Research has documented that Episcopalians would much rather talk about sex than have a transparent and informed conversation about clergy compensation within their congregations!

The following series of questions is designed to facilitate and demystify how clergy are compensated. Many of these questions and much of this information were born out of a conversation Allen had with his vestry following the 2016 Spring Clergy Conference and the launch of the Pathways to Vitality Initiative. It was his effort to create a healthy dialogue — and it worked!

THE DIOCESAN BUDGET’S IMPACT ON CLERGY COMPENSATION
- What is an apportionment and how is it calculated?
- Where is the apportionment listed in the parish budget?
- How is clergy medical insurance handled in our diocese?
- How does the apportionment factor into medical insurance in our diocese?
- Who pays what portions of clergy medical insurance?
- What life insurance benefits are available to clergy? How are they paid?

THE “NUTS AND BOLTS” OF A COMPENSATION PACKAGE
- What is a Letter of Agreement?
- What is a base salary/stipend?
- Where is the base salary/stipend located in the parish budget?
- What is a housing allowance?
- Where is the housing allowance found in the parish budget?
- What is SECA?
- Where is SECA found in the parish budget?
- Why is a priest considered a hybrid between a church employee (Form W-2) and self-employed?
- What is the pension?
- Where is the pension located in the parish budget?
TAXES
◊ What portion of clergy compensation is considered tax-exempt?
◊ What taxes do clergy pay beyond SECA? (FICA, State, Local)
◊ Is church-provided life insurance taxable? (Yes)
◊ What are honorariums and are they taxable? (Yes)

OTHER CLERGY EXPENSES MAY BE INCLUDED IN COMPENSATION PACKAGE
◊ One-half of SECA
◊ Medical insurance portion
◊ Tithing/pledging of clergy income
◊ Outreach giving beyond pledge
◊ Landline phone
◊ Cell phone

OTHER MISCELLANEOUS COMPENSATION CONSIDERATIONS
◊ Mileage reimbursement and where is it found in the parish budget?
◊ Clergy obligations for continuing education and where is it found in the parish budget?
◊ What are the funding sources for clergy sabbaticals?
◊ Does the parish offer any assistance with repayment of seminary student loan debt?

EPISCOPATE ANNUAL EXPECTATIONS
◊ What does the Bishop typically expect of clergy on an annual basis?
◊ How do these expectations impact the time, ministry and finances of a priest?

GEOGRAPHIC COST OF LIVING CONSIDERATIONS
◊ How does the cost of living that varies from parish to parish impact the compensation package?
◊ What resources are available to help clergy understand what an “average comparable package” would be for other clergy in similar geographical locations?
◊ How does clergy compensation compare to similar professions in the area?

RESOURCES
◊ Community Compensation – Public Sector Salaries
◊ Region, County, Community Household Income Data
  http://www.deptofnumbers.com/income/indiana/
  http://www.stats.indiana.edu/index.asp
◊ www.indydio.org
◊ www.cpg.org
◊ www.episcopalfoundation.org
◊ www.irs.gov
◊ www.in.gov

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