



Alabama Baptist Convention  
State Board of Missions

# Report of the Layman's Salary Study Committee 2011-2012

Greetings in the Name of Christ:

This report is the result of the combined efforts of the Layman's Salary Study Committee, a subcommittee of the Executive Committee, and selected members of the State Board of Missions staff. The committee consists of laypersons from Alabama Baptist churches.

This report is an online resource at [www.alsbom.org/ccs](http://www.alsbom.org/ccs).

This is not a salary recommendation. It is a report of actual responses from a recent survey. We feel this report is a useful tool in helping church leaders consider what to offer church employees in salary and benefits. Please use it as a guideline. If you have any questions, call 1-800-264-1225, ext. 208, at the State Board of Missions. Printed copies of the report are available in limited quantities upon request from the same phone number.

Customized reports are also available including compensation based upon tenure and education. If you would like to secure **a report customized specifically for your church**, you may do so on our web site at [www.alsbom.org/ccs](http://www.alsbom.org/ccs) or you may call 1-800-264-1225, ext. 208, at the State Board of Missions.

This report may be used by persons in your church who deal with staff salaries/and benefits. Thank you for helping care for the financial needs of your employees.

Sincerely,

The Layman's Salary Study Committee

Becky Luther, Chair

Emily England, Mitch Gavin, Patti Shoemaker, Olivia Wages

The Lord commands that those who preach the gospel should be supported by those who receive the gospel:

*In the same way, the Lord has commanded that those who preach the gospel should receive their living from the gospel.*

I Corinthians 9:14 NIV

Those who are taught the Word must share in all good things with their teacher.

*Anyone who receives instruction in the word must share all good things with his instructor.*

Galatians 6:6 NIV

The laborer of Christ deserves to be paid.

*And in the same house remain, eating and drinking such things as they give: for the labourer is worthy of his hire. Go not from house to house.*

Luke 10:7 KJV

## General observations from the 2011-2012 study

### Salary Planning Process

Salary Planning involves several factors. This guide provides average salary information for various ministers and staff grouped by size and budget. In addition, the following factors should also be a part of the consideration:

1. Cost of living adjustment
2. Merit increase
3. Total years of ministry experience
4. Tenure. Church health is generally enhanced by long tenured pastors and staff.
5. Education level of the employee

Churches should develop a process to examine these factors each year.

#### Observation Number 1: Full Time Pastors received a slight increase; Bivocational Pastors are losing ground

Full time pastors in Alabama received a slight increase of 1% during the past two years. This is a slower pace than nationally, but Alabama full time pastors are still slightly ahead of the SBC national average. The increase nationally in salary was less than 1%, but when salary and benefits were both considered, there was a 6.69% increase during the two year period.

Alabama bivocational pastors saw a decrease of 1% during the same period. On average, bivocational pastors in Alabama are about \$3200 behind the national average. Other Alabama ministerial staff saw greater percentage increases, but are generally slightly behind their counterparts nationally.

Year	Average Full Time SBC Pastor's Compensation
2004	\$46,505
2006	\$49,952
2008	\$52,938
2010	\$53,464

#### Observation Number 2: Medical insurance costs are a driving force in total financial support

Medical insurance costs are a driving force in total financial support increases and represent a higher percentage of the financial support plan. As double digit medical inflation continues, these concerns are not unique to

churches. Medical insurance premiums have increased 131% over the past decade even though overall inflation has only risen 28% over the same period. On average, Alabama pastors are not keeping up with other SBC counterparts.

#### Observation Number 3: Ministry related expenses are not included in the total

Churches are increasingly recognizing that expenses are not part of the compensation. Expenses should be considered totally independent of compensation and benefits and should be paid using an accountable reimbursement plan. This cannot be funded by salary reduction according to the IRS. The outdated concept of a pay package is the least acceptable way to provide compensation.

This current SBC Compensation Study assumes all ministry-related expenses are paid by a church separately and are **not** a part of salary. Included are travel expenses; expenses for conventions and continuing education; expenses for ministry related books, tapes and periodicals; and ministry related hospitality expenses. Amounts to cover these ministry related expense are **in addition to** reported amounts in the survey.

#### Observation Number 4: Continue vacation and sick pay for staff newly called to your church

Pastor and staff should not be penalized for accepting God's call to your church. Do not make him start over on these because God has called him to your church. Base the minister's vacation or paid time off on total years of denominational service.

## Observation Number 5: SBC-Wide Tenure continues to increase

The length of time ministers and church employees are staying in the same church continues to increase for most church staff positions. Those

responding to this question on the survey have averaged being at their current church as follows:

### SBC-Wide Positions

3,670	Full-Time Pastors	7.4 Years	(compared to 7.2 in 2008)
1,213	Bivocational Pastors	6.0 Years	(compared to 5.9 in 2008)
2,555	Full-Time Staff Ministers	6.8 Years	(compared to 6.2 in 2008)
1,007	Bivocational Staff Ministers	5.6 Years	(compared to 5.2 in 2008)
1484	Full-Time Office Personnel	9.9 Years	(compared to 9.2 in 2008)
1,291	Part-Time Office Personnel	7.6 Years	(compared to 7.0 in 2008)
160	Full-Time Custodians	9.3 Years	(compared to 8.2 in 2008)
300	Part-Time Custodians	8.3 Years	(compared to 7.6 in 2008)

## Observation Number 6: Percentage of a Church Budget Used for Staff Compensation & Benefits

Are we spending too much of our budget for staff compensation and benefits? When this question surfaces, the follow up question is often, "How much do other churches our size spend on their staff compensation and benefits?". The 2006 SBC compensation study posed that question. Below is the statistical data that provides the answer.

The lowest reported percentage was 6%. The median reported percentage was 48% and the highest reported percentage was 90%. For the 5,840 reporting SBC churches, the average percentage of their budget used for staff

compensation and benefits was 47.1%. Using the middle majority (15<sup>th</sup> through 85<sup>th</sup> percentile), 70% of churches reporting use from 36% to 58% of their budget for staff compensation and benefits.

### Report Based on Church Budget for All Reporting SBC Churches in the Study

	Churches	Lowest	Median	Highest	Average	Middle Majority
<b>All Reporting SBC Churches in the Study</b>	5,840	6%	48%	90%	47.1%	36% to 58%

## Observation Number 7: Social Security offset is needed

Social security costs your minister twice as much as it costs your members. The minister pays a rate of 15.3% (13.3% for 2011 only) while non-minister employees pay 7.65%. Consider paying the difference of 7.65% as a Social Security offset. This should be paid by the church and should not be part of a "package."

## Observation Number 8: Compensation Differential due to Education

According to LifeWay Research analysis of the 2010 salary study, there is approximately a \$3485 increase for each increase in level of education. This study included all ministers. The levels studied include bachelors degree, masters degree and doctorate degree. Here is the data concerning Alabama pastors:

		High School or Less	2 Yr Associate Degree	Some College- No Degree	Bachelor's Degree	Master's Degree	Graduate Degree
Bivo. Pastor	Personal Income	\$11,789 (32)	\$14,127 (16)	\$14,449 (29)	\$18,318 (39)	\$17,509 (36)	\$20,700 (15)
	Protection Coverage	\$1,334 (32)	\$64 (16)	\$874 (29)	\$1,525 (39)	\$1,650 (36)	\$1,059 (15)
FT Pastor	Personal Income	\$53,791 (7)	\$44,094 (9)	\$40,745 (21)	\$47,351 (54)	\$56,208 (126)	\$79,126 (79)
	Protection Coverage	\$7,785 (7)	\$5,496 (9)	\$7,008 (21)	\$8,461 (54)	\$10,746 (126)	\$16,690 (79)

## Compensation Planning: Pulling it all together

Adapted from *Compensation Planning Guide* by GuideStone Financial Services of the Southern Baptist Convention

1. Determine the needs of church employees by completing a financial support review annually. The information provided from the review will be essential to completing the committee's work of financial support planning and completion of the financial support worksheet.
2. Put financial support policies in writing. Be sure to include the basics of financial support that include ministry-related expenses, employee benefits and personal income.
3. Budget for ministry-related expenses separately from employee benefits and personal income. Do not make your employees take this money out of their cash salary.
4. Establish an accountable reimbursement plan for the purpose of fully reimbursing all church employees for expenses incurred while doing the church's work.
5. Designate money in the church budget to pay for medical, life and disability coverage for all full-time church employees. Do all you can financially to protect your employees and your church.
6. For each eligible employee, contribute a minimum of 10% of personal income (within legal limits) to the Church Retirement Plan as an employer contribution. Encourage employee participation through a Salary Reduction Agreement toward a total goal of 15% of salary plus housing (subject to legal limits).
7. If your church has an annual budget under \$75,000, apply for the Mission/Church

### Six steps to planning financial support

- Determine the needs.
- Establish written financial support policies.
- Provide for ministry-related expenses.
- Provide employee benefits.
- Determine personal income.
- Complete a financial support worksheet.

**See page 5**

Assistance Fund. Up to \$3,000 in retirement contributions may be available to ministers participating in the Church Retirement Plan.

8. Provide additional income to all ministers equal to one-half of their Social Security taxes. Remember that ministers are self-employed for Social Security tax purposes and must pay both halves of that tax, which is in excess of 15%. Designate this additional income as a Social Security offset.

9. Budget for the employer's portion of FICA tax for non-ministerial church employees. Additionally, understand your federal payroll and employer reporting obligations and plan and budget for them.

10. Review the personal income of all church employees in comparison to the income of employees of other businesses or institutions in your town.

11. Consider providing a cost-of living increase to assure church employees' salaries are keeping pace with inflation. See [www.alsbom.org/ccs](http://www.alsbom.org/ccs)

12. Review each church employee's job performance annually and provide merit increases when appropriate.

13. Designate the minister's housing allowance for eligible ministers. Remember that the housing allowance is one of two parts of the minister's personal income. Let the minister decide how this division should be made.

14. Complete the financial support worksheet for each church employee. This pulls the whole financial support planning process together.

# Financial Support Worksheet for 2011-2012

One method to examine the salary figures is to average the numbers from the various tables in this book. Remember that these are averages of salaries reported by the various churches. These are not recommendations. In addition, examine the median income in Alabama and your county contained in the table on page 6.

