TITLE: 2027 Minimum Clergy Compensation and Benefits Policy of the Episcopal Diocese of Hawai‘i

SPONSOR: Diocesan Compensation Review Commission

BE IT RESOLVED that this the 58th Convention of the Episcopal Diocese of Hawai‘i, adopt the attached 2027 Minimum Clergy Compensation and Benefits Policy of the Episcopal Diocese of Hawai‘i.

RATIONALE/EXPLANATION

The Diocese of Hawai‘i establishes guidelines to assist churches in determining minimum clergy compensation which preserves purchasing power adjusted for inflation. This adjustment, as reflected in the proposed matrix, is intended to attract, retain and support clergy in their role and growth as faithful ministers of the Gospel and in their pastoral care of the church and its members. It includes the employer's portion of the SECA (Self-Employment Contributions Act) tax on self-employment. Churches are free to offer their clergy compensation above the minimum as they consider appropriate and as financial resources allow. Congregations are strongly encouraged to talk honestly with their clergy about ministerial performance and take this into consideration in compensation. The Mutual Ministry Review is a useful tool in this regard.

Each year the cost of living increases, and unless an adjustment is made to reflect those additional costs the existing compensation of clergy is effectively reduced. The Diocesan Compensation Review Commission uses the Bureau of Labor Statistics Consumer Price Index for Honolulu (CPI-W – Urban Wage Earners and Clerical) as its reference for the effects of inflation on clergy in Hawai‘i. Honolulu is the single metropolitan area in Hawai'i tracked by BLS and therefore provides the only objective measure of inflation effects in our economic environment. This figure is released every two months and shows the year-over-year percentage increase in consumer price index through the month preceding. This enables the Commission to observed trends as well as specific data.

Traditionally recommendations for annual adjustment have assumed that factors affecting Honolulu's CPI will be fundamentally similar to those in the immediate past. Such was not the case in 2026 nor will it be for 2027. U.S. economic and trade policies continue to change with no evident objective or endpoint. Likewise, the response of those affected remains in flux, and the economic consequences of the outcome are indeterminate. The full impact on the U.S. economy of the war in the Middle East also has yet to be determined. Recent CPI-W Honolulu figures have fluctuated in response to changing expectations of conflict resolution and reopening of the Strait of Hormuz. Whether, when, how, and to what degree this will happen cannot be predicted at this time. As a result, the Commission refers to the University of Hawaii Economic Research Organization (UHERO) inflation forecast of 3% for Honolulu in 2027. This is the most respected source of local economic information. UHERO also projected Honolulu inflation for 2026 at 4%. That is the recommendation for clergy compensation adjustment which was submitted to Convention in 2025 and adopted for 2026. Based on this information, the Commission recommends an adjustment to minimum clergy compensation in 2027 of 3.0%, as reflected in the

proposed matrix. The Commission also recommends that the continuing education minimum and Supply Clergy rates be adjusted upward by 3% in 2027.

The Minimum Clergy Compensation matrix as presented in the policy has been used for several years. The difference between two adjoining elements of the matrix, either horizontally or vertically, is roughly 10%. While there has been little concern expressed with this structure, the Commission will continue to examine the matrix to insure it represents best thinking within the Diocese.

Everything else in 2027 remains the same as what was adopted at the 57th Annual Meeting of the Convention.

The policy starts on the next page.

2027 Minimum Clergy Compensation and Benefits Policy of the
Episcopal Diocese of Hawai‘i

The minimum clergy compensation for 2027 is outlined in the matrix below. It represents a 3% increase from 2026 minimums.

2027 Minimum Clergy Compensation (Employer portion of) SECA INCLUDED
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	124,692	140,160	155,712	168,060
2	113,364	127,440	141,588	152,880
3	102,996	116,016	128,904	139,320
4	95,412	106,140	117,912	126,420

Compensation includes salary, housing and utilities and the employer's portion of the SECA tax.
Numbers are rounded so that when divided by 12 months, the monthly amount is a whole number

Congregations are strongly encouraged to take their clergy's gifts, talents, and progress toward goals, into consideration when determining salary increases, and 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 following appendices are attached.

