meeting of the Convention
of the Diocese of Hawai'i
October 29, 2016

TITLE: 2017 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 2017 Minimum Clergy Compensation and Benefits Policy of the Episcopal Diocese of Hawai'i be adopted.

RATIONALE/ EXPLANATION

When a church calls a Priest, it enters into a shared mutual ministry, a stewardship, of caring for each other. Part of that stewardship provides that the church has a responsibility, a covenant, to provide for the financial support of its clergy and their family. The Diocese of Hawai'i establishes minimum guidelines to assist churches in determining fair compensation for clergy that will allow a reasonable, moderate standard of living and, that will attract, retain, and support them in their role and growth as faithful ministers of the Gospel, and in the pastoral care of the church.

The Committee is committed to this stewardship and covenant relationship and, as such, the 2017 Minimum Clergy Compensation Schedule includes a 1.0% increase to all compensation categories.

The consumer price index increase for Hawai'i was .5%. Recognizing that Hawai'i's cost of living is one of the highest in the nation, the Committee supports maintaining a competitive compensation level to attract and retain talented, dynamic, entrepreneurial and vibrant clergy. Congregations are strongly encouraged to talk honestly with their clergy about ministerial performance and take that into consideration in their compensation. It is strongly recommended that annual salary negotiations at the church level be carried out with prayerful candor, clarity and, most importantly, in Christian love.

The automobile allowance for 2017 is reduced from \$8,800 to \$8,604 due to the decrease in gasoline costs.

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)

2017 MINIMUM CLERGY COMPENSATION AND BENEFITS POLICY
The Episcopal Diocese of Hawai'i

| | Compensation | | | |
|-----------------|-----------------------|-----------------------|-------------------------|------------------|
| | 0 thru 4 years | 5 thru 9 Years | 10 thru 19 Years | 20+ Years |
| Category | Minimum | Minimum | Minimum | Minimum |
| 1 | 89,136 | 100,200 | 111,324 | 120,168 |
| 2 | 81,024 | 91,116 | 101,232 | 109,296 |
| 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| 4 | 68,220 | 75,900 | 84,324 | 90,384 |

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

I. Full-Time 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 2017 Housing Allowance Guideline is \$21,622 and is included in the compensation amounts stated above. Any congregation that furnishes housing for a Fair Market Value that is less than the \$21,622 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-Time Positions

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

iii. Full-Time Employee Benefits

- a.** An automobile allowance of \$8,604 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 for clergy on salary, housing, social security reimbursement and on utilities (if applicable).
- c.** \$100,000 Group Life Insurance is provided by the Church Pension Fund to clergy at no cost to the congregation.
- d.** Sections III.e-III.h below apply to full-time employees (both clergy and lay employees) who work at least 40 hours per week.
- e.** The congregation generally offers full-time employees the Diocesan Health Maintenance Organization (HMO) Plan. (For exceptions, please apply to the Office of the Treasurer.) Under the plan, the congregation pays for full family medical coverage.
- f.** Spousal health insurance coverage: If the spouse or civil union partner of a clerical or lay employee is employed and insurance is provided (offered and paid for) by the spouse's or civil union partner's employer, the spouse or civil union partner will not be covered at the church's or diocese's expense. If the employed spouse or civil union partner declines coverage from his/her

employer and chooses to be on the church's or diocese's plan, the employee is responsible for the spouse's or civil union partner's premium.

- g.** Dependent health insurance coverage: Dependents of eligible full-time employees are eligible for coverage under the diocese's health plan up to the age of 26, regardless of the child's financial dependency, residency with the employee, student status, or employment. However, the diocese does not offer dual coverage. Therefore, if a dependent is covered under another health plan the diocese will not pay the premium for that dependent. The full premium will need to be paid for by the employee for any dependent with dual coverage.
- h.** The congregation will pay the cost of Worker's Compensation coverage.
- i.** The Temporary Disability Insurance Plan for clergy is provided by the Church Pension Fund at no cost to the congregation.
- j.** The congregation will pay the clergy social security costs at 7.65% of salary and housing.
- k.** Full Time 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.
- l.** Members of the clergy who have been employed by the church for at least one full year are entitled to leave for the birth or adoption of a child for a minimum of eight weeks with full compensation. Up to an additional 4 weeks may be taken without pay, or using vacation or sick time. If both spouses are employed by the Diocese, they are limited to a combined total of 12 workweeks of paid Parental Leave. Leave must be taken within 12 months of the birth or adoption.

Clergy giving birth shall submit a claim for short term disability through the Church Pension Group, which will reimburse the employer for 70% of the cleric's total compensation figure (up to \$1,000/week) for up to 12 weeks. Adoptive parents will receive the same time off with pay as a birth parents but will not be entitled to file a disability claim.

IV. Part-Time Employee Benefits

- a.** Part time 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.** Part-time employees (both clergy and lay employees) who work at least 20 hours per week for four consecutive weeks are eligible for coverage on the Diocesan HMO plan at no cost to the employee.

- d. Spousal coverage: Spouses or civil union partners of part-time employees are not eligible for coverage.
 - e. Dependent coverage:
 - i. Dependents of part-time employees who work at least 30 hours per week are eligible for coverage under the diocese's health plan up to age 26, regardless of the child's financial dependence, residency with the employee, student status, or employment. The employee is responsible for the full premium for his/her dependent's coverage
 - ii. Dependents of part-time employees who work less than 30 hours per week are not eligible for coverage under the diocese's health plan.
 - f. The congregation will pay the cost of Worker's Compensation coverage.
 - g. The Temporary Disability Insurance Plan for part time clergy is provided by the Church Pension Fund.
 - h. The congregation will pay the clergy social security costs at 7.65% of salary and housing.
 - i. Part time 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

\$980/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 Saturday evening/Sunday supply clergy shall be as follows:

One Service: \$174

Two Services: \$233

Each additional Service: \$115

Clergy will be reimbursed for travel (mileage, airfare, etc.), overnight parking and housing (if necessary).

