

Establishing Minimum Clergy Compensation for 2024

SPONSOR: Diocesan Standing Committee (approved October 18, 2023)

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RESOLVED, That the 190th Convention of the Diocese of Vermont approve the Total Clergy Compensation minimums for 2024, as follows **(these numbers do not include 2024 COLA)**:

Clergy Employment Status	Full-Time	3/4 Time	2/3 Time	1/2 Time	1/3 Time	1/4 Time
Cash Stipend to include housing allowance/value of housing	\$ 67,029.85	\$ 50,272.39	\$ 44,686.52	\$ 33,514.93	\$ 22,343.26	\$ 16,757.46
SECA Reimbursement (7.65% of Salary plus Housing)	\$ 5,127.78	\$ 3,845.84	\$ 3,418.52	\$ 2,563.89	\$ 1,709.26	\$ 1,281.95
Total Clergy Compensation (TCC) Stipend + Housing + SECA	\$ 72,157.63	\$ 54,118.23	\$ 48,105.08	\$ 36,078.82	\$ 24,052.52	\$ 18,039.41
Value of Church Provided Housing (as a percentage of Total Clergy Compensation)	Fair market value of the house up to a maximum of \$21,647.29 which is 30% of TCC for a full-time position.					
Equity Allowance for Clergy in Church-Provided Housing (as a Percentage of Total Clergy Compensation)	Not Less Than 4.74%					

and be it further

RESOLVED, That the 190th Convention of the Diocese of Vermont approve Remunerations for Locally Ordained Priests serving actively in a parish and (vocational) Deacons serving actively in a parish at a minimum of \$25 per month plus the required contribution to the Church Pension Fund; and be it further

RESOLVED, That the 190th Convention of the Diocese of Vermont recommend a 3.5% minimum cost of living increase for all compensated clergy and lay employees, to be adjusted, if approved by this Convention, by the amount that clergy and lay employees contribute to their health insurance as outlined in the resolution, “Establishing Recommendations on Cost of Living Increase and Employee Health Insurance Premiums,”; and be it further

RESOLVED, That the 190th Convention of the Diocese of Vermont recommend a \$500 increase for each year of experience for all compensated clergy and lay employees; and be it further

RESOLVED, That the 190th Convention of the Diocese of Vermont approve the following Reimbursement Guidelines and Supply Clergy Rates:

- Cell Phone Reimbursement: \$25 - \$75 per month
- Travel Mileage Reimbursement: IRS rate \$0.655 per mile in 2023 (2024 rates not yet released)
- Continuing Education: \$500 minimum
- Supply Clergy:
 - One Service with sermon: \$150 plus mileage and out-of-pocket expenses

- Two Services with sermon: \$250 plus mileage and out-of-pocket expenses
- Celebrant or officiant only (no sermon): 50% of the above rates plus mileage and out-of-pocket expenses
- Weddings and funerals that include meetings in addition to the service need to provide additional compensation at \$25-35/hr.
- Other services such as pastoral coverage, are negotiable.

EXPLANATION

The chart in the resolution outlines the **minimums** required for a new priest; adjustments of \$500 per year of experience should be made for clergy years of experience.

Cost of Living increase

The resolution recommends a 3.5% minimum cost of living increase for all compensated clergy and lay employees, to be adjusted in 2024 by the amount that clergy and lay employees contribute to their health insurance. This adjustment is specified in the resolution, “Establishing Recommendations on Cost of Living Increase and Employee Health Insurance Premiums,” which is also being considered by this Convention.

Employee Contribution to Health Insurance Premium. In the past, clergy and lay employees contributed a portion of the Health Insurance Premium. Full-time employees receiving single coverage would contribute 2.25% of their salary/stipend (plus the value of housing if in church-provided housing). For all other levels of coverage, the contribution was 3.5% of their salary/stipend (plus the value of housing if in church-provided housing).