A. 2027 Compensation based on 2025 Parochial Report data in alphabetical order by church
B. Congregational compensation categories and computation worksheet
C. Examples and some definitions
D. Mutual Ministry Review

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).

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 Diocesan Support Center as to the number of years of service at which they enter the Compensation Schedule approved by Diocesan Convention

b) Clergy in charge of parishes or missions 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.

BENEFITS

1) 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) The following apply to full-time employees (both clergy and lay employees) who work at least 40 hours per week.
    i) 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.

ii) 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.

iii) 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.

e) The congregation will pay the cost of Worker's Compensation Insurance coverage.

f) The Temporary Disability Insurance Plan for clergy is provided by the Church Pension Fund at no cost to the congregation.

g) 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.

h) 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.

i) 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.

2) 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) 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.

3) 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 $1,093/year. This amount should accumulate if unused and may carry over to the next year. This fund should also be available for sabbatical expenses.

SUPPLY CLERGY COMPENSATION

The minimum compensation for Saturday evening/Sunday supply clergy shall be as follows:

1. One service: $224
2. Two services: $300
3. Each additional service: $149
4. Clergy will be reimbursed for travel (mileage, airfare, etc.), overnight parking and housing (if necessary).

SUPPLY AND VISITING CLERGY POLICY

Policy Statement
This policy defines the boundaries of short-term clerical service within the Diocese of Hawai‘i and how these clerics are paid.

Compensation Schedule

- Each Annual Meeting of the Diocesan Convention adopts a Minimum Clergy Compensation & Benefits Policy, which includes minimums for Supply Clergy.

	Same Island Supply Clergy	Neighbor Island Supply Clergy
Churches are responsible for	1. **Compensation** in accordance with the Policy, paid directly to the cleric and not redirected to another person or organization, 2. **Mileage Reimbursement** to clergy for round trip miles traveled between his/her home and the Church at the current IRS standard mileage rate. Rates change during the calendar year; therefore, Churches must verify the current rate at www.irs.gov.	1. **Compensation** in accordance with the Policy, paid directly to the cleric and not redirected to another person or organization, 2. **Airfare** required to travel to the neighbor island, 3. **Overnight Lodging** if necessary, to be present at an early morning service, 4. **Parking Fee** at the departure airport if incurred, 5. **Car rental** if transportation to/from the airport is not provided by the congregation, 6. **Fuel cost** of a rental car between the airport and the Church.
Supply Clergy are responsible for		• Airfare and additional lodging costs incurred for spouses or any other family members, • Parking fees, car rental and fuel costs beyond what is required for the supply clergy engagement.

The Diocese of Hawaii regularly has positions for which there is a need for a priest to serve for a short period of time. These are not “typical” interim positions.

The short-term positions that are available can last for several weeks to several months, with the length of time determined by the availability of the priest and the preference of the congregation. We have had clergy from other dioceses who are on a sabbatical serve in a congregation that was in transition. We have also had retired clergy come and serve for several months, in some cases with the intention to return regularly.

The length of time and overall compensation is set by the congregation but shall not amount to less than the amount set each year by convention for Sunday Supply Priest

compensation.

The short-term position may be considered as “Supply” (rather than employee) providing that:

1. The length of service is for no more than three (3) months in a 12-month period.
2. The priest has no corporate decision-making role (like a Rector or a Vicar).
    a. The priest will not attend vestry meetings, business meetings on behalf of the congregation, etc.
    b. The priest has no oversight of Church buildings or their use.
3. The priest may still be involved in limited liturgical decisions, along with the lay leadership, in connection to liturgies they themselves will be leading, as well as similarly limited decisions regarding short-term educational events.

For any position lasting longer than three (3) months, the priest will be considered an employee, requiring a Letter of Agreement and the requisite legal and financial paperwork (W2, etc.).