CONGREGATIONAL COMPENSATION CATEGORIES

| | |
|-------------------|----------------------|
| CATEGORY 4 | 1 TO 90 |
| CATEGORY 3 | 91 TO 140 |
| CATEGORY 2 | 141 TO 230 |
| CATEGORY 1 | 231 and above |

**2017 CONGREGATIONAL COMPENSATION CATEGORY
COMPUTATION WORKSHEET BASED ON
2015 PAROCHIAL REPORT DATA**

Number of Pledging Units

Number of Pledging Units _____

Multiplied by .40 = _____

Average Sunday Attendance

Average Sunday Attendance _____

Multiplied by .30 = _____

Plate and Pledge Income

Plate and Pledge Income in \$1,000 _____

Multiplied by .30 = _____

BARC (Adult Baptisms age 16+, plus confirmations and receptions)

Plus BARC= _____

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 4 Parish/Mission. Minimum compensation should be \$75,900. 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 2 Parish. Minimum compensation should be \$109,296. 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 4 Mission. The position is for 50% of salary. Minimum compensation should be \$45,192 (\$90,384 divided by 2 = \$45,192). 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 3 church. Minimum compensation should be \$73,620. However, due to the parameters of the search and the scarcity of applicants, the congregation agreed to pay the clergy \$85,000.

2017 COMPENSATION BASED ON 2015 PAROCHIAL REPORT DATA

ALPHABETICAL

| <i>CHURCH</i> | <i>No. of Pledging Units</i> | <i>Average Sun Attend</i> | <i>Plate+Pledge Income</i> | <i>BARC</i> | <i>Weighted Totals</i> | <i>Categories</i> | <i>0 thru 4 years</i> | <i>5 thru 9 years</i> | <i>10 thru 19 years</i> | <i>20 + years</i> |
|----------------------|------------------------------|---------------------------|----------------------------|-------------|------------------------|-------------------|-----------------------|-----------------------|-------------------------|-------------------|
| ALL SAINTS | 72 | 122 | 226,541 | 1 | 134 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| CALVARY | 29 | 49 | 104,282 | 1 | 59 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| CHRIST CHURCH | 64 | 67 | 159,175 | 0 | 93 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| CHRIST MEMORIAL | 17 | 41 | 46,561 | 5 | 38 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| EMMANUEL | 40 | 59 | 136,305 | 0 | 75 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| EPIPHANY | 90 | 93 | 201,121 | 3 | 127 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| GOOD SAMARITAN | 24 | 24 | 43,000 | 0 | 30 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| GOOD SHEPHERD | 96 | 130 | 129,735 | 1 | 117 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| GRACE | 12 | 33 | 32,793 | 0 | 25 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| HOLY APOSTLES' | 47 | 92 | 231,323 | 0 | 116 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| HOLY INNOCENTS' | 32 | 79 | 132,677 | 6 | 82 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| HOLY NATIVITY | 40 | 104 | 232,702 | 1 | 118 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| ST. ANDREW'S | 139 | 218 | 338,681 | 14 | 237 | 1 | 89,136 | 100,200 | 111,324 | 120,168 |
| ST. AUGUSTINE'S | 29 | 72 | 74,334 | 3 | 59 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. CHRISTOPHER'S | 83 | 106 | 226,652 | 2 | 135 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| ST. CLEMENT'S | 97 | 121 | 277,480 | 4 | 162 | 2 | 81,024 | 91,116 | 101,232 | 109,296 |
| ST. ELIZABETH'S | 65 | 217 | 180,106 | 28 | 173 | 2 | 81,024 | 91,116 | 101,232 | 109,296 |
| ST. JAMES' | 108 | 158 | 307,478 | 6 | 189 | 2 | 81,024 | 91,116 | 101,232 | 109,296 |
| ST. JOHN'S, KULA | 85 | 95 | 191,460 | 0 | 120 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| ST. JOHN'S, BY/SEA | 27 | 31 | 50,055 | 2 | 37 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. JOHN THE BAPTIST | 9 | 60 | 19,208 | 29 | 56 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. JUDE'S | 21 | 42 | 50,894 | 4 | 40 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. LUKE'S | 16 | 24 | 22,386 | 0 | 20 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. MARK'S | 57 | 104 | 211,352 | 4 | 121 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| ST. MARY'S | 56 | 73 | 102,141 | 3 | 78 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. MATTHEW'S | 25 | 25 | 35,567 | 0 | 28 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. MICHAEL'S | 84 | 139 | 277,438 | 3 | 162 | 2 | 81,024 | 91,116 | 101,232 | 109,296 |
| ST. NICHOLAS | 25 | 73 | 113,693 | 3 | 69 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. PAUL'S, OAHU | 120 | 226 | 197,641 | 10 | 185 | 2 | 81,024 | 91,116 | 101,232 | 109,296 |
| ST. PETER'S | 61 | 103 | 221,630 | 1 | 123 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| ST. STEPHEN'S | 14 | 33 | 58,472 | 0 | 33 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| ST. TIMOTHY'S | 51 | 78 | 176,521 | 1 | 98 | 3 | 73,620 | 82,944 | 92,148 | 99,600 |
| TRINITY BY/SEA | 49 | 63 | 117,665 | 0 | 74 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |
| WEST KAUAI | 34 | 42 | 86,923 | 0 | 52 | 4 | 68,220 | 75,900 | 84,324 | 90,384 |