Personal Income Based on Attendance Page 8 or 10	1
Personal Income Based on Resident Membership Page 8, 9, 10 or 11	2
Personal Income Based on Budget Page 9 or 11	3
Personal Income Based on Experience Page 12	4
Average of 1 through 4 Sum of boxes 1, 2, 3 and 4 divided by 4	5
<b>Transfer box 5 result to Box 11</b>	
Protection Benefits Based on Attendance Page 8 or 10	6
Protection Benefits Based on Resident Membership Page 8, 9, 10 or 11	7
Protection Benefits Based on Budget Page 9 or 11	8
Protection Benefits Based on Experience Page 12	9
Average of 6 through 9 Sum of boxes 6, 7, 8 and 9 divided by 4	10
<b>Transfer box 10 result to Box 12</b>	

<b>1. Compensation (Personal Income)</b>			
	Current	Survey	Proposed
Salary			
Housing			
Total Personal Income		<sup>11</sup>	
<b>2. Protection Coverages (Benefits)</b>			
	Current	Survey	Proposed
Retirement (10% recommended)			
Medical Insurance			
Term Life Insurance			
Disability Insurance			
Long Term Care Insurance			
Social Security offset (taxable)			
Total Protection Coverages		<sup>12</sup>	
<b>3. Ministry Related Expenses (Business Expenses)</b>			
	Current	Survey	Proposed
Transportation			
Travel (overnight conventions, etc)			
Books, Subscriptions			
Hospitality			
Total Ministry Expenses			
<b>Total Financial Cost to Church</b>			

## Consider the factors affecting compensation

1. Economic conditions of the community around the church (see Cost of living by Alabama County). Note: the counties in the table below are grouped together into metropolitan statistical areas. The MSAs are Birmingham, Decatur, Dothan, Florence-Muscle Shoals, Huntsville, Montgomery and Tuscaloosa.
2. The average salary of professionals within the church of like education and ability.
3. The actual cost of housing, utilities, maintenance, appliances, and furnishings for your area.
4. Other churches of similar size, budget, economic environment, cost of living and location.

## Estimated 2011 Median Family Income for Alabama Counties<sup>1</sup>

Source: HUD OFFICE OF ECONOMIC AFFAIRS, ECONOMIC AND MARKET ANALYSIS DIVISION (CO) May 31, 2011

County	Median Family Income	County	Median Family Income	County	Median Family Income	County	Median Family Income
Alabama	\$54,600	Colbert	\$53,000	Henry	\$47,800	Montgomery	\$59,300
Autauga	\$59,300	Conecuh	\$36,300	Houston	\$51,200	Morgan	\$55,200
Baldwin	\$60,400	Coosa	\$47,200	Jackson	\$47,300	Perry	\$30,300
Barbour	\$42,100	Covington	\$45,300	Jefferson	\$62,000	Pickens	\$40,100
Bibb	\$62,000	Crenshaw	\$46,800	Lamar	\$45,500	Pike	\$41,300
Blount	\$62,000	Cullman	\$50,900	Lauderdale	\$53,000	Randolph	\$46,400
Bullock	\$35,500	Dale	\$50,900	Lawrence	\$55,200	Russell	\$51,600
Butler	\$41,800	Dallas	\$34,900	Lee	\$60,600	St. Clair	\$62,000
Calhoun	\$51,500	DeKalb	\$43,400	Limestone	\$70,800	Shelby	\$62,000
Chambers	\$42,800	Elmore	\$59,300	Lowndes	\$59,300	Sumter	\$27,000
Cherokee	\$49,900	Escambia	\$44,800	Macon	\$44,000	Talladega	\$46,800
Chilton	\$50,000	Etowah	\$46,900	Madison	\$70,800	Tallapoosa	\$50,800
Choctaw	\$38,300	Fayette	\$46,100	Marengo	\$40,900	Tuscaloosa	\$55,700
Clarke	\$43,300	Franklin	\$45,200	Marion	\$44,500	Walker	\$48,000
Clay	\$46,900	Geneva	\$51,200	Marshall	\$50,600	Washington	\$53,200
Cleburne	\$42,800	Greene	\$55,700	Mobile	\$51,200	Wilcox	\$28,300
Coffee	\$56,800	Hale	\$55,700	Monroe	\$40,300	Winston	\$38,900

<sup>1</sup> For more information about your particular community, you may contact Mickey Crawford at 800.264.1225 extension 281 and request the MFI.

Note: On the following tables the number within parentheses is the number of survey responses

## Comparison Data from Adjacent States

	Pastor	Assoc. Pastor	Administrator	Education	Worship/Music	Youth	Children	Activities	Multi-Role	Office Staff	Custodian
<b>Full-Time: Personal Income</b>											
All Surveys	\$54,908 (3,670)	\$55,071 (946)	\$61,711 (414)	\$55,378 (684)	\$57,424 (685)	\$46,075 (892)	\$46,925 (546)	\$48,353 (253)	\$53,124 (1,531)	\$30,273 (1,484)	\$29,116 (160)
Alabama	\$59,193 (297)	\$58,723 (98)	\$63,252 (41)	\$58,847 (83)	\$60,633 (84)	\$50,029 (96)	\$48,273 (64)	\$52,502 (33)	\$56,057 (177)	\$28,472 (214)	\$25,734 (38)
Florida	\$56,134 (329)	\$55,809 (127)	\$63,230 (57)	\$58,251 (85)	\$57,535 (101)	\$47,963 (97)	\$48,974 (61)	\$46,460 (26)	\$55,056 (203)	\$31,641 (167)	\$33,324 (13)
Georgia	\$60,782 (357)	\$59,474 (88)	\$61,915 (43)	\$58,638 (58)	\$59,537 (65)	\$47,045 (75)	\$47,538 (40)	\$50,793 (22)	\$56,091 (135)	\$31,859 (107)	\$26,427 (4)
Tennessee	\$58,450 (316)	\$59,834 (73)	\$68,783 (44)	\$58,806 (60)	\$60,487 (45)	\$45,865 (62)	\$50,141 (28)	\$58,099 (16)	\$57,158 (113)	\$32,359 (162)	\$27,803 (18)
Mississippi	\$54,179 (72)	\$66,672 (16)	\$74,254 (8)	\$59,694 (12)	\$52,805 (12)	\$52,205 (16)	\$49,991 (12)	\$58,475 (5)	\$59,056 (28)	\$29,511 (58)	\$30,588 (8)
<b>Full-Time: Protection Coverage</b>											
All Surveys	\$10,728 (3,670)	\$11,089 (946)	\$12,939 (414)	\$10,912 (684)	\$10,970 (685)	\$8,100 (892)	\$8,630 (546)	\$7,892 (253)	\$10,186 (1,531)	\$5,141 (1,484)	\$4,466 (160)
Alabama	\$11,382 (297)	\$11,162 (98)	\$10,573 (41)	\$10,867 (83)	\$11,687 (84)	\$8,738 (96)	\$9,161 (64)	\$10,736 (33)	\$10,389 (177)	\$3,718 (214)	\$3,565 (38)
Florida	\$10,633 (329)	\$12,613 (127)	\$15,057 (57)	\$13,462 (85)	\$10,671 (101)	\$9,302 (97)	\$9,207 (61)	\$6,725 (26)	\$11,462 (203)	\$4,595 (167)	\$3,291 (13)
Georgia	\$10,243 (357)	\$9,738 (88)	\$11,771 (43)	\$11,888 (58)	\$9,135 (65)	\$8,180 (75)	\$6,437 (40)	\$6,451 (22)	\$8,982 (135)	\$6,412 (107)	\$960 (4)
Tennessee	\$10,607 (316)	\$11,594 (73)	\$15,714 (44)	\$11,196 (60)	\$13,049 (45)	\$7,637 (62)	\$8,713 (28)	\$10,506 (16)	\$11,327 (113)	\$7,616 (162)	\$4,864 (18)
Mississippi	\$12,283 (72)	\$14,674 (16)	\$16,674 (8)	\$10,251 (12)	\$8,143 (12)	\$8,132 (16)	\$10,468 (12)	\$13,581 (5)	\$11,074 (28)	\$4,145 (58)	\$5,891 (8)
<b>Bivocational: Personal Income</b>											
All Surveys	\$18,775 (1,213)	\$18,363 (166)	\$25,082 (40)	\$18,791 (98)	\$15,076 (441)	\$14,647 (296)	\$16,619 (217)	\$18,675 (57)	\$17,272 (342)	\$13,947 (1,291)	\$8,545 (300)
Alabama	\$16,033 (167)	\$19,669 (17)	\$29,613 (6)	\$18,591 (12)	\$14,699 (79)	\$13,506 (52)	\$15,406 (37)	\$16,336 (6)	\$18,357 (50)	\$12,317 (172)	\$7,569 (57)
Florida	\$16,099 (83)	\$21,340 (16)	\$35,169 (8)	\$21,589 (14)	\$19,465 (40)	\$19,849 (30)	\$22,756 (24)	\$40,948 (5)	\$19,999 (34)	\$13,769 (113)	\$10,609 (18)
Georgia	\$22,701 (118)	\$15,780 (12)	\$25,299 (4)	\$15,807 (9)	\$15,265 (23)	\$17,165 (14)	\$18,066 (12)	\$21,005 (5)	\$17,479 (27)	\$14,373 (85)	\$11,036 (7)
Tennessee	\$18,409 (137)	\$22,425 (14)	(0)	\$23,533 (8)	\$16,711 (30)	\$15,597 (15)	\$17,459 (12)	\$11,040 (2)	\$20,874 (20)	\$13,797 (130)	\$11,332 (24)
Mississippi	\$21,252 (19)	\$10,167 (2)	(0)	\$10,835 (2)	\$18,117 (8)	\$17,870 (5)	\$11,823 (3)	(0)	\$18,853 (7)	\$16,381 (25)	\$9,942 (5)
<b>Bivocational: Protection Coverage</b>											
All Surveys	\$1,731 (1,213)	\$1,406 (166)	\$4,977 (40)	\$1,010 (98)	\$580 (441)	\$719 (296)	\$903 (217)	\$1,864 (57)	\$1,352 (342)	\$1,205 (1,291)	\$148 (300)
Alabama	\$1,220 (167)	\$2,342 (17)	\$0 (6)	\$76 (12)	\$521 (79)	\$146 (52)	\$1,368 (37)	\$5,916 (6)	\$1,391 (50)	\$609 (172)	\$80 (57)
Florida	\$1,115 (83)	\$3,345 (16)	\$7,863 (8)	\$3,640 (14)	\$1,824 (40)	\$2,182 (30)	\$2,437 (24)	\$9,798 (5)	\$2,331 (34)	\$1,349 (113)	\$213 (18)
Georgia	\$1,223 (118)	\$26 (12)	\$13 (4)	\$160 (9)	\$71 (23)	\$112 (14)	\$26 (12)	\$0 (5)	\$127 (27)	\$2,279 (85)	\$1,225 (7)
Tennessee	\$1,684 (137)	\$966 (14)	(0)	\$2,045 (8)	\$1,076 (30)	\$514 (15)	\$789 (12)	\$0 (2)	\$1,620 (20)	\$576 (130)	\$452 (24)
Mississippi	\$755 (19)	\$924 (2)	(0)	\$924 (2)	\$578 (8)	\$123 (5)	\$1,171 (3)	(0)	\$1,426 (7)	\$1,410 (25)	\$0 (5)

Alabama Pastor Data	Mean	Median
Age	51	51
Years of Experience	22	21
Years at Current Church	7	5
Average Attendance	200	110
Resident Membership	444	250
Budget	\$390,456.55	\$166,775.50
Housing Allowance/Parsonage	\$12,396.01	\$10,516.48
Salary	\$31,263.20	\$29,429.71
Weeks of Vacation	2	2
Weeks of Revival	2	2

Mean = The arithmetic average; sum of items divided by count of items

Median = The central number; half of values are above and half below.