APPENDIX A

2027 COMPENSATION BASED ON 2025 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	44	68	212,914	3	105	3	102,996	116,016	128,904	139,320
CHRIST CHURCH	43	43	169,837	0	81	4	95,412	106,140	117,912	126,420
CHRIST MEMORIAL	22	33	66,574	1	40	4	95,412	106,140	117,912	126,420
EMMANUEL	37	35	103,350	3	59	4	95,412	106,140	117,912	126,420
EPIPHANY	55	80	226,581	2	116	3	102,996	116,016	128,904	139,320
GOOD SAMARITAN	20	34	78,619	0	42	4	95,412	106,140	117,912	126,420
GOOD SHEPHERD	68	100	203,730	8	126	3	102,996	116,016	128,904	139,320
GRACE	11	21	23,856	0	18	4	95,412	106,140	117,912	126,420
HĀLAU WA'A	22	45	67,528	8	51	4	95,412	106,140	117,912	126,420
HOLY APOSTLES'	53	71	260,942	1	122	3	102,996	116,016	128,904	139,320
HOLY NATIVITY	37	50	149,723	0	75	4	95,412	106,140	117,912	126,420
ST. ANDREW'S	82	188	408,752	16	228	2	113,364	127,440	141,588	152,880
ST. AUGUSTINE'S	20	36	58,563	1	37	4	95,412	106,140	117,912	126,420
ST. CHRISTOPHER'S	50	88	166,944	4	100	3	102,996	116,016	128,904	139,320
ST. CLEMENT'S	47	60	270,948	4	122	3	102,996	116,016	128,904	139,320
ST. ELIZABETH'S	73	92	101,096	9	96	3	102,996	116,016	128,904	139,320
ST. JAMES'	145	142	683,795	10	316	1	124,692	140,160	155,712	168,060
ST. JOHN THE BAPTIST	11	36	23,254	0	22	4	95,412	106,140	117,912	126,420
ST. JOHN THE DIVINE	47	61	59,697	4	59	4	95,412	106,140	117,912	126,420
ST. JOHN'S, KULA	62	75	230,513	5	121	3	102,996	116,016	128,904	139,320
ST. JOHN'S BY/SEA	30	20	42,231	0	31	4	95,412	106,140	117,912	126,420
ST. JUDE'S	21	32	80,319	1	43	4	95,412	106,140	117,912	126,420
ST. LUKE'S	15	17	46,679	1	26	4	95,412	106,140	117,912	126,420
ST. MARK'S	50	104	269,949	10	142	2	113,364	127,440	141,588	152,880
ST. MARY'S	0	35	74,729	4	37	4	95,412	106,140	117,912	126,420
ST. MATTHEW'S	0	19	32,221	1	16	4	95,412	106,140	117,912	126,420
ST. MICHAEL'S	40	52	290,204	4	123	3	102,996	116,016	128,904	139,320
ST. PAUL'S	53	138	249,596	26	163	2	113,364	127,440	141,588	152,880
ST. PETER'S	56	86	353,287	5	159	2	113,364	127,440	141,588	152,880
ST. STEPHEN'S	6	37	59,115	8	39	4	95,412	106,140	117,912	126,420
ST. TIMOTHY'S	50	85	222,531	3	115	3	102,996	116,016	128,904	139,320
TRINITY BY/SEA	35	55	154,349	1	78	4	95,412	106,140	117,912	126,420
WEST KAUAI	0	62	94,183	17	64	4	95,412	106,140	117,912	126,420

APPENDIX B

CONGREGATIONAL COMPENSATION CATEGORIES

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

CONGREGATIONAL COMPENSATION CATEGORY
COMPUTATION WORKSHEET

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 (Total Baptisms, 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 Jasmi Regmi, TECH Controller.

APPENDIX C

Examples:

1. Clergy with 5 years of service is called to serve in a Category 4 church. Minimum compensation should be $106,140. 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 $152,880. 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 $63,210 ($126,420 divided by 2 = $63,210). 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 $102,996. However, due to the parameters of the search and the scarcity of applicants, the congregation agreed to pay the clergy $113,000.

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.)

APPENDIX D

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.