The resolution, “Establishing Recommendations on Cost of Living Increase and Employee Health Insurance Premiums,” eliminates that provision. COLA raises for 2024 are thus adjusted accordingly.

- Those who would have paid 3.5% of their income receive no COLA and do not pay 3.5% of their income towards health insurance. The employer pays the full amount of the PPO 90 plan instead.
- Those who would have paid 2.25% of their income receive a 1.25% COLA and do not pay 2.25% of their income towards health insurance. The employer pays the full amount of the PPO 90 plan instead.
- Employees not enrolled in a health insurance plan would receive a 3.5% COLA.
- If an employee elects to participate in a PPO 100 plan, they continue to pay the difference between the PPO 100 plan and the PPO 90.

2024 Health & Dental Insurance Rates, HRA, Employee Contribution

2024 Health Insurance Rates & HRA	Single	Plus Spouse	Plus Child	Family
Anthem BCBS MSP PPO 100	868.00	1,736.00	1,562.00	2,604.00
Anthem BCBS MSP PPO 90	801.00	1,602.00	1,442.00	2,403.00
Anthem BCBS PPO 100	1,085.00	2,170.00	1,953.00	3,255.00
Anthem BCBS PPO 90	1,001.00	2,002.00	1,802.00	3,003.00
HRA	1,500.00	2,000.00	2,000.00	2,000.00
2024 Dental	60.00	120.00	108.00	180.00

HRA - Health Reimbursement Arrangement. An employee who works 20 hours a week or more and is enrolled in a health insurance plan through the Medical Trust is eligible for this benefit. The employee can choose to participate in this benefit or not. If they choose to participate, their employer will reimburse them for out-of-pocket co-pays and co-insurance once their deductible is met. For single individuals, the maximum amount reimbursed per year is \$1,500. For a two or more-person household, the maximum amount reimbursed per year is \$2,000.

Church-provided housing is computed at the lower of either the fair market value or up to 30% of the total compensation which is \$21,647.29. In other words, this is the maximum imputed value of a rectory. The value of the rectory is constant no matter how many hours someone works.

The reason for using 30% is that this is the percentage that the average family in the USA pays towards housing costs...and thus is used when computing eligibility for a mortgage, for example. The cap at 30% is used in the church because some of our rectories are large mansions worth so much that even full-time clergy with generous salaries would have to pay to live in them! So, the church across the country uses 30% of total compensation for a full-time position as the maximum. If the fair market value of your rectory is less than that amount, you then use that value instead. So, if someone is working $\frac{1}{4}$ time and living in the rectory that is valued at more than \$21,647.29, then the maximum amount of \$21,647.29 is the value used in computing pension and SECA, and that would meet the minimum required. If the fair market value of the rectory is less than that, let's say \$12,000, then the priest would receive cash compensation of the difference between that and \$18,039.41 (1/4-time stipend, housing & SECA) or \$6,039.41.

Equity Allowance: Clergy who live in church-owned housing do not have the opportunity to benefit from the build-up of equity in their homes that is available to those who own their own homes. This affects their ability to purchase a home for retirement. For that reason, the congregation must pay into a tax-deferred account (such as RSVP) an amount equal to at least 4.74% of the Total Clergy Compensation each year. This is called a Housing Equity Allowance. The amount contributed is included in the pension fund assessment calculation (but not in the pension fund's calculation of the value of housing) and is not subject to SECA tax. It is a deferred compensation payment and, therefore, is not subject to Federal income taxes until withdrawn, usually after retirement. Because these are employer contributions, they are not subject to state taxes until withdrawn. (Language from the Diocese of Newark compensation guide).

Moving costs for new full-time clergy are covered by the parish and include compensation for the additional taxes incurred (the IRS considers moving costs as taxable income). Clergy with unusual moving costs (e.g., also moving your live-in parents or are bringing a boat and an RV) are expected to cover a portion of those costs. Part-time clergy share this cost proportionately by additional compensation, and/or pay the priest and the church.