Note: On the following tables the number within parentheses is the number of survey responses

### Averages for Full-Time Staff Based on Average Church Attendance (Higher of Worship or Sunday School)

		1 – 50	51 – 100	101 – 150	151 – 200	201 – 300	301 – 500	501 – 750	751 – 1000	1001 – up
<b>Pastor</b>	Personal Income	\$25,831 (9)	\$40,364 (70)	\$45,776 (65)	\$55,718 (42)	\$65,226 (29)	\$76,295 (46)	\$87,211 (20)	\$110,764 (8)	\$146,910 (8)
	Protection Coverage	\$2,216 (9)	\$7,945 (70)	\$9,020 (65)	\$9,457 (42)	\$12,323 (29)	\$14,502 (46)	\$14,519 (20)	\$21,260 (8)	\$42,004 (8)
<b>Assoc. Pastor</b>	Personal Income	(0)	\$32,180 (3)	\$43,569 (6)	\$42,032 (3)	\$48,779 (11)	\$57,204 (35)	\$65,751 (16)	\$63,494 (12)	\$76,515 (12)
	Protection Coverage	(0)	\$5,404 (3)	\$7,808 (6)	\$9,634 (3)	\$7,224 (11)	\$12,350 (35)	\$7,877 (16)	\$13,681 (12)	\$16,665 (12)
<b>Administrator</b>	Personal Income	(0)	\$30,091 (2)	\$41,594 (1)	\$61,620 (1)	\$52,249 (4)	\$61,937 (14)	\$60,165 (11)	\$80,303 (2)	\$88,570 (6)
	Protection Coverage	(0)	\$2,151 (2)	\$1,541 (1)	\$12,324 (1)	\$7,703 (4)	\$10,870 (14)	\$6,483 (11)	\$20,273 (2)	\$20,080 (6)
<b>Education</b>	Personal Income	(0)	\$41,080 (1)	\$42,847 (3)	\$47,823 (1)	\$48,772 (13)	\$56,795 (33)	\$64,496 (14)	\$68,782 (10)	\$70,982 (8)
	Protection Coverage	(0)	\$0 (1)	\$7,948 (3)	\$0 (1)	\$6,866 (13)	\$11,790 (33)	\$8,530 (14)	\$15,155 (10)	\$16,100 (8)
<b>Worship/Music</b>	Personal Income	(0)	\$36,357 (1)	\$40,877 (5)	\$43,402 (8)	\$52,878 (13)	\$54,579 (25)	\$67,033 (13)	\$78,725 (7)	\$85,901 (12)
	Protection Coverage	(0)	\$11,910 (1)	\$3,762 (5)	\$6,056 (8)	\$11,283 (13)	\$10,519 (25)	\$11,689 (13)	\$16,893 (7)	\$18,555 (12)
<b>Youth</b>	Personal Income	(0)	\$35,477 (3)	\$42,523 (10)	\$36,133 (9)	\$42,518 (12)	\$54,623 (28)	\$52,896 (13)	\$52,886 (7)	\$60,605 (14)
	Protection Coverage	(0)	\$1,672 (3)	\$4,832 (10)	\$5,580 (9)	\$5,957 (12)	\$10,412 (28)	\$8,492 (13)	\$10,278 (7)	\$13,564 (14)
<b>Children</b>	Personal Income	(0)	\$43,665 (2)	(0)	\$34,815 (3)	\$43,699 (10)	\$48,720 (17)	\$46,158 (13)	\$63,513 (7)	\$48,984 (12)
	Protection Coverage	(0)	\$357 (2)	(0)	\$2,054 (3)	\$5,870 (10)	\$10,121 (17)	\$6,402 (13)	\$20,767 (7)	\$10,004 (12)
<b>Activities</b>	Personal Income	(0)	\$38,204 (3)	\$39,796 (2)	\$30,810 (1)	\$44,278 (7)	\$49,663 (9)	\$49,432 (1)	\$65,010 (5)	\$75,228 (5)
	Protection Coverage	(0)	\$1,672 (3)	\$1,386 (2)	\$0 (1)	\$4,548 (7)	\$7,563 (9)	\$17,701 (1)	\$11,974 (5)	\$33,803 (5)
<b>Multi-Role</b>	Personal Income	(0)	\$36,774 (5)	\$42,026 (10)	\$40,961 (13)	\$48,551 (25)	\$56,451 (60)	\$59,053 (29)	\$66,746 (19)	\$75,246 (16)
	Protection Coverage	(0)	\$3,385 (5)	\$4,962 (10)	\$5,860 (13)	\$7,715 (25)	\$11,787 (60)	\$8,513 (29)	\$15,428 (19)	\$16,003 (16)
<b>Office Staff</b>	Personal Income	\$29,400 (2)	\$22,902 (5)	\$24,380 (21)	\$25,851 (17)	\$25,663 (19)	\$28,291 (67)	\$29,713 (37)	\$30,659 (15)	\$33,090 (31)
	Protection Coverage	\$2,757 (2)	\$4,728 (5)	\$1,745 (21)	\$3,017 (17)	\$2,206 (19)	\$3,766 (67)	\$2,452 (37)	\$5,714 (15)	\$6,708 (31)
<b>Custodian</b>	Personal Income	(0)	\$23,431 (5)	(0)	\$26,599 (2)	\$23,621 (1)	\$25,441 (12)	\$27,413 (8)	\$24,879 (8)	\$30,151 (2)
	Protection Coverage	(0)	\$4,776 (5)	(0)	\$6,682 (2)	\$0 (1)	\$3,277 (12)	\$2,818 (8)	\$2,862 (8)	\$6,724 (2)

### Averages for Full-Time Staff Based on Church Resident Membership

		1 – 200	201- 300	301 – 400	401 – 500	501 – 600	601 – 800	801 – 1000	1001 – 1500	1501 – 2000	2001 – up
<b>Pastor</b>	Personal Income	\$39,920 (63)	\$43,508 (55)	\$49,320 (44)	\$57,965 (26)	\$65,107 (13)	\$66,386 (26)	\$76,354 (18)	\$80,746 (21)	\$109,301 (16)	\$136,311 (9)
	Protection Coverage	\$6,233 (63)	\$8,875 (55)	\$8,755 (44)	\$11,440 (26)	\$12,149 (13)	\$11,826 (26)	\$15,809 (18)	\$14,799 (21)	\$24,567 (16)	\$32,459 (9)
<b>Assoc. Pastor</b>	Personal Income	\$35,842 (4)	\$39,366 (6)	\$51,333 (6)	\$51,692 (3)	\$54,001 (6)	\$55,216 (8)	\$53,875 (14)	\$62,772 (23)	\$68,109 (14)	\$70,930 (13)
	Protection Coverage	\$3,514 (4)	\$6,196 (6)	\$12,393 (6)	\$10,059 (3)	\$7,955 (6)	\$8,667 (8)	\$17,857 (14)	\$9,494 (23)	\$10,362 (14)	\$14,925 (13)
<b>Administrator</b>	Personal Income	\$30,091 (2)	\$42,621 (2)	\$59,566 (1)	\$61,620 (1)	(0)	\$67,194 (2)	\$56,625 (4)	\$62,320 (13)	\$65,590 (10)	\$83,298 (6)
	Protection Coverage	\$2,151 (2)	\$770 (2)	\$0 (1)	\$12,324 (1)	(0)	\$15,752 (2)	\$15,820 (4)	\$6,334 (13)	\$11,957 (10)	\$19,772 (6)
<b>Education</b>	Personal Income	\$42,621 (2)	\$45,735 (2)	\$49,091 (5)	\$42,107 (1)	\$49,437 (4)	\$54,542 (7)	\$55,597 (17)	\$59,367 (22)	\$68,293 (11)	\$71,584 (10)
	Protection Coverage	\$4,365 (2)	\$0 (2)	\$8,360 (5)	\$13,865 (1)	\$3,420 (4)	\$12,399 (7)	\$14,208 (17)	\$7,441 (22)	\$14,335 (11)	\$14,926 (10)
<b>Worship/Music</b>	Personal Income	(0)	\$42,324 (4)	\$38,658 (6)	\$51,876 (6)	\$52,422 (8)	\$52,603 (12)	\$55,432 (10)	\$63,027 (13)	\$74,251 (11)	\$87,828 (11)
	Protection Coverage	(0)	\$3,902 (4)	\$6,543 (6)	\$9,436 (6)	\$8,229 (8)	\$11,055 (12)	\$8,957 (10)	\$10,198 (13)	\$18,412 (11)	\$18,838 (11)
<b>Youth</b>	Personal Income	\$39,180 (4)	\$39,293 (7)	\$42,602 (8)	\$39,368 (3)	\$48,938 (12)	\$42,621 (3)	\$54,140 (13)	\$53,234 (18)	\$50,883 (13)	\$60,949 (12)
	Protection Coverage	\$3,693 (4)	\$3,829 (7)	\$8,765 (8)	\$1,232 (3)	\$8,387 (12)	\$8,079 (3)	\$10,915 (13)	\$7,784 (18)	\$9,590 (13)	\$13,457 (12)
<b>Children</b>	Personal Income	\$54,431 (1)	\$38,273 (2)	\$45,496 (1)	\$41,594 (2)	\$40,135 (6)	\$37,432 (3)	\$44,327 (9)	\$52,980 (18)	\$52,009 (10)	\$48,409 (9)
	Protection Coverage	\$714 (1)	\$0 (2)	\$4,622 (1)	\$6,932 (2)	\$4,620 (6)	\$5,955 (3)	\$9,677 (9)	\$11,247 (18)	\$11,006 (10)	\$10,185 (9)

