

# Clergy Compensation Guide

**November 20, 2026**

## Clergy Salary and Benefits Minimum Requirements - 2026

### **Assistance in this process may be obtained by contacting:**

Canon Linda Grenz, Transition Consultant at [transition@diovermont.org](mailto:transition@diovermont.org)

Margaret Schotto, Manager of Operations at [mschotto@diovermont.org](mailto:mschotto@diovermont.org)

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As required by the Episcopal Church canons, the diocesan convention votes each year to establish the minimum compensation for clergy. A spreadsheet is provided to calculate your priest's compensation based on their previous year's compensation.

### Steps to complete the 2026 Total Clergy Compensation Spreadsheet

1) If you **DO NOT** provide a rectory, you will need to add data to the following cells (cells are highlighted in blue):

- a. Select the 2026 TTC no rectory tab of the spreadsheet
- b. B6 – enter the percent time your clergy person works (100%, 50%, etc.)
- c. B7 – enter your clergy person's current salary including housing allowance
- d. B15 – enter allowance for telephone and internet if it is paid directly to your clergy person, (it is added into the calculations to determine taxes and pension). Nothing should be entered in this cell if these are paid directly to the vendor by the parish
- e. B16 – enter any professional development funds paid directly to the clergy person. Nothing should be entered in this cell if the parish pays for this directly to the vendor
- f. B17 – enter any travel allowance if paid directly to the clergy person. Nothing should be entered in this cell if paid directly by the parish or if it is reimbursed to the clergy person.
- g. B18 – enter any tuition reimbursement, additional bonus or 1-time payments paid directly to the clergy person
- h. B25 – enter the portion of benefits that the parish will pay for (100%, 90%, etc)
- i. C26-29 – use the chart to the right of these cells to determine the full cost of each benefit (medical, dental, and HRA) based on the status of the clergy person (single, employee + spouse, Employee + child, or Family). Your entry in B25 will automatically calculate the corresponding values for cells B26-29
- j. B34 – enter any amount that the parish pays directly to a vendor on behalf of the clergy person for telephone and internet
- k. B35 – enter any amount that the parish pays directly to a vendor on behalf of the clergy person for professional development
- l. B36 – enter any amount that the parish pays directly to a vendor for travel. This does not include commuting miles
- m. B37 – enter any amount for additional payments made to the clergy 403b account.
- n. B38 – enter any amount that the parish pays directly to a vendor on behalf of the clergy person for other professional expenses
- o. B64 – enter the clergy chosen, Vestry approved housing allowance amount for 2026

- 2) If you **DO** provide a rectory, you will need to add data to the following cells (cells are highlighted in blue):
- a. Select the 2026 TTC with rectory tab
  - b. B6 – enter the percent time your clergy person works (100%, 50%, etc.)
  - c. B7 – enter your clergy person’s current salary including housing
  - d. B15 – enter allowance for telephone and internet if it is paid directly to your clergy person, (it is added into the calculations to determine taxes and pension). Nothing should be entered in this cell if these are paid directly to the vendor by the parish
  - e. B16 – enter the amount paid directly to your clergy person to pay for their utilities (do not include if it is already part of their housing allowance)
  - f. B17 – enter any professional development funds paid directly to the clergy person. Nothing should be entered in this cell if the parish pays for this directly to the vendor
  - g. B18 – enter any payments made directly to the clergy person for travel not including commuting miles
  - h. B19 – enter any tuition reimbursement for children, additional bonus or 1-time payments paid directly to the clergy person
  - i. B28 – enter the portion of benefits that the parish will pay for (100%, 90%, etc)
  - j. C29-32– use the chart to the right of these cells to determine the full cost of each benefit (medical, dental, and HRA) based on the status of the clergy person (single, employee + spouse, Employee + child, or Family). Your entry in B28 will automatically calculate the corresponding values for cells B29-32
  - k. B37 – enter any amount that the parish pays directly to a vendor on behalf of the clergy person for telephone and internet
  - l. B38 – enter any amount that the parish pays directly to a vendor on behalf of the clergy person for utilities and furnishings
  - m. B39 – enter any amount that the parish pays directly to a vendor on behalf of the clergy person for professional development
  - n. B40 – enter any amount that the parish pays directly to a vendor on behalf of the clergy person for travel. This does not include commuting miles
  - o. B41 – enter any additional payments to the clergy 403b in lieu of cash payment for the equity allowance
  - p. B42 – enter any amount that the parish pays directly to a vendor on behalf of the clergy person for other professional expenses
  - q. B50 – enter the equity allowance only if paid in cash to the clergy person and not deposited into a 403b
  - r. B51 – enter the Rectory Housing calculation. Amount from row 73
  - s. B62 - enter the Rectory Housing calculation. Amount from row 73
  - t. B72 – enter the Fair Rental Value of the Rectory
  - u. B81 – enter the clergy chosen, Vestry approved housing allowance amount for 2026

