

49th Annual Meeting of the Convention
of the Diocese of Hawai'i
October 21, 2017

TITLE: 2018 Minimum Clergy Compensation and Benefits Policy of the Episcopal Diocese of Hawai'i

SPONSOR: Diocesan Clergy Compensation Review Committee

CONTACT NAME: The Rev. Cn. Kate Cullinane, Chair

ADDRESS: 229 Queen Emma Square, Honolulu, Hawai'i 96813

PHONE: 808-425-0675

EMAIL: katecullinane@sbcglobal.net

BE IT RESOLVED, that the 2018 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 2018 Minimum Clergy Compensation Schedule includes a 1.0% increase to all compensation categories.

The consumer price index increase for Hawai'i was 1.7%. 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 2018 is reduced from \$8,604 to \$8,558 due to the decrease in gasoline costs and based on the 2016 AAA annual assessment of vehicle costs (the latest data available). It is recommended and preferred that clergy auto expenses in a church budget be treated as reimbursable mileage and business expense as articulated by the Church Pension Group.

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.

2018 MINIMUM CLERGY COMPENSATION AND BENEFITS POLICY
The Episcopal Diocese of Hawai‘i

Compensation				
Category	0 thru 4 years Minimum	5 thru 9 Years Minimum	10 thru 19 Years Minimum	20+ Years Minimum
1	90,036	101,208	112,452	121,380
2	81,840	92,028	102,252	110,400
3	74,364	83,772	93,072	100,608
4	68,904	76,656	85,164	91,284

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

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 Hawai'i. "Years of service" means the number of years of status as a clergyperson in good standing in The Episcopal Church. In Parishes, compensation is negotiated between the clergyperson 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 31 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 2018 Housing Allowance Guideline is \$21,838 and is included in the compensation amounts stated above. Any congregation that furnishes housing for a Fair Market Value that is less than the \$21,838 is encouraged to pay the difference in cash salary 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. This number does not include utilities. If utilities are to be paid by the church, the amount should be deducted from the cash salary.
- h. Congregations with assisting clergy are encouraged to classify the assistant's position into a category appropriate to the scope of the position.
- i. Clergy must not be paid less than the previous year, unless there is a change to time/work hours.

II. Part-Time Positions

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

III. Full-Time Employee Benefits

- a. An automobile allowance of \$8,558 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 rate for 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 clergy 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 Insurance 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 four 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 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 dependent'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 Insurance 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 four months. The Vestry/Bishop's Committee shall annually budget funds to accumulate to provide pastoral and sacramental supply during the clergyperson'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 \$990/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: \$176
 - Two services: \$235
 - Each additional service: \$116
 Clergy will be reimbursed for travel (mileage, airfare, etc.), overnight parking and housing (if necessary).

CONGREGATIONAL COMPENSATION CATEGORIES

<u>CATEGORY</u>	<u>WEIGHTED FIGURES (SEE (E) BELOW)</u>
4	1 TO 90
3	91 TO 140
2	141 TO 230
1	231 and above

2018 CONGREGATIONAL COMPENSATION CATEGORY
COMPUTATION WORKSHEET BASED ON
2016 PAROCHIAL REPORT DATA

Number of Pledging Units

Number of Pledging Units _____

Multiplied by .40 = _____ **(A)**

Average Sunday Attendance

Average Sunday Attendance _____

Multiplied by .30 = _____ **(B)**

Plate and Pledge Income

Plate and Pledge Income in \$1,000 _____

Multiplied by .30 = _____ **(C)**

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

Plus BARC= _____ **(D)**

TOTAL OF WEIGHTED FIGURES _____ **(E)**
(A + B + C + D = E)

Anyone who has questions on how to use these worksheets and compensation categories, ranges and tables may contact the Diocesan Clergy Compensation Review Committee Chair, and/or The Rev. Cn. Sandy Graham, Canon for Congregational Life and Leadership.