<b>Activities</b>	Personal Income	\$38,204 (3)	\$42,621 (2)	\$37,999 (1)	\$41,080 (1)	\$50,118 (6)	\$44,675 (3)	\$49,666 (2)	\$51,858 (7)	\$54,867 (3)	\$79,760 (4)
	Protection Coverage	\$1,672 (3)	\$770 (2)	\$1,232 (1)	\$0 (1)	\$7,326 (6)	\$7,551 (3)	\$7,956 (2)	\$7,844 (7)	\$44,624 (3)	\$15,408 (4)
<b>Multi-Role</b>	Personal Income	\$39,560 (5)	\$40,288 (10)	\$45,626 (11)	\$47,821 (9)	\$50,600 (15)	\$49,832 (13)	\$55,891 (24)	\$57,035 (42)	\$65,319 (27)	\$72,831 (17)
	Protection Coverage	\$2,954 (5)	\$3,871 (10)	\$8,544 (11)	\$8,242 (9)	\$6,821 (15)	\$10,411 (13)	\$13,935 (24)	\$9,121 (42)	\$12,872 (27)	\$15,533 (17)
<b>Office Staff</b>	Personal Income	\$23,797 (6)	\$24,801 (11)	\$25,606 (11)	\$24,878 (11)	\$28,286 (11)	\$28,541 (33)	\$26,909 (26)	\$28,328 (35)	\$29,026 (34)	\$34,373 (29)
	Protection Coverage	\$4,615 (6)	\$2,084 (11)	\$1,956 (11)	\$2,235 (11)	\$2,544 (11)	\$2,466 (33)	\$4,005 (26)	\$3,373 (35)	\$4,693 (34)	\$6,799 (29)
<b>Custodian</b>	Personal Income	\$24,648 (2)	\$21,362 (1)	(0)	\$19,595 (1)	\$26,776 (3)	\$27,092 (3)	\$23,525 (3)	\$25,204 (5)	\$27,078 (16)	\$24,051 (4)
	Protection Coverage	\$411 (2)	\$4,197 (1)	(0)	\$0 (1)	\$3,056 (3)	\$0 (3)	\$2,282 (3)	\$4,283 (5)	\$3,552 (16)	\$9,045 (4)

### Averages for Full-Time Staff Based on Church Budget

		Up to 50k	50k – 75k	75k – 100k	100k – 150k	150k – 200k	200k – 300k	300k – 400k	400k – 600k	600k – 800k	800k – up
<b>Pastor</b>	Personal Income	\$17,493 (3)	\$32,463 (7)	\$35,195 (13)	\$37,590 (36)	\$41,587 (42)	\$48,602 (50)	\$52,565 (34)	\$64,673 (31)	\$70,761 (20)	100,094 (61)
	Protection Coverage	\$0 (3)	\$2,680 (7)	\$3,810 (13)	\$5,718 (36)	\$8,682 (42)	\$10,301 (50)	\$9,940 (34)	\$13,357 (31)	\$11,524 (20)	\$20,397 (61)
<b>Assoc. Pastor</b>	Personal Income	(0)	(0)	\$43,648 (1)	\$30,091 (2)	\$33,740 (2)	\$43,102 (7)	\$44,901 (3)	\$47,542 (9)	\$50,323 (6)	\$64,961 (68)
	Protection Coverage	(0)	(0)	\$0 (1)	\$2,151 (2)	\$9,551 (2)	\$7,071 (7)	\$6,681 (3)	\$8,109 (9)	\$10,307 (6)	\$12,736 (68)
<b>Administrator</b>	Personal Income	(0)	(0)	(0)	\$30,091 (2)	(0)	\$41,594 (1)	(0)	\$49,296 (2)	(0)	\$67,124 (35)
	Protection Coverage	(0)	(0)	(0)	\$2,151 (2)	(0)	\$1,541 (1)	(0)	\$7,189 (2)	(0)	\$11,808 (35)
<b>Education</b>	Personal Income	(0)	(0)	(0)	\$41,080 (1)	(0)	\$42,929 (5)	\$46,382 (1)	\$48,518 (10)	\$46,626 (7)	\$64,259 (58)
	Protection Coverage	(0)	(0)	(0)	\$0 (1)	(0)	\$3,122 (5)	\$13,881 (1)	\$6,157 (10)	\$9,054 (7)	\$12,888 (58)
<b>Worship/Music</b>	Personal Income	(0)	(0)	(0)	(0)	(0)	\$39,574 (8)	\$43,731 (2)	\$49,244 (16)	\$51,262 (10)	\$70,595 (48)
	Protection Coverage	(0)	(0)	(0)	(0)	(0)	\$3,185 (8)	\$13,821 (2)	\$8,493 (16)	\$9,440 (10)	\$14,548 (48)
<b>Youth</b>	Personal Income	(0)	(0)	(0)	\$30,331 (3)	\$40,637 (3)	\$40,462 (12)	\$41,058 (5)	\$45,899 (11)	\$46,044 (9)	\$56,223 (53)
	Protection Coverage	(0)	(0)	(0)	\$1,434 (3)	\$6,605 (3)	\$3,620 (12)	\$6,413 (5)	\$9,154 (11)	\$8,212 (9)	\$10,653 (53)
<b>Children</b>	Personal Income	(0)	(0)	(0)	\$41,080 (3)	\$54,431 (1)	\$37,623 (4)	\$44,366 (1)	\$42,210 (3)	\$41,437 (2)	\$50,281 (49)
	Protection Coverage	(0)	(0)	(0)	\$19,171 (3)	\$714 (1)	\$2,311 (4)	\$0 (1)	\$10,955 (3)	\$5,043 (2)	\$9,711 (49)
<b>Activities</b>	Personal Income	(0)	(0)	(0)	\$33,018 (4)	\$54,431 (1)	\$40,909 (3)	(0)	\$58,128 (3)	\$45,188 (1)	\$58,005 (20)
	Protection Coverage	(0)	(0)	(0)	\$1,075 (4)	\$714 (1)	\$924 (3)	(0)	\$11,811 (3)	\$4,108 (1)	\$15,347 (20)
<b>Multi-Role</b>	Personal Income	(0)	(0)	(0)	\$33,018 (4)	\$40,637 (3)	\$40,182 (16)	\$45,281 (4)	\$48,511 (23)	\$50,143 (13)	\$62,238 (113)
	Protection Coverage	(0)	(0)	(0)	\$1,075 (4)	\$6,605 (3)	\$3,999 (16)	\$8,451 (4)	\$8,114 (23)	\$9,741 (13)	\$12,422 (113)
<b>Office Staff</b>	Personal Income	\$15,405 (2)	(0)	(0)	\$19,671 (1)	\$19,165 (2)	\$24,142 (18)	\$23,834 (11)	\$27,397 (33)	\$25,598 (22)	\$30,721 (125)
	Protection Coverage	\$10,270 (2)	(0)	(0)	\$1,602 (1)	\$2,003 (2)	\$1,807 (18)	\$1,761 (11)	\$3,739 (33)	\$1,878 (22)	\$4,424 (125)
<b>Custodian</b>	Personal Income	(0)	(0)	(0)	(0)	(0)	\$24,648 (2)	(0)	\$24,104 (4)	\$29,268 (3)	\$25,669 (29)
	Protection Coverage	(0)	(0)	(0)	(0)	(0)	\$411 (2)	(0)	\$3,341 (4)	\$0 (3)	\$4,182 (29)

**Averages for Part-Time Staff Based on Average Church Attendance  
(Higher of Worship or Sunday School)**

		1 – 50	51 – 100	101 – 150	151 – 200	201 – 300	301 – 500	501 – 750	751 – 1000	1001 – up
<b>Pastor</b>	Personal Income	\$13,034 (103)	\$19,377 (47)	\$21,649 (10)	\$23,005 (2)	\$39,574 (3)	\$30,810 (1)	(0)	(0)	\$12,324 (1)
	Protection Coverage	\$1,227 (103)	\$1,480 (47)	\$684 (10)	\$514 (2)	\$0 (3)	\$0 (1)	(0)	(0)	\$0 (1)
<b>Assoc. Pastor</b>	Personal Income	\$9,744 (3)	\$43,804 (2)	\$15,339 (4)	\$15,905 (3)	\$20,951 (2)	\$22,190 (3)	(0)	(0)	(0)
	Protection Coverage	\$123 (3)	\$616 (2)	\$0 (4)	\$0 (3)	\$0 (2)	\$12,735 (3)	(0)	(0)	(0)
<b>Administrator</b>	Personal Income	\$14,378 (1)	(0)	\$24,135 (2)	(0)	\$31,840 (2)	\$51,350 (1)	(0)	(0)	(0)
	Protection Coverage	\$0 (1)	(0)	\$0 (2)	(0)	\$0 (2)	\$0 (1)	(0)	(0)	(0)
<b>Education</b>	Personal Income	\$24,648 (1)	\$9,654 (2)	\$20,540 (2)	\$18,486 (1)	\$27,238 (1)	\$20,780 (3)	\$18,691 (1)	\$11,297 (1)	(0)
	Protection Coverage	\$370 (1)	\$0 (2)	\$0 (2)	\$0 (1)	\$0 (1)	\$1 (3)	\$539 (1)	\$0 (1)	(0)
<b>Worship/Music</b>	Personal Income	\$10,224 (8)	\$12,295 (25)	\$14,017 (15)	\$14,239 (11)	\$17,656 (10)	\$24,532 (7)	\$11,482 (1)	\$30,750 (1)	\$14,686 (1)
	Protection Coverage	\$692 (8)	\$101 (2)	\$1,194 (15)	\$14 (11)	\$222 (10)	\$616 (7)	\$0 (1)	\$8,476 (1)	\$0 (1)
<b>Youth</b>	Personal Income	\$12,563 (3)	\$10,909 (13)	\$14,008 (13)	\$14,480 (9)	\$16,857 (4)	\$14,040 (7)	\$19,323 (1)	(0)	\$12,683 (2)
	Protection Coverage	\$123 (3)	\$300 (13)	\$153 (13)	\$137 (9)	\$26 (4)	\$0 (7)	\$0 (1)	(0)	\$0 (2)
<b>Children</b>	Personal Income	\$24,648 (1)	\$8,734 (5)	\$15,093 (3)	\$15,508 (3)	\$16,128 (5)	\$16,386 (11)	\$14,333 (6)	\$30,750 (1)	\$16,137 (2)
	Protection Coverage	\$370 (1)	\$370 (5)	\$123 (3)	\$0 (3)	\$21 (5)	\$3,566 (11)	\$0 (6)	\$8,476 (1)	\$118 (2)
<b>Activities</b>	Personal Income	\$24,648 (1)	\$10,681 (1)	\$8,216 (1)	(0)	\$27,238 (1)	\$13,618 (2)	(0)	(0)	(0)
	Protection Coverage	\$370 (1)	\$0 (1)	\$0 (1)	(0)	\$0 (1)	\$17,562 (2)	(0)	(0)	(0)
<b>Multi-Role</b>	Personal Income	\$13,528 (5)	\$17,610 (8)	\$14,152 (12)	\$14,265 (9)	\$25,327 (7)	\$26,910 (7)	(0)	\$30,750 (1)	\$14,686 (1)
	Protection Coverage	\$148 (5)	\$547 (8)	\$1,472 (12)	\$0 (9)	\$15 (7)	\$5,458 (7)	(0)	\$8,476 (1)	\$0 (1)
<b>Office Staff</b>	Personal Income	\$6,237 (16)	\$9,221 (50)	\$14,159 (37)	\$14,029 (15)	\$15,053 (22)	\$14,761 (21)	\$16,091 (8)	\$21,567 (1)	\$12,443 (1)
	Protection Coverage	\$349 (16)	\$236 (50)	\$580 (37)	\$1,980 (15)	\$997 (22)	\$521 (21)	\$0 (8)	\$0 (1)	\$3,324 (1)
<b>Custodian</b>	Personal Income	\$3,310 (9)	\$6,356 (23)	\$6,742 (12)	\$9,017 (2)	(0)	\$16,303 (4)	\$11,901 (4)	\$10,323 (1)	\$16,689 (2)
	Protection Coverage	\$0 (9)	\$31 (23)	\$0 (12)	\$0 (2)	(0)	\$0 (4)	\$137 (4)	\$0 (1)	\$1,662 (2)