**NOTE: If you are calculating a salary for a new hire, contact The Rev. Canon Linda Grenz, Canon for Transition Ministry. Her email is [transition@diovermont.org](mailto:transition@diovermont.org)**

Churches must maintain their clergy salaries at least at the minimum level. However, individual churches may choose to enhance their priests' compensation packages. Prior non-church experience, for example, may be a factor in establishing the priest's compensation level. If your priest has a family, the cost of housing may require you to offer a higher salary. If your priest's spouse has family health insurance, you may offer additional compensation in lieu of paying for insurance. Other factors to consider are listed in the next section.

## Additional Compensation Factors

Compensation medians of the Province I dioceses are shown below to give a sense of our salaries in comparison to other dioceses.

<b><u>DIOCESE</u></b>	<b><u>Median salary</u></b>	<b><u>Number of clergy</u></b>
<b>Connecticut</b>	\$101,082	103
<b>Maine</b>	\$66,532	36
<b>Massachusetts</b>	\$102,625	173
<b>New Hampshire</b>	\$78,208	43
<b>Rhode Island</b>	\$88,000	36
<b>Vermont</b>	<b>\$80,395</b>	<b>22</b>
<b>Western Massachusetts</b>	\$87,095	28

The clergy compensation minimums are set to be in line with what is being offered in other New England dioceses so that we remain competitive when calling strong clergy candidates. Most of our candidates come from Province I, II, III and IV where the median compensation is:

Province II \$97,000

Province III \$93,364

Province IV \$87,787

The Church Pension Group does an annual analysis of compensation. You can find this year's data at: <https://www.cpg.org/global/research/clergy-compensation-report#/domestic>

There are numerous other reasons why a parish may choose to offer more than the minimum salary. Examples to consider:

- The congregation really wants a priest with a family—but the cost of housing may mean that the priest needs a higher compensation package.
- The congregation wants the priest to be the primary person responsible for an extensive physical plant or particularly old or historically significant facilities that requires a significant amount of time and expertise in contracting, overseeing workers, negotiating, managing workflows, etc.
- The parish has a rectory and realizes that they can provide it and a salary above the minimum because they want a stable priest and can afford it.

- The priest is responsible for overseeing a school or day care or any other auxiliary operation as manager or CEO (i.e., not just having a school present in your buildings or where the priest merely sits on the board)
- The congregation wants the priest to take the lead in organizing and/or running a significant fundraising effort (e.g., over \$100,000, complex, requiring recruiting and managing multiple volunteers, etc.), finding and negotiating a tenant lease providing significant income to the parish or manage a major capital campaign or project.
- The priest is taking on a diocesan designated church re-start or the responsibility of forming a new, complicated constellation (e.g., ecumenical or with a nonprofit)
- The priest needs to work without benefit of any administrative support staff or volunteers, requiring work beyond the normal workload expected of a priest.
- The congregation asks for the priest to be highly involved in community, civic or charitable events and activities beyond typical community or outreach activities.
- The congregation asks the priest to start new, weekly liturgies or programs that expand the reach of the parish into the community and draw people who do not attend regular weekend services.

Some of these may be a single bonus recognizing the extra work; others may result in an adjustment to the compensation (if they are ongoing). The Canon for Transition Ministry is available to assist in determining how much additional compensation is appropriate if these conditions exist in your parish and/or to help you and your priest negotiate a fair compensation package.

## Increases in Compensation

The Diocesan Convention establishes an annual Cost of Living Adjustment (COLA) which each church should use to calculate your priest's compensation for the next year. This amount is generally established using the percentage calculated by the Social Security Administration. The COLA percentage is finalized by a resolution voted on during the annual convention and is then approved by the Executive Council. The spreadsheet is programmed to automatically calculate this for you (**please do not change any formulas that are in the boxes without any highlighting**). This ensures that your priest's compensation stays current with what other churches are offering. That can be a major factor in your priest deciding when it is time to start looking for a new position.

There may be times when you want to reward clergy for achieving pre-determined goals established by the vestry or for exceptional service in unexpected or unusually difficult circumstances. This can be done through bonuses or even through non-monetary rewards. Some clergy may prefer more time off, for example. Others may prefer that you hire staff to take over some portion of administrative type work freeing up the priest to do more ministry. Talk with your priest to find out what they want or need.