2018 COMPENSATION BASED ON 2016 PAROCHIAL REPORT DATA

ALPHABETICAL

CHURCH	No. of Pledging Units	Avg Sunday Attend	Plate+Pledge Income	Weighted Totals BARC	Categories	0 thru 4 years	5 thru 9 years	10 thru 19 years	20+ years	
ALL SAINTS	72	120	246,580	1	140	3	74,364	83,772	93,072	100,608
CALVARY	24	46	96,286	0	52	4	68,904	76,656	85,164	91,284
CHRIST CHURCH	44	62	138,876	1	79	4	68,904	76,656	85,164	91,284
CHRIST MEMORIAL	19	46	56,760	0	38	4	68,904	76,656	85,164	91,284
EMMANUEL	46	56	151,471	0	81	4	68,904	76,656	85,164	91,284
EPIPHANY	81	86	190,848	4	119	3	74,364	83,772	93,072	100,608
GOOD SAMARITAN	23	21	26,241	0	23	4	68,904	76,656	85,164	91,284
GOOD SHEPHERD	95	147	157,987	6	135	3	74,364	83,772	93,072	100,608
GRACE	19	32	31,597	0	27	4	68,904	76,656	85,164	91,284
HOLY APOSTLES'	47	104	236,350	0	121	3	74,364	83,772	93,072	100,608
HOLY INNOCENTS'	45	42	138,353	0	72	4	68,904	76,656	85,164	91,284
HOLY NATIVITY	61	88	169,047	0	102	3	74,364	83,772	93,072	100,608
ST. ANDREW'S	118	244	376,667	2	235	1	90,036	101,208	112,452	121,380
ST. AUGUSTINE'S	30	70	105,376	2	67	4	68,904	76,656	85,164	91,284
ST. CHRISTOPHER'S	78	93	209,315	6	128	3	74,364	83,772	93,072	100,608
ST. CLEMENT'S	86	109	275,014	0	150	2	81,840	92,028	102,252	110,400
ST. ELIZABETH'S	85	220	175,858	2	155	2	81,840	92,028	102,252	110,400
ST. JAMES'	106	170	282,722	10	188	2	81,840	92,028	102,252	110,400
ST. JOHN THE BAPTIST	8	29	17,739	0	17	4	68,904	76,656	85,164	91,284
ST. JOHN'S, KULA	78	101	168,093	0	112	3	74,364	83,772	93,072	100,608
ST. JOHN'S BY/SEA	30	30	46,062	0	35	4	68,904	76,656	85,164	91,284
ST. JUDE'S	16	45	56,462	2	39	4	68,904	76,656	85,164	91,284
ST. LUKE'S	22	25	34,523	1	28	4	68,904	76,656	85,164	91,284
ST. MARK'S	58	108	321,157	0	152	2	81,840	92,028	102,252	110,400
ST. MARY'S	76	76	109,937	0	86	4	68,904	76,656	85,164	91,284
ST. MATTHEW'S	20	20	23,607	0	21	4	68,904	76,656	85,164	91,284
ST. MICHAEL'S	81	113	242,422	1	140	3	74,364	83,772	93,072	100,608
ST. NICHOLAS	16	33	82,898	0	41	4	68,904	76,656	85,164	91,284
ST. PAUL'S OAHU	121	225	240,150	16	204	2	81,840	92,028	102,252	110,400
ST. PETER'S	66	110	232,374	9	138	3	74,364	83,772	93,072	100,608
ST. STEPHEN'S	17	37	64,461	3	40	4	68,904	76,656	85,164	91,284
ST. TIMOTHY'S	44	109	204,107	3	115	3	74,364	83,772	93,072	100,608
TRINITY BY/SEA	38	53	109,963	0	64	4	68,904	76,656	85,164	91,284
WEST KAUAI	42	42	67,179	0	50	4	68,904	76,656	85,164	91,284

ADDENDUM TO MINIMUM CLERGY COMPENSATION SCHEDULE

Examples:

1. Clergy with 5 years of service is called to serve in a Category 4 church. Minimum compensation should be \$76,656. 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 \$110,400. 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 \$45,642 (\$91,284 divided by 2 = \$45,642). 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 \$74,364. However, due to the parameters of the search and the scarcity of applicants, the congregation agreed to pay the clergy \$85,000.