**Averages for Part-Time Staff Based on Church Resident Membership**

		1 – 200	201- 300	301 – 400	401 – 500	501 – 600	601 – 800	801 – 1000	1001 – 1500	1501 – 2000	2001 – up
<b>Pastor</b>	Personal Income	\$14,631 (139)	\$19,885 (15)	\$22,457 (3)	\$32,361 (5)	\$34,507 (1)	\$53,404 (1)	(0)	(0)	(0)	(0)
	Protection Coverage	\$1,283 (139)	\$1,493 (15)	\$856 (3)	\$0 (5)	\$0 (1)	\$0 (1)	(0)	(0)	(0)	(0)
<b>Assoc. Pastor</b>	Personal Income	\$16,808 (3)	\$26,375 (3)	\$10,681 (3)	\$12,324 (1)	\$25,880 (1)	\$22,395 (4)	\$22,502 (2)	(0)	(0)	(0)
	Protection Coverage	\$0 (3)	\$411 (3)	\$0 (3)	\$0 (1)	\$0 (1)	\$863 (4)	\$17,562 (2)	(0)	(0)	(0)
<b>Administrator</b>	Personal Income	\$14,378 (1)	(0)	(0)	\$18,486 (1)	\$43,134 (2)	(0)	\$29,272 (2)	(0)	(0)	(0)
	Protection Coverage	\$0 (1)	(0)	(0)	\$0 (1)	\$0 (2)	(0)	\$0 (2)	(0)	(0)	(0)
<b>Education</b>	Personal Income	\$14,857 (3)	(0)	\$18,486 (1)	\$32,864 (1)	(0)	\$12,016 (1)	\$29,783 (1)	\$21,129 (3)	\$11,297 (1)	(0)
	Protection Coverage	\$123 (3)	(0)	\$0 (1)	\$0 (1)	(0)	\$0 (1)	\$0 (1)	\$180 (3)	\$0 (1)	(0)
<b>Worship/Music</b>	Personal Income	\$10,544 (22)	\$14,977 (17)	\$10,206 (8)	\$11,954 (9)	\$19,961 (6)	\$18,669 (8)	\$26,524 (4)	\$25,570 (1)	\$21,116 (2)	\$14,686 (1)
	Protection Coverage	\$233 (22)	\$87 (17)	\$282 (8)	\$17 (9)	\$0 (6)	\$2,802 (8)	\$308 (4)	\$0 (1)	\$4,238 (2)	\$0 (1)
<b>Youth</b>	Personal Income	\$12,120 (14)	\$11,345 (10)	\$14,407 (8)	\$13,977 (8)	\$17,089 (1)	\$16,601 (4)	\$21,493 (2)	\$19,323 (1)	(0)	\$12,683 (2)
	Protection Coverage	\$305 (14)	\$148 (10)	\$218 (8)	\$0 (8)	\$0 (1)	\$26 (4)	\$0 (2)	\$0 (1)	(0)	\$0 (2)
<b>Children</b>	Personal Income	\$13,825 (4)	\$10,899 (5)	\$13,865 (3)	\$24,135 (2)	\$15,713 (1)	\$16,689 (2)	\$16,913 (7)	\$15,897 (6)	\$17,844 (5)	\$8,011 (1)
	Protection Coverage	\$555 (4)	\$279 (5)	\$0 (3)	\$0 (2)	\$0 (1)	\$51 (2)	\$5,018 (7)	\$514 (6)	\$1,742 (5)	\$0 (1)

<b>Activities</b>	Personal Income	\$24,648 (1)	(0)	\$8,216 (1)	(0)	(0)	\$12,016 (1)	\$15,220 (1)	\$27,238 (1)	(0)	(0)
	Protection Coverage	\$370 (1)	(0)	\$0 (1)	(0)	(0)	\$0 (1)	\$35,123 (1)	\$0 (1)	(0)	(0)
<b>Multi-Role</b>	Personal Income	\$12,432 (15)	\$18,649 (7)	\$12,187 (6)	\$21,225 (3)	\$37,383 (3)	\$20,206 (7)	\$24,588 (3)	\$26,404 (2)	\$30,750 (1)	\$14,686 (1)
	Protection Coverage	\$234 (15)	\$176 (7)	\$154 (6)	\$0 (3)	\$0 (3)	\$2,899 (7)	\$11,708 (3)	\$0 (2)	\$8,476 (1)	\$0 (1)
<b>Office Staff</b>	Personal Income	\$9,243 (45)	\$11,136 (37)	\$12,319 (16)	\$14,003 (16)	\$12,484 (7)	\$15,468 (16)	\$13,868 (6)	\$17,015 (15)	\$15,851 (4)	\$12,443 (1)
	Protection Coverage	\$82 (45)	\$704 (37)	\$200 (16)	\$847 (16)	\$1,459 (7)	\$1,762 (16)	\$0 (6)	\$730 (15)	\$0 (4)	\$3,324 (1)
<b>Custodian</b>	Personal Income	\$5,216 (25)	\$7,338 (11)	\$6,464 (6)	\$6,260 (4)	\$10,681 (1)	(0)	\$15,308 (3)	\$15,549 (2)	\$11,812 (3)	\$16,689 (2)
	Protection Coverage	\$29 (25)	\$0 (11)	\$0 (6)	\$0 (4)	\$0 (1)	(0)	\$0 (3)	\$0 (2)	\$182 (3)	\$1,662 (2)

### Averages for Part-Time Staff Based on Church Budget

		Up to 50k	50k – 75k	75k – 100k	100k – 150k	150k – 200k	200k – 300k	300k – 400k	400k – 600k	600k – 800k	800k – up
<b>Pastor</b>	Personal Income	\$10,670 (72)	\$16,547 (44)	\$19,441 (18)	\$23,483 (19)	\$25,860 (5)	\$24,264 (4)	\$36,972 (3)	\$13,351 (1)	\$34,507 (1)	(0)
	Protection Coverage	\$506 (72)	\$1,657 (44)	\$2,862 (18)	\$878 (19)	\$4,050 (5)	\$1,386 (4)	\$0 (3)	\$427 (1)	\$0 (1)	(0)
<b>Assoc. Pastor</b>	Personal Income	(0)	\$6,829 (2)	(0)	\$22,714 (4)	(0)	\$18,055 (3)	\$20,812 (4)	\$17,808 (3)	\$39,026 (1)	(0)
	Protection Coverage	(0)	\$0 (2)	(0)	\$401 (4)	(0)	\$0 (3)	\$0 (4)	\$11,708 (3)	\$3,081 (1)	(0)
<b>Administrator</b>	Personal Income	(0)	(0)	(0)	\$14,378 (1)	(0)	\$18,486 (1)	\$29,783 (1)	\$34,918 (1)	(0)	\$40,056 (2)
	Protection Coverage	(0)	(0)	(0)	\$0 (1)	(0)	\$0 (1)	\$0 (1)	\$0 (1)	(0)	\$0 (2)
<b>Education</b>	Personal Income	(0)	(0)	\$16,637 (2)	\$10,681 (1)	(0)	\$11,297 (1)	\$20,095 (3)	(0)	\$22,965 (2)	\$20,540 (3)
	Protection Coverage	(0)	(0)	\$185 (2)	\$0 (1)	(0)	\$0 (1)	\$0 (3)	(0)	\$270 (2)	\$1 (3)
<b>Worship/Music</b>	Personal Income	\$13,809 (2)	\$7,959 (2)	\$10,262 (5)	\$11,481 (19)	\$10,878 (11)	\$14,587 (12)	\$16,433 (9)	\$19,584 (8)	\$24,477 (3)	\$21,945 (8)
	Protection Coverage	\$0 (2)	\$1,732 (2)	\$341 (5)	\$152 (19)	\$84 (11)	\$0 (12)	\$27 (9)	\$2,112 (8)	\$1,768 (3)	\$1,214 (8)
<b>Youth</b>	Personal Income	\$8,627 (1)	\$8,318 (1)	\$16,596 (2)	\$10,016 (9)	\$12,943 (10)	\$11,889 (8)	\$18,174 (7)	\$14,509 (7)	\$16,211 (3)	\$15,024 (4)
	Protection Coverage	\$1,849 (1)	\$0 (1)	\$185 (2)	\$144 (9)	\$76 (10)	\$0 (8)	\$285 (7)	\$176 (7)	\$34 (3)	\$0 (4)
<b>Children</b>	Personal Income	\$11,218 (2)	(0)	\$24,648 (1)	\$5,161 (2)	\$15,405 (1)	\$9,041 (4)	\$20,643 (3)	\$15,902 (5)	\$20,205 (3)	\$16,188 (16)
	Protection Coverage	\$924 (2)	(0)	\$370 (1)	\$0 (2)	\$0 (1)	\$92 (4)	\$0 (3)	\$7,230 (5)	\$34 (3)	\$737 (16)
<b>Activities</b>	Personal Income	(0)	(0)	\$24,648 (1)	\$9,448 (2)	(0)	(0)	\$12,016 (1)	\$15,220 (1)	\$27,238 (1)	(0)
	Protection Coverage	(0)	(0)	\$370 (1)	\$0 (2)	(0)	(0)	\$0 (1)	\$35,123 (1)	\$0 (1)	(0)
<b>Multi-Role</b>	Personal Income	\$12,082 (3)	\$8,318 (1)	\$16,637 (2)	\$16,574 (9)	\$11,957 (6)	\$13,968 (6)	\$16,573 (7)	\$20,844 (7)	\$29,791 (3)	\$30,664 (6)
	Protection Coverage	\$616 (3)	\$0 (1)	\$185 (2)	\$322 (9)	\$154 (6)	\$0 (6)	\$0 (7)	\$7,409 (7)	\$1,061 (3)	\$1,413 (6)
<b>Secretary</b>	Personal Income	\$4,550 (4)	\$5,277 (4)	\$8,207 (8)	\$7,697 (27)	\$10,161 (21)	\$14,996 (37)	\$15,925 (14)	\$13,755 (24)	\$12,386 (12)	\$15,994 (21)
	Protection Coverage	\$0 (4)	\$0 (4)	\$0 (8)	\$13 (27)	\$130 (21)	\$672 (37)	\$609 (14)	\$880 (24)	\$3,304 (12)	\$357 (21)
<b>Custodian</b>	Personal Income	\$2,997 (6)	\$3,115 (6)	\$6,400 (5)	\$5,742 (13)	\$8,144 (6)	\$7,274 (8)	\$12,277 (2)	\$10,681 (1)	\$27,503 (1)	\$13,148 (9)
	Protection Coverage	\$0 (6)	\$0 (6)	\$0 (5)	\$0 (13)	\$119 (6)	\$0 (8)	\$0 (2)	\$0 (1)	\$0 (1)	\$430 (9)