## Rectory, Housing Allowance and Social Security.

Cash compensation for a clergy person living in provided housing is reduced by the value of the rectory as defined by Church Pension Fund (30% of total compensation). So, for example, if the total compensation is \$60,000, then the rectory is valued at \$20,000 (housing + utilities) and the priest receives \$40,000 as cash compensation. Or you can use the Fair Rental Value of the house. That said, there are adjustments you may want to make to the Fair Rental Value. Things to take into consideration include the size and location of the house. For example, a very large rectory in a high-rent vacation destination would rent for more money than a priest's full-time salary. In that case, use the 30% computation or use a house in your neighborhood that is more in line with what the priest would choose to live in on that salary. This becomes most important for part-time clergy whose compensation is largely the value of the house. The priest needs to consider if it is more beneficial to have a higher value and thus increase their pension payments in the future or if it is more beneficial to have a lower value and more cash today. This is something that needs to be negotiated between the priest and wardens. If you need assistance, contact the Canon for Transition Ministry.

The Housing Allowance is a portion of the priest's salary that is designated as such. The priest sets the amount as this does not impact the compensation package in any way. So if the priest's total compensation is \$60,000. The priest may designate any portion of that as Housing Allowance, even if they are living in a rectory. The priest is responsible for paying income taxes on any funds designated as Housing Allowance that are not used for housing. Housing allowance includes mortgage payments or rent, utilities, landscaping, furniture, and anything that isn't consumable down to the tea towels and teaspoons. It is the priest's responsibility to maintain records and file their taxes.

The Vestry or Bishop's Committee must pass a resolution, recorded in the minutes, designating the priest's desired Housing Allowance before any payments are made for the exclusion to be in effect (usually at the December vestry meeting but must be before the start of the new year). And it must be done annually. A sample housing resolution is included at the end of this guide.

Clergy are considered self-employed when calculating Social Security. So, they must pay the full Social Security/Medicare tax rate when they file their taxes. Lay employees pay half and the church pays half. To compensate for that difference, the church provides a Social Security Allowance equal to one-half of the amount due. This is included in the cash compensation figure which is reported on the priest's W-2. The Federal FICA rate is 12.4% and the Medicare rate is 2.9% (so the amounts entered in the spreadsheet for automatic calculations are 6.2% for FICA and 1.45% for Medicare).

The value of the rectory and the housing allowance are NOT included on the W-2 as income, only the cash compensation. The church issues a W-2 with the designated housing allowance amount in Box 14 with the note "housing allowance" but does not register the value of the rectory on the W-2 income line. However, the priest needs to add the housing allowance or value of the rectory, utilities, 403b contributions, bonuses, the equity allowance and any other direct payments to the cash salary when calculating Social Security taxes (SECA). The church's portion of SECA also includes these items. Again, the spreadsheet will automatically compute those dollar amounts.

## Additional Mandatory Benefits for Clergy

- **Pension:** premiums as determined by the formulas of the Church Pension Fund (currently 18% of the Total Compensation – automatically calculated in the spreadsheet).
- **Medical and Dental insurance:** the church pays the full premium for the PPO 80 plan for the priest and family. If an employee elects to participate in another plan, they pay the difference between the higher-level plan and the PPO 80 unless you choose to offer additional premium coverage. It may be hard for all or even just one of your employees to make this shift and you need to weigh whether you want to risk losing a valued employee vs. paying for a higher premium. Do remember that you must pay for the same minimum level you choose for ALL employees and cannot just offer that to one employee and not to the others. An employee who wants the PPO 90 or 100 that isn't offered to all employees may choose to have a salary deduction in the amount of the difference in premium.
  - If a priest or a lay employee or their spouse is over 65, they *may* go onto a Medicare Secondary Payer plan (e.g., PPO MSP 80) which is less expensive than buying a PPO 80 plan. This would need to be the choice of the priest and their spouse or the lay employee. The church would pay the total of both plans, and it should match the level of plan. So, for example, if you are paying for the PPO 80 plan for other employees and spouses, you would also pay for the PPO MSP 80 plan. Both the PPO and the MSP insurance plans include vision, prescription, and the Employee Assistance benefits. See the section on insurance below for more details.
- **Worker's Compensation insurance** and/or any other benefit required by law.
- **Professional Ministry Expense Reimbursement:** include a line in the parish budget to reimburse your clergy person for expenses necessary to carry out their ministry, such as, mileage for travel on behalf of the parish, attendance at meetings or conferences, purchases of books and journals, entertainment of individuals with a purpose directly related to the congregation's ministry. These should all be paid as reimbursements or paid by the church – if you provide a cash allowance, which is considered income, it is taxable to the priest and requires SECA and pension be paid on it. Reimbursements should be made upon submission of the invoice/bill, payment receipt, etc.

