

**52nd Annual Meeting of the Convention
of the Episcopal Diocese of Hawai'i
October 24, 2020**

TITLE: 2021 Minimum Clergy Compensation and Benefits Policy of the Episcopal Diocese of Hawai'i

SPONSOR: Diocesan Clergy Compensation Review Committee

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BE IT RESOLVED, that the 2021 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 compensation minimums 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 increase in the federal consumer price index (CPI-W) for 2019 was 1.7%. The CPI-W increase in 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. The committee noted that compared with other dioceses the Diocese of Hawai'i pays the most before adjusting for cost of living and that the Diocese of Hawai'i ranks in the middle when clergy compensation is adjusted for cost of living. The committee also considered economic factors which put pressure on our congregations. Now in the midst of a global pandemic, the committee is aware of the hardship this has caused many of our congregations and congregants. Plate, pledge, rental, and other income is down for many churches, and any number of our members have lost their livelihoods. Given this unfortunate reality, the 2021 Minimum Clergy Compensation Schedule includes no increase to any compensation categories. The committee is further aware that current pandemic may effect future BARC numbers and therefore minimum clergy salaries. We expect to address this when the time comes to ensure fair and equitable compensation.

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 committee is not recommending an amount for an automobile allowance. The committee does recommend that mileage be reimbursed at the current IRS rate. The intention is not to eliminate the automobile allowance that some clergy have negotiated in their letters of agreement, rather the intention is that all new letters of agreement going forward use the mileage reimbursement method to cover automobile expenses instead of an auto allowance.

Throughout this document “workweek” refers to five (5) days for a full-time rector. For part-time clergy employees, refer to the cleric’s Letter of Agreement (for example, if a part-time cleric works 3 days each week, a “workweek” of vacation would also be 3 days).

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 Diocesan Support Center.

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.

2021 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	93,600	105,204	116,892	126,180
2	85,080	95,664	106,296	114,756
3	77,304	87,084	96,756	104,580
4	71,628	79,680	88,524	94,896

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

1) 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 Office of the Bishop as to the number of years of service at which they enter the Compensation Schedule approved by Diocesan Convention
- 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) For clergy who are paid a cash housing allowance, the amount of housing allowance shall be determined by the clergy and each Vestry/Bishop's Committee, working in consultation with their clergy, shall approve a resolution determining housing allowances. The housing allowance adjustment called for in the resolution is enacted only on money earned after the resolution is passed. Typically, this Internal Revenue Service (IRS) requirement shall be completed by December 31 for the following year.
- f) The value of Church-supplied housing shall be determined on a case-by-case basis at the congregational level.
- g) The minimum compensation for full-time assistants, associates or curates shall be the

amount reflected in the Minimum Clergy Compensation and Benefits Policy using years of service and a Category 4 congregation.

- h) Clergy must not be paid less than the previous year, unless there is a change to time/work hours.

2) 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.

3) FULL-TIME EMPLOYEE BENEFITS

- a) Automobile expenses will be reimbursed at the current IRS rate of cents per mile.
- b) The congregation will pay the mandatory Church Pension Fund Assessment for clergy per Church Pension Group (CPG) requirements or criteria.
- c) Group Life Insurance is provided by the Church Pension Fund to clergy at no cost to the congregation.
- d) Sections III.e-III.g 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 Diocesan Support Center). 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 for the dependent 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 of salary and housing.
- k) Full-time clergy are entitled to four (4) workweeks of annual vacation with full stipend and allowances. This vacation time cannot be more than six (6) workweeks in any one (1) 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 two (2) work weeks can be carried over to the following year). If the cleric works less than a full calendar year, the vacation will be prorated. Congregations should encourage clergy to take vacation.
- l) Members of the clergy who have been employed by the church for at least one (1) full year are entitled to leave for the birth or adoption of a child for a minimum of eight (8)

weeks with full compensation. Up to an additional four (4) workweeks may be taken without pay, or using vacation or sick time. If both clergy spouses are employed at the same employer within the Diocese, they are limited to a combined total of sixteen (16) workweeks of paid Parental Leave. Leave must be taken within twelve (12) months of the birth or adoption.

- m) 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 twelve (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.

4) PART-TIME EMPLOYEE BENEFITS

- a) Automobile expenses will be reimbursed at the current IRS rate of cents per mile.
- b) The congregation will pay the mandatory Church Pension Fund assessment per CPG requirements or criteria.
- 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 health insurance coverage: Spouses or civil union partners of part-time employees are not eligible for coverage.
- e) Dependent health insurance 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 of salary and housing.
- i) Part-time clergy are entitled to four (4) workweeks of annual vacation with agreed stipend and allowances. This vacation time cannot be more than six (6) workweeks 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 two (2) workweeks can be carried over to the following year). If the cleric works less than a full calendar year, the vacation will be prorated. Congregations should encourage clergy to take vacation.