## Average for Part Time Based on Experience

		1-5 Yrs	6-10 Yrs	11-15 Yrs	16-20 Yrs	21-30 Yrs	31 Yrs +
Pastor	Personal Income	\$11,668 (25)	\$14,311 (31)	\$15,760 (23)	\$18,610 (18)	\$17,792 (30)	\$17,752 (39)
	Protection Coverage	\$357 (25)	\$1,194 (31)	\$884 (23)	\$1,271 (18)	\$1,500 (30)	\$1,785 (39)
Assoc. Pastor	Personal Income	\$12,432 (4)	\$12,324 (1)	\$10,188 (2)	\$26,626 (4)	\$15,128 (2)	\$28,798 (4)
	Protection Coverage	\$8,781 (4)	\$0 (1)	\$0 (2)	\$308 (4)	\$0 (2)	\$863 (4)
Administrator	Personal Income	\$51,350 (1)	\$14,378 (1)	(0)	(0)	\$28,761 (1)	\$27,729 (3)
	Protection Coverage	\$0 (1)	\$0 (1)	(0)	(0)	\$0 (1)	\$0 (3)
Education	Personal Income	\$19,268 (2)	\$28,756 (2)	\$14,686 (2)	\$13,043 (3)	\$11,297 (1)	\$23,621 (2)
	Protection Coverage	\$0 (2)	\$185 (2)	\$270 (2)	\$0 (3)	\$0 (1)	\$1 (2)
Worship/Music	Personal Income	\$8,629 (12)	\$13,708 (15)	\$14,113 (10)	\$21,572 (8)	\$14,715 (11)	\$15,247 (21)
	Protection Coverage	\$0 (12)	\$86 (15)	\$362 (10)	\$154 (8)	\$1,656 (11)	\$395 (21)
Youth	Personal Income	\$11,527 (24)	\$14,523 (12)	\$13,140 (9)	\$15,251 (2)	\$17,182 (2)	\$22,765 (3)
	Protection Coverage	\$182 (24)	\$51 (12)	\$137 (9)	\$0 (2)	\$0 (2)	\$466 (3)
Children	Personal Income	\$13,776 (17)	\$17,468 (8)	\$12,469 (7)	\$9,757 (1)	\$15,405 (1)	\$26,445 (2)
	Protection Coverage	\$2,235 (17)	\$431 (8)	\$87 (7)	\$0 (1)	\$0 (1)	\$51 (2)
Activities	Personal Income	\$16,891 (3)	\$24,648 (1)	\$10,681 (1)	\$12,016 (1)	(0)	(0)
	Protection Coverage	\$11,708 (3)	\$370 (1)	\$0 (1)	\$0 (1)	(0)	(0)
Multi-Role	Personal Income	\$15,100 (12)	\$17,574 (12)	\$10,353 (3)	\$21,481 (7)	\$18,232 (5)	\$21,869 (9)
	Protection Coverage	\$3,081 (12)	\$108 (12)	\$0 (3)	\$176 (7)	\$3,348 (5)	\$539 (9)

## Average for Full Time Based on Experience

		1-5 Yrs	6-10 Yrs	11-15 Yrs	16-20 Yrs	21-30 Yrs	31 Yrs +
Pastor	Personal Income	\$41,082 (6)	\$46,641 (37)	\$57,845 (54)	\$63,940 (33)	\$58,488 (94)	\$66,340 (69)
	Protection Coverage	\$7,006 (6)	\$7,452 (37)	\$7,606 (54)	\$11,987 (33)	\$13,338 (94)	\$13,690 (69)
Assoc. Pastor	Personal Income	\$50,835 (14)	\$49,952 (22)	\$50,297 (11)	\$66,094 (12)	\$66,384 (27)	\$67,125 (12)
	Protection Coverage	\$13,937 (14)	\$7,045 (22)	\$13,629 (11)	\$12,488 (12)	\$11,636 (27)	\$10,817 (12)
Administrator	Personal Income	\$53,565 (7)	\$54,996 (10)	\$77,461 (4)	\$64,896 (7)	\$66,816 (9)	\$70,178 (3)
	Protection Coverage	\$8,531 (7)	\$7,006 (10)	\$16,235 (4)	\$13,291 (7)	\$10,016 (9)	\$9,175 (3)
Education	Personal Income	\$51,325 (8)	\$53,525 (23)	\$54,904 (8)	\$58,921 (11)	\$66,096 (24)	\$59,567 (8)
	Protection Coverage	\$17,287 (8)	\$9,231 (23)	\$9,365 (8)	\$12,462 (11)	\$10,954 (24)	\$6,044 (8)
Worship/Music	Personal Income	\$47,356 (4)	\$49,292 (21)	\$57,021 (3)	\$75,554 (11)	\$63,496 (25)	\$61,147 (18)
	Protection Coverage	\$6,336 (4)	\$8,726 (21)	\$12,900 (3)	\$13,343 (11)	\$11,760 (25)	\$14,346 (18)
Youth	Personal Income	\$42,187 (28)	\$49,595 (32)	\$52,853 (13)	\$58,104 (11)	\$61,313 (9)	\$41,080 (1)
	Protection Coverage	\$7,753 (28)	\$6,146 (32)	\$12,847 (13)	\$12,142 (11)	\$10,281 (9)	\$13,762 (1)
Children	Personal Income	\$41,927 (19)	\$46,794 (18)	\$55,889 (9)	\$50,577 (6)	\$54,892 (10)	(0)
	Protection Coverage	\$6,040 (19)	\$9,535 (18)	\$16,586 (9)	\$8,675 (6)	\$7,678 (10)	(0)
Activities	Personal Income	\$37,711 (5)	\$49,861 (12)	\$71,067 (3)	\$46,658 (4)	\$59,970 (5)	\$61,141 (2)
	Protection Coverage	\$2,592 (5)	\$6,693 (12)	\$40,519 (3)	\$8,165 (4)	\$10,769 (5)	\$11,273 (2)
Multi-Role	Personal Income	\$45,366 (25)	\$49,832 (44)	\$53,289 (19)	\$59,829 (22)	\$63,223 (42)	\$60,710 (19)
	Protection Coverage	\$9,235 (25)	\$7,110 (44)	\$11,772 (19)	\$12,779 (22)	\$11,471 (42)	\$11,094 (19)

## This report includes:

1. **Personal Income:** Salary, Housing, Parsonage, and Social Security Offset
2. **Protection Coverage:** Medical/Life/Disability Insurance, and Retirement Contributions

## You must add the following (not included in this study):

3. **Ministry Related Expenses:** Transportation, Travel (overnight), Hospitality, Conventions, Conferences, Books/Subscriptions, etc. You must add these in order to form a complete financial support plan. See page 5.

## These figures are averages of salaries reported.

4. They are not a recommendation of compensation levels. In most cases, you should pay more than the average above.

**This study assumes all ministry-related expenses are paid by the church using an accountable reimbursement plan and are NOT INCLUDED in compensation. See page 5 for a complete financial support plan sheet.**

Interim minister is usually paid between 25 and 35% of the minister's weekly Personal Income for Sunday and for Wednesday evening; and 20-25% for each additional day per week of service requested. In addition, you should reimburse ministry expenses. See Page 18.

## Legal Issues for the Church as Employer

The following issues are raised in order to help church leaders understand some of the legal implications facing the church. Neither the list nor the descriptions are intended as the final word. If your church needs additional information on these issues, please consult a qualified attorney.

- 1) **Four forms are required for each employee when hired (including ministers):** They are the I-9 from the U.S. Citizenship and Immigration Services (USCIS); the NH-1 described under item two below; the W-4 from the IRS; and the A-4 from the Alabama Department of Revenue (ADOR).
- 2) **New Hire Law:** Alabama law requires employers with one or more employees to submit a form to the Alabama Department of Industrial Relations that reports the hiring, rehiring, or recalling of any employee. This may be submitted online at <http://dir.alabama.gov/nh/>. For more information, call the Alabama Department of Industrial Relations at (334) 353-8491.
- 3) **Fair Labor Standards Act:** This law applies to employers with one or more employees. It addresses issues such as minimum wage, overtime, and record-keeping requirements. Employees are either exempt or non-exempt and legal guidelines determine into which category an employee must be classified based on job responsibilities. Placing an employee on salary does not make him/her exempt. Any employee paid less than \$455 a week for any week of the year is now automatically non-exempt. Churches should require non-exempt employees to keep time sheets with hours worked. Ministers are usually exempt (even bivo ministers that do not earn \$455/week).
- 4) **Worker's Compensation:** An Alabama employer with five or more employees is required to provide this insurance. It protects the employer and employee in the event of a work-related injury. Churches with less than five employees are liable for Worker's Compensation claims as well. They too should provide such coverage even though they are not legally required to do so.
- 5) **Employee Handbook (a.k.a. Personnel Manual):** If a church has an employee handbook, it should not include wording that implies a contractual commitment between the church and the employee. A statement that references Alabama's "At Will" status should also be included. This status means that the employment relationship can be ended by either the church or the employee without a reason or grounds.
- 6) **Conduct background checks on all potential employees:** Conduct a rigorous background investigation with a professional agency. A professional agency will have access to additional sources of information not readily available to you and they have skill in conducting interviews, where most relevant information is obtained. You must get proper signed release forms and conduct the background check in accordance with the new FCRA federal guidelines.
- 7) **Incorporation:** All churches should be incorporated for three reasons: (1) for the church to own property, (2) to protect members from personal loss if the church is found liable, (3) to protect the church from takeover.
- 8) **Tax-exempt Status:** Alabama does not exempt churches from sales tax. Churches are automatically exempt from federal and state property tax. They are also given the right to grant charitable contributions credit to those giving cash or non-cash gifts to, or for the use of, the church. Some vendors may ask church leaders for a 501(c)(3) exemption letter as proof of status. To receive such a letter, contact the SBC Executive Committee's Finance Office at 901 Commerce St., Nashville, Tennessee 37203, (615) 244-2355.
- 9) **Sexual Harassment:** Make sure that your church has a sexual harassment policy that is clear. Make sure it is communicated to all employees. Churches should be free from any hostile work environment. Employees should understand the procedure for reporting situations and employers should always take complaints seriously.
- 10) **Churches are excluded by law from the following:** COBRA, Federal Unemployment Tax, and Alabama Unemployment Tax.
- 11) **Age Discrimination in Employment Act 1967 (ADEA) and Age Discrimination Act of 1975:** ADEA protects certain applicants and employees 40 years of age and older from discrimination on the basis of age in hiring, promotion, discharge, compensation, or terms, conditions or privileges of employment.
- 12) **New Alabama Child Labor Law:** The new act reforms Alabama child labor enforcement standards, transferring the permitting process from the public school system to the Department of Labor. Under the new system, work permits are no longer required for each minor employed. In its place, employers are required to obtain a Child Labor Certificate in order to employ minors. [www.alalabor.alabama.gov/childlabordiv.htm](http://www.alalabor.alabama.gov/childlabordiv.htm).
- 13) **Americans with Disability Act (ADA):** Churches that employ 15 or more individuals generally **are covered** by **Title I** of the ADA. Covered employers are banned from discriminating against qualified individuals with disabilities in all aspects of **employment**. Churches generally are **not covered** under **Title II** of the ADA which covers accessibility to things like buildings and sidewalks.
- 14) **Civil Rights Act of 1964:** Prohibits employers from discriminating in any employment decision—including hiring, discharge, compensation, and the

