

**53rd Annual Meeting of the Convention
of the Episcopal Diocese of Hawai'i
October 23, 2021**

TITLE: 2022 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 2022 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.

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 yet our diocese ranks in the middle when clergy compensation is adjusted for cost of living.

As we continue to wrestle with the impact of the global pandemic, we take note of a couple of factors. The first is that the increase in the federal consumer price index (CPI-W) for 2020 was 1.7%, while for Hawai'i it was 1.6%. However, this does not take into account the recent surge of inflation, putting the current national CPI-W at 5.4%, with Hawai'i's housing and food prices in particular far outpacing the national average. Secondly, following the committee's recommendation, no minimum compensation increase was passed at last year's Diocesan Convention. At the time, the concern was that the national and state economies would experience a more profound recession/depression than ultimately manifested, though there was a severe negative economic impact especially on small businesses and the loss of jobs. Given these factors, the committee recommends as a compromise that the 2022 Minimum Clergy Compensation Schedule include an increase of 3.2%, which accounts for the real Cost of Living Allowance (COLA) in our state of 1.7% for 2019 and 1.6% for 2020. Such an increase would put

our diocese in the lower middle of proposed clergy compensation increases for 2022 from other dioceses ranging from 2.6% to 5.4% in The Episcopal Church.

In addition, the Committee is going to take a broader look in the coming year at all aspects to do with calculating clergy compensation, the upshot of which will be presented next year. 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.

2022 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	96,600	108,576	120,636	130,212
2	87,804	98,724	109,692	118,428
3	79,776	89,868	99,852	107,928
4	73,920	82,224	91,356	97,932

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

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 theclergy.
- 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: \$187
 - ii) Two services: \$249
 - iii) Each additional service: \$124
 - 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

2022 CONGREGATIONAL COMPENSATION CATEGORY
COMPUTATION WORKSHEET BASED ON
2020 PAROCHIAL REPORT DATA

Number of Pledging Units

Number of Pledging Units _____
Multiplied by .40 = _____ (A)

Average Sunday Attendance (due to 2020 Pandemic shutdown, this number is for Jan.-Mar. only)

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.

2022 COMPENSATION BASED ON 2020 PAROCHIAL REPORT DATA

ALPHABETICAL

CHURCH	No. of Pledging Units	Avg Sunday Attend*	Plate+Pledge Income	BARC	Weighted Totals	Categories	0 thru 4 years	5 thru 9 years	10 thru 19 years	20+ Years
ALL SAINTS	61	96	229,516	1	123	3	79,776	89,868	99,852	107,928
CALVARY	17	23	75,955	0	36	4	73,920	82,224	91,356	97,932
CHRIST CHURCH	31	67	169,410	0	83	4	73,920	82,224	91,356	97,932
CHRIST MEMORIAL	0	48	62,314	10	43	4	73,920	82,224	91,356	97,932
EMMANUEL	34	45	125,278	0	65	4	73,920	82,224	91,356	97,932
EPIPHANY	60	77	168,754	1	99	3	79,776	89,868	99,852	107,928
GOOD SAMARITAN	25	20	37,341	1	28	4	73,920	82,224	91,356	97,932
GOOD SHEPHERD	72	107	138,746	0	103	3	79,776	89,868	99,852	107,928
GRACE	15	39	29,700	0	27	4	73,920	82,224	91,356	97,932
HOLY APOSTLES'	56	110	269,316	0	136	3	79,776	89,868	99,852	107,928
HOLY INNOCENTS'	26	37	94,458	0	50	4	73,920	82,224	91,356	97,932
HOLY NATIVITY	42	60	140,567	0	77	4	73,920	82,224	91,356	97,932
ST. ANDREW'S	106	212	287,880	6	198	2	87,804	98,724	109,692	118,428
ST. AUGUSTINE'S	29	65	82,660	0	56	4	73,920	82,224	91,356	97,932
ST. CHRISTOPHER'S	71	91	199,321	1	116	3	79,776	89,868	99,852	107,928
ST. CLEMENT'S	70	96	221,108	0	123	3	79,776	89,868	99,852	107,928
ST. ELIZABETH'S	61	166	158,224	0	122	3	79,776	89,868	99,852	107,928
ST. JAMES'	170	226	423,561	3	266	1	96,600	108,576	120,636	130,212
ST. JOHN THE BAPTIST	12	20	13,039	2	17	4	73,920	82,224	91,356	97,932
ST. JOHN'S, KULA	70	98	266,642	0	137	3	79,776	89,868	99,852	107,928
ST. JOHN'S BY/SEA	29	28	33,454	0	30	4	73,920	82,224	91,356	97,932
ST. JUDE'S	27	35	52,096	0	37	4	73,920	82,224	91,356	97,932
ST. LUKE'S	32	27	48,392	1	36	4	73,920	82,224	91,356	97,932
ST. MARK'S	64	124	244,564	0	136	3	79,776	89,868	99,852	107,928
ST. MARY'S	21	89	58,273	0	53	4	73,920	82,224	91,356	97,932
ST. MATTHEW'S	0	12	30,878	0	13	4	73,920	82,224	91,356	97,932
ST. MICHAEL'S	58	130	249,724	0	137	3	79,776	89,868	99,852	107,928
ST. PAUL'S	71	182	163,696	7	139	3	79,776	89,868	99,852	107,928
ST. PETER'S	74	117	303,448	1	157	2	87,804	98,724	109,692	118,428
ST. STEPHEN'S	22	22	73,810	40	78	4	73,920	82,224	91,356	97,932
ST. TIMOTHY'S	49	84	145,586	2	90	4	73,920	82,224	91,356	97,932
TRINITY BY/SEA	28	52	74,244	1	50	4	73,920	82,224	91,356	97,932
WEST KAUA'I	30	38	62,133	0	42	4	73,920	82,224	91,356	97,932

* Due to 2020 closing during the Pandemic, this number is for January-March only

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 \$82,224. 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 \$118,428. 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 \$48,966 (\$97,932 divided by 2 = \$48,966). 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 \$79,776. 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.)