The recommended amounts are:

  - Cell Phone Reimbursement: \$ 25 - \$ 75 per month (\$75 if internet is included)
  - Internet Reimbursement: \$50 per month (unless included above)
  - Travel Mileage Reimbursement: IRS rate found at <https://www.irs.gov/tax-professionals/standard-mileage-rates>
  - Professional/entertainment expenses: Budget at least \$500 annually
- **Continuing Education Reimbursement:** as a line item in the parish budget of not less than \$500 with two weeks' time off (including two Sundays).
- **Vacation:** one month per year (including five Sundays) and **Sabbatical** as defined by canon.
- **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 this reason, the congregation should pay into a tax-deferred account (such as an RSVP account) an amount equal to at least 5% of the Total Clergy Compensation each year. 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 it 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 also are not subject to state taxes until withdrawn.

- **Fair Value of Rectory:** Clergy may use the fair rental value to determine the fair value of the rectory. The fair rental value is determined by asking 'what would a stranger pay to rent your house with all of the furnishings included'. A real estate agent can assist with answering this question.
- **Moving costs:** for new full-time clergy if moving costs are covered by the parish and include some compensation for the additional taxes incurred (the IRS considers moving costs as taxable income). Each parish can set a maximum amount but this moving cost usually is \$6-10,000 so you can use this to estimate a tax amount. Clergy with unusual moving costs (e.g., you are also moving your live-in parents or are bringing a boat and RV or have THOUSANDS of books!) are expected to cover a portion of those costs. Part-time clergy share this cost proportionately unless the church chooses to pay the full amount. This is a negotiable item. Confer with the Canon for Transition Ministry to decide what is reasonable or for assistance in negotiating.

## Short-Term/Long-Term Disability

Parishes and other employers of active clergy members are expected to continue the clergy member's salary and benefits during any period of disability that does not exceed 26 weeks. The Church Pension Fund provides a subsidy of up to 70% of the clergy member's total compensation, capped at \$1,000 per week for a maximum period of 24 weeks (which accounts for a two-week elimination period), to the parish/employer while the clergy member recovers. This subsidy becomes available after 14 days (the "elimination period") due to injury or sickness. This elimination period is waived for maternity. Maternity benefit ends twelve (12) weeks from the date of delivery.

This subsidy is available to parishes/employers *only* when the disabled clergy member's pension assessments are fully paid and up-to-date and the parish/employer is continuing to pay the clergy member. Where a parish/employer terminates the employment of a clergy member during a period of short-term disability, the subsidy is instead paid to the clergy member. AFLAC is the administrator for the clergy benefit which is managed and funded by The Church Pension Fund.

*Addressing a disability properly will usually require help and guidance. Therefore, as soon as a clergy member or senior warden of any parish becomes aware of a condition that might trigger entitlement to a disability subsidy, the diocesan office must be notified immediately.*

The Church Pension Fund also provides long-term disability benefits for clergy at no additional cost. If the clergy member's disability is prolonged beyond 26 weeks, or is expected to last beyond 26 weeks, the clergyperson or his/her representative should initiate a claim for Long-Term Disability Benefits through The Church Pension Fund. Church Pension Group can provide the

forms necessary to make a claim for long-term disability plan benefits and the diocesan office can assist in the completion of the forms. The maximum benefit period is two years or upon reaching age 72, whichever occurs first (or age 65 for members who are 63 or younger when disability begins). Please note the Continuation of Benefit on Total Disability for active employees under the age of 60 is provided under the Group Life Insurance Benefit.

Congregations and other employers within the diocese are encouraged to provide short-term and long-term disability insurance benefits for full-time lay employees. These benefits can be made available for purchase by either the employer or lay employee. AFLAC is the provider and administrator for the lay benefits. Parishes and employers are strongly encouraged to discuss short and long-term disability benefits with all employees at the beginning of employment so that each employee can take appropriate measures to secure adequate disability coverage.

## Parental Leave

It is recommended that parishes offer a period of paid leave to members of the clergy or lay employees upon the birth or adoption of a child. (Note that in the case of maternity leave for a member of the clergy, CPG will reimburse the parish's cost of substitute clergy for up to 12 weeks.)

## Group Life Insurance Benefits

All clergy listed in Active Status with The Church Pension Fund are provided with a Group Term Life Insurance Benefit equal to six times total annual compensation, up to \$150,000. Other benefits provided include Continuation of Benefit on Total Disability (for active clergy under the age of 60), Early Payment of Death Benefit (Accelerated Benefit or Living Benefit), and AD&D. Clergy and their spouses have the ability to purchase additional insurance coverage from the Church Life Insurance Corporation and the