terms, conditions, or privileges of employment on the basis of race, color, religion, sex, or national origin. Religious organizations, including churches, are exempt from the prohibition against discrimination based on religion, and the United States Supreme Court upheld the constitutionality of this provision in 1987.

- 15) **Family and Medical Leave Act (FMLA):** The FMLA is applicable to churches with 50 or more employees each working day during at least 20 calendar weeks or more in the current or preceding calendar year.
- 16) **Immigration Reform and Control Acts of 1986:** All employees hired on or after June 1, 1987 must complete the top half of Form I-9 by the third day of work. Present a Form I-9 for inspection to an U.S. Citizenship and Immigration Services (“USCIS”) or Department of Labor officer upon request. Note that the Form I-9 is not filed with the government. Rather, it

is retained by the employer for presentation to an appropriate government representative upon request.

- 17) **Uniformed Services Employment and Reemployment Rights Act:** Employees have the right to be reemployed if they leave to serve in the military provided: they tell you in advance, have 5 years or less in the services while under your employ, return to work in a timely manner, and have not been separated with a disqualifying discharge. They must be restored to the job and benefits they would have attained.

For more information, call 1-800-264-1225, extension 283 and request a Church Legal Issues guide. If you have questions, ask for Jim Swedenburg.

Jim Swedenburg is a State Missionary. He is Director of Cooperative Program & Stewardship Development of the Alabama Baptist Convention, State Board of Missions. [jswedenburg@alsbom.org](mailto:jswedenburg@alsbom.org)

## Tax Issues for the Church as Employer

- 1) There are some issues every church must understand in dealing with employees — ordained ones in particular. Consider these four major elements:
  - a) **Ordained ministers live under a dual tax status.** They are employees for federal and state tax purposes and self-employed for Social Security purposes.
  - b) **Ordained ministers are exempt from income tax withholding.** The minister may choose to pay taxes on a quarterly estimated basis or may choose voluntary withholding by completing box 6 on their W-4.
  - c) **Churches cannot pay FICA for a minister.** Social Security offsets are included as regular income.
  - d) **Ordained ministers qualify for a housing allowance.** The allowance applies to church-owned housing or housing owned or rented by the minister. If the church provides a pastorium to **non-ordained** employees, the fair rental value of the house/apartment must be recorded as taxable income on the person’s W-2 at the end of the year.
- 2) Your church must have an employer identification number (EIN). This is not a “tax-exempt” number. There is no Alabama tax-exempt number that prevents a church from paying sales taxes on items purchased. To apply for a Federal EIN, call 1-800-829-3676 and request form SS-4 or [www.irs.gov](http://www.irs.gov). For a State EIN, call 334-242-8830 or [www.revenue.alabama.gov](http://www.revenue.alabama.gov).
- 3) Determine whether each church worker is an employee or self-employed. A seven-factor test issued by the IRS can help in making the determination. You must obtain the Social Security number from each worker —
  - 4) employees on form W-4 and contract workers on form W-9. If a contract worker refuses to provide a SS number on a form W-9, the church must withhold 28% of the total compensation as back-up withholding.
  - 5) Each employee must have a form W-4 on file for the current year. This form is used to claim withholding allowances. Ordained employees may use the form to elect voluntary withholding. New employees should complete the form when they begin employment, on or before the fifth day of work. This should be repeated prior to January 1 each year.
  - 6) Compute each employee’s taxable wages. The following items will generally be counted as wages and entered on the employee’s W-2: salary, bonuses, Christmas and other special occasion gifts (love offerings), Social Security offset for ordained persons, personal use of a church-owned vehicle, purchases of church property for less than fair market value, business expense reimbursements under a non-accountable reimbursement plan, imputed interest on below-market interest church loans, most reimbursements of spouse travel expenses, and forgiven debts. Generally, if funds are given to church employees that pass through, or are collected by the church, those funds should be reported on the W-2 as income.
  - 7) Determine the amount of income tax to withhold from each employee’s wages. Request from the IRS Publication 15 (Circular E) to assist in this process. The circular, along with the W-4 will help make the process easier. If you have questions, contact your CPA.
  - 8) Withhold Social Security (FICA) taxes from **non-ordained** employees. Ordained employees are self-employed for Social Security purposes. Never pay or withhold FICA tax for ordained persons serving as ministers (they

- pay SECA taxes at the rate of 15.3% - 13.3% for 2011 only).
- 8) Deposit the taxes you withhold. The amount of the deposit will determine the frequency that deposits must be made. If you have questions, contact your CPA. The IRS will notify you if the frequency needs to be changed.
  - 9) All employers subject to income tax withholding and/or Social Security withholding must file Form 941 quarterly. Churches with only one minister-employee will probably be exempt from this rule. Once the form is first filed, the IRS may notify you that the form will not be needed unless additional staff is added.
  - 10) Prepare a Form W-2 for every employee, including ordained ministers. A Form 1099-Misc will need to be filed for non-employees who were paid for services during the calendar year where total compensation was equal to or exceeded \$600. Ordained ministers are employees for federal and state tax purposes and should receive a W-2.
  - 11) The following forms should be on file for every employee: W-4, I-9, and A-4. An NH-1 may also be filed.
  - 12) Alabama law requires employers with one or more employees to submit a form to the Alabama Department of Industrial Relations that reports the **hiring, rehiring, or recalling** of any employee. This may be submitted online at <http://dir.alabama.gov/nh/>. For more information, call the Alabama Department of Industrial Relations at (334) 353-8491.
  - 13) The IRS gives intense scrutiny to employee use of listed property. This includes computers and vehicles. Cell phones have been removed from listed property.
  - 14) Club memberships: No deduction is permitted for club dues, including social, athletic, sporting, luncheon clubs, airline and hotel clubs, and “business” clubs. This does not include bona fide professional dues.
  - 15) Credit card: Expenses charged to the church credit card are 100% taxable if executives are not required to substantiate that those expenses were for business. If not required, the reimbursement is nonaccountable and the total reimbursement is taxable income.
  - 16) Spouse or dependant travel: Reimbursement of a spouse (or other dependants) travel is taxable to the employee unless there is a business purpose for the spouse to participate.
  - 17) FSA or flex plans use it or lose it rule eased. A cafeteria plan document may, at the employer's option, be amended to provide for a grace period. Churches may allow current year funds to be spent through March 15 of the following year.
  - 18) Consider using per diem rates for substantiating travel expenses. The IRS allows taxpayers to substantiate business expenses by using “per diem” (daily) rates. Taxpayers still must have records substantiating the date, place, and business purpose of each expense.
  - 19) Worker Misclassification: the IRS has announced that it will give careful scrutiny to recipients of 1099’s who should have received W-2’s. In 2005 the IRS began fines for churches giving 1099’s to ministers. Ministers on a church staff must be given a W-2.

For more information, call 1-800-264-1225, extension 208 and request a Minister’s tax guide. If you have questions, ask for Lee Wright, Jo Ellen Johnson, CPA or Bobby DuBois.

- Bobby DuBois is a State Missionary. He is the Associate Executive Director of the Alabama Baptist Convention, State Board of Missions. [bdubois@alsbom.org](mailto:bdubois@alsbom.org)
- Jo Ellen Johnson, CPA is a State Missionary. She is Coordinator of Accounting Services of the Alabama Baptist Convention, State Board of Missions. [jjohnson@alsbom.org](mailto:jjohnson@alsbom.org)
- Lee Wright is a State Missionary. He is Coordinator of Church Compensation Services of the Alabama Baptist Convention, State Board of Missions. [lwright@alsbom.org](mailto:lwright@alsbom.org)

## Tax Issues for the Minister

The following issues represent two major points of consideration for ministers with regards to taxes. These items are not exhaustive due to space limitations — they are guidelines for further review. Consult your CPA for help in dealing with these issues or call 1-800-264-1225 for Lee Wright (ext. 241), Bobby DuBois (ext. 219) or Jo Ellen Johnson, CPA (ext. 204). For more information, call 1-800-264-1225, extension 208 and request a Minister’s Tax guide, or go online at [www.guidestone.org/ministrytools/financialresources.aspx](http://www.guidestone.org/ministrytools/financialresources.aspx).

### Providing a “package” is no longer an acceptable practice

The “package” is when the church gives you a figure and you divide it to fit your needs. When this method is allowed by the church and used by the minister, the entire “package” is taxable.

1. The IRS does not allow using salary package restructuring to fund business expenses. Reimbursement can’t be part of compensation (no package). If it comes out of a package it is 100% taxable--IRS Reg. 1.162-17 & 1.274-5T(f)

2. Using salary reductions to fund business expenses is also prohibited by the IRS. This is when the church provides a constant monthly check, but allows division of check to vary from month to month to cover expenses. This makes all of the check taxable.
3. Using salary package restructuring to refund medical expenses is not available when the church uses a compensation “package approach.” IRS Publication 502 Medical and Dental Expenses

### Compensation and tax reporting practices

The IRS may levy “**Intermediate Sanctions**” against a pastor who is a church officer for “excess benefits” paid to him and his family.

In the past the IRS would revoke exempt status of church for such violations. Rather than take that drastic step, the IRS may now impose intermediate sanctions. These are excise taxes of up to 225% of excess benefits against “insiders” such as the senior pastor who helps determine his own salary benefits.