5) 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 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 \$1,020/year. This amount should accumulate if unused and may carry over to the next year. This fund should also be available for sabbatical expenses.

6) SUPPLY CLERGY COMPENSATION

- a) The minimum compensation for Saturday evening/Sunday supply clergy shall be as follows:
 - i) One service: \$181
 - ii) Two services: \$241
 - iii) Each additional service: \$120
 - iv) 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

2019 CONGREGATIONAL COMPENSATION CATEGORY
COMPUTATION WORKSHEET BASED ON
2017 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 (A + B + C + D = E) _____ (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.

2021 COMPENSATION BASED ON 2019 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	50	97	204,487	0	110	3	77,304	87,084	96,756	104,580
CALVARY	17	31	82,917	1	42	4	71,628	79,680	88,524	94,896
CHRIST CHURCH	37	57	144,915	9	84	4	71,628	79,680	88,524	94,896
CHRIST MEMORIAL	23	58	64,425	0	46	4	71,628	79,680	88,524	94,896
EMMANUEL	34	46	126,870	0	65	4	71,628	79,680	88,524	94,896
EPIPHANY	51	67	157,046	1	89	4	71,628	79,680	88,524	94,896
GOOD SAMARITAN	26	20	37,199	0	28	4	71,628	79,680	88,524	94,896
GOOD SHEPHERD	76	107	154,672	2	111	3	77,304	87,084	96,756	104,580
GRACE	18	33	30,818	5	31	4	71,628	79,680	88,524	94,896
HOLY APOSTLES'	48	103	250,399	1	126	3	77,304	87,084	96,756	104,580
HOLY INNOCENTS'	37	53	123,270	1	69	4	71,628	79,680	88,524	94,896
HOLY NATIVITY	33	61	138,595	1	74	4	71,628	79,680	88,524	94,896
ST. ANDREW'S	113	216	385,550	8	234	1	93,600	105,204	116,892	126,180
ST. AUGUSTINE'S	21	79	94,337	0	60	4	71,628	79,680	88,524	94,896
ST. CHRISTOPHER'S	74	94	204,912	1	120	3	77,304	87,084	96,756	104,580
ST. CLEMENT'S	82	102	267,082	3	147	2	85,080	95,664	106,296	114,756
ST. ELIZABETH'S	74	187	147,840	0	130	3	77,304	87,084	96,756	104,580
ST. JAMES'	156	196	390,788	5	243	1	93,600	105,204	116,892	126,180
ST. JOHN THE BAPTIST	15	28	20,784	0	21	4	71,628	79,680	88,524	94,896
ST. JOHN'S, KULA	69	102	206,935	9	129	3	77,304	87,084	96,756	104,580
ST. JOHN'S BY/SEA	28	38	53,165	1	40	4	71,628	79,680	88,524	94,896
ST. JUDE'S	25	36	62,989	2	42	4	71,628	79,680	88,524	94,896
ST. LUKE'S	0	26	47,651	0	22	4	71,628	79,680	88,524	94,896
ST. MARK'S	64	117	252,790	0	137	3	77,304	87,084	96,756	104,580
ST. MARY'S	23	39	72,215	0	43	4	71,628	79,680	88,524	94,896
ST. MATTHEW'S	0	14	30,756	0	13	4	71,628	79,680	88,524	94,896
ST. MICHAEL'S	71	113	279,367	1	147	2	85,080	95,664	106,296	114,756
ST. PAUL'S OAHU	93	210	216,466	6	171	2	85,080	95,664	106,296	114,756
ST. PETER'S	71	117	299,786	1	154	2	85,080	95,664	106,296	114,756
ST. STEPHEN'S	14	33	57,502	0	33	4	71,628	79,680	88,524	94,896
ST. TIMOTHY'S	39	77	139,175	2	82	4	71,628	79,680	88,524	94,896
TRINITY BY/SEA	31	48	101,135	1	58	4	71,628	79,680	88,524	94,896
WEST KAUAI	29	41	66,681	0	44	4	71,628	79,680	88,524	94,896

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 \$79,680. 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 \$114,756. 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 \$47,448 (\$94,896 divided by 2 = \$47,448). 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 \$77,304. However, due to the parameters of the search and the scarcity of applicants, the congregation agreed to pay the clergy \$85,000.

Some Definitions:

Years of service is defined as the number of years since ordination to the diaconate or the number of years since the clergy person's orders were received into the Episcopal Church. Years of service for clergy ordained in churches in full communion with the Episcopal Church is defined as the number of years since ordination to the diaconate.

Years of service for ELCA pastors serving the diocese is defined as years since ordination as a Lutheran pastor.

If the clergy person was ordained mid-year the years of service on January 1st of the year being used for budgeting purposes is rounded down. (For example: a person ordained 4.5 years as of January 1st would be determined to have 4 years of service for budgeting purposes.)