The focus in the past has been “Unreasonable compensation”. The new focus is “automatic” excess benefits for the minister’s use of church assets.

The targeted areas include:

- Real estate (housing and more); when unused housing allowance is not

added to form 1040.

- Personal purchases by minister on church credit card.
- Non accountable plan not reported on the W-2 by the church nor reported by the minister on IRS form 1040.

Why did the IRS characterize these as automatic excess benefits? A combination of one or two factors:

1. Business purpose was not properly substantiated.
2. Neither church nor minister reported personal use as income.

This is a powerful reminder that churches and ministers must report income properly. It is critical for churches to use accountable plans to reimburse ministers, and then only for legitimate ministry-related expenses.

### Housing Allowance:

- 1) A housing allowance (or parsonage allowance) is available to an ordained minister who receives ministry related income during a calendar year. The housing allowance is only available on the income from ministry (you cannot take a housing allowance on earnings received from secular employment). The allowance applies to the principal residence of the minister. A housing allowance is also permitted for ordained ministers living in church-owned housing. The allowance applies to any expense incurred by the minister for the upkeep and maintenance of the residence with the exception of food or maid service. The following calculations are used in determining the allowance:

- a) What is the fair-rental value, furnished, plus utilities annual cost of the principal residence? Ask a real estate agent to place on his/her

letterhead what the house would rent for furnished. Then add utility estimates and the result is your maximum allowance available for the calendar year, regardless of how much you spend. The housing allowance cannot exceed fair rental value, furnished, plus utilities.

- b) What expenses can you prove you paid for during the year? Receipts and cancelled checks are needed to document expenses.
  - c) What is the amount designated by the employer? The church, as employer, must approve an amount for the housing/parsonage allowance.
- 2) If you are involved in an audit concerning the housing allowance, the examiner will look at these three previous items and take whichever amount is smaller.

- 3) If, at the end of the year, you did not spend as much as you sheltered from tax, the surplus must be reported on the Form 1040, Line 7, listed as “excess housing allowance.”
- 4) The church **should not report** the amount of the housing allowance, approved by the employer, on the minister’s W-2. The allowance is not taxable for federal/state taxes but is taxable for Social Security purposes and should be reported, by the minister, as self-employment income.

### Ministry Expense Reimbursement:

- 1) The employee has two options:
  - a) Operate under an accountable reimbursement plan. The following rules apply:
    - i) The employer (church) must have a written plan in place detailing which expenses will be reimbursed. A sample plan is available from Church Compensation Services.
    - ii) Once receipts and mileage are submitted, a church financial secretary/treasurer/leader should verify that the request for reimbursement is reasonable and payment should be made.
    - iii) The employee must submit mileage and expense receipts to the employer within 60 days of incurring the expense.
    - iv) The employer must keep the receipts on file in the event of an IRS audit of the employee.
    - v) Accountable reimbursements to the employee are not reported on the W-2.
    - vi) A salary reduction agreement cannot be used by the employee to cover business expenses. The employer must pay these reimbursements from church funds, not from the employee’s “package”.
  - b) Operate under a non-accountable reimbursement plan. The following rules apply:
    - i) Under this plan, the employer distributes an amount of money earmarked as “ministry expenses” (or car allowance, or travel, or business expenses, or whatever). The employee does not report back to the employer (church) as to how the money was used and does not return any surplus money to the employer. At the end of the year, all expense payments are to be reported as taxable income on the W-2.
- 2) There is a distinct tax advantage for the employee under an accountable arrangement. Call if you need help with ministry expenses or a sample of an accountable reimbursement plan policy.

### The Deason rule

Many ministers ignore this until audited. The Deason rule requires ministers to reduce business expense deduction by the percentage of their total compensation that consists of a tax-exempt housing allowance.

How do ministers comply with this? The IRS addressed this in Publication 517 and in the audit guidelines for ministers. The guidelines explain this rule as follows: “A minister may deduct ordinary and necessary business expenses. However, if a minister's compensation includes a housing allowance which is exempt from income tax, then that portion of the expenses allocable to this tax-exempt income is not deductible. Before this allocation is made, the total amount of business expenses must be determined.” IRS agents use the following Deason rule guidelines:

1. First, determine “total ministry income.” This includes: salary, fees, non-accountable expense allowances, plus housing allowance and parsonage annual fair rental value.

2. Second, compute the “nontaxable income percentage” by dividing total ministry income into the minister's housing allowance exclusion (or the parsonage fair rental value).
3. Third, multiply the minister's total business expenses times the “nontaxable income percentage” to yield the nondeductible portion of total business expenses.
4. Fourth, subtract the nondeductible portion of business expenses from total business expenses to yield deductible business expenses.

For more information, call 1-800-264-1225, extension 208 and request a Minister’s tax guide. If you have questions, ask for Lee Wright, Jo Ellen Johnson, CPA or Bobby DuBois.

Jo Ellen Johnson, CPA is a State Missionary. She is Coordinator of Accounting Services of the Alabama Baptist Convention, State Board of Missions. [jjohnson@alsbom.org](mailto:jjohnson@alsbom.org)

# Calling an Interim Pastor

By L. Dale Huff

The pastor has resigned. What to do? There is not a Baptist bishop who can be contacted about sending a new pastor. The local Baptist church has the privilege and responsibility of seeking and calling a new pastor. And that can be a several months' process—about nine months on average. The church needs to call an interim pastor to perform needed pastoral duties and to assist the church in getting ready to receive a new pastor.

## Interim Pastor Search Committee

An Interim Pastor Search Committee should be selected. It is best that the task of securing an interim pastor not be performed by the Pastor Search Committee as they have a very challenging job already. As often as not, the Interim Pastor Search Committee is a subcommittee of the deacons group. Usually this committee is also assigned the task of securing pulpit supply preachers until an interim pastor is called

## The Search Process

### Job Definition

The first responsibility of the Interim Pastor Search Committee is to determine what the church needs an interim pastor to do. Such a job description should be formed in consultation with key lay leaders and church staff.

Some key areas to be considered are:

1. Sunday preaching
2. Wednesday evening preaching/teaching
3. Pastoral care (hospital visitation, counseling, weddings, funerals, homebound visitation)
4. Outreach visitation
5. Administrative tasks (committee meetings, staff supervision, deacon's meetings).

Each area of the pastor's responsibility should be considered to determine whether it needs to be done by an interim pastor or assigned to other staff ministers or lay leaders. It should be kept in mind that staff ministers already have full time jobs and an additional assignment can reduce overall effectiveness, especially if the interim period is extremely long.

### Source of Candidates

Once the job description has been completed, the names of potential interims that can fulfill the responsibility should be gathered. One source of names is the local associational office and the offices of adjoining associations. Another source is the Office of LeaderCare and Church Administration at the State Convention Building in Montgomery.

### Guiding Principles

There are three guiding principles that should be considered in selecting an interim pastor.

#### 1. Not a candidate

The interim pastor should not be a person desiring to become the pastor. There is nothing wrong with a church calling the interim pastor as its regular pastor, but the interim should not be using the interim position to promote himself.

#### 2. Not a church member

The interim pastor should not be a member of the church, especially a member of the staff. If this principle is violated, it can become problematic in three ways: first, the interim may have trouble shifting back into his former role; second, the congregation may have difficulty in shifting allegiance from the interim to the new pastor; and, third, the new pastor may feel threatened by the former interim who is still in the church.

#### 3. Meets basic expectations

The interim should not be of lower competency or of a different style than the church's expectations of their regular pastor. Sometimes a church so focuses on the pastor search process that they give inadequate attention to the interim position. This can be a serious mistake for the interim time can be long and is a critical time in the life of the church.

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## Reaching an Agreement

The Interim Pastor Search Committee should reach an agreement with a prospective interim about the responsibilities to be performed and the compensation to be paid. Developing a financial support plan is challenging because an interim typically performs only a portion of the regular pastor's job. A suggested compensation formula is that an interim be paid one-fourth to one-third of the regular pastor's direct income (salary and housing) for doing the preaching on Sunday and Wednesday evening. That figure is arrived at by considering that a pastor gives about one-fourth to one-third of his workweek to preparing for and delivering the messages for Sunday and Wednesday. Each additional fill day of work would add fifteen to twenty percent of the regular pastor's direct income to the interim's compensation. Additional items such as travel expense must be considered also and fairly reimbursed.

Copies of sample agreements can be secured from the Office of LeaderCare

and Church Administration.

In our congregational system, the interim period has historically been a time for healing, unifying, preparing to give a wide-open-arms-welcome to a new pastor. An effective interim pastor can be a tremendous asset to a church during this time of transition.

For more information, call 1-800-264-1225, extension 263. If you have questions, ask for Dale Huff.

Dale Huff is a State Missionary. He is Director of the Office of LeaderCare and Church Administration of the Alabama Baptist Convention, State Board of Missions.

## How to use this resource to plan salaries:

### Begin your work on page three with “Six steps to financial support planning”

1. Determine the needs of your staff.
2. Establish written financial support policies.
3. Provide for ministry-related expenses. These are NOT included in the study.
4. Provide employee benefits. These are the protection coverages.
5. Determine personal income.
6. Complete a financial support worksheet (on page 5) on each employee.

### Things to remember:

1. This is a study of average salaries of churches that completed a survey.
2. It is NOT a recommended salary.
3. It is NOT to be used to reduce existing salaries.

## Create a Customized Report

In addition to the Alabama Layman’s Salary Study, more information may be obtained from the SBC Compensation Study. This study has been made possible through the work of LifeWay Christian Resources, GuideStone Financial Resources and the state conventions. You may check one or more states or all states. The study may be found at

<http://compstudy.lifeway.com> or link to it from our own home page [www.alsbom.org/ccs](http://www.alsbom.org/ccs). It is uniquely Southern Baptist. All 13,000 responses included in the survey are for ministers and employees of SBC churches in all 50 states. Other compensation studies may charge for their service, but this is a free resource.

Links to cost of living increase data may be found at [www.alsbom.org/ccs](http://www.alsbom.org/ccs).

At the SBC Compensation Study website, information may be gathered according to church size and budget which are similar to the charts in the Alabama study. Certain states or all states may be selected. The writers of the study recommend using all states to glean the largest number of responses.

A customized report may also be created on the website to compare churches of similar size and budget for the position considered.

In addition, demographic data may be received from state missionary Mickey Crawford at 800-264-1225 or [mcrawford@alsbom.org](mailto:mcrawford@alsbom.org) to compare church salaries to the incomes of families in your church field.

Alabama Baptist Convention  
State Board of Missions

Rick Lance, Executive Director

**1-800-264-1225, extension 208**

**[www.alsbom.org/ccs](http://www.alsbom.org/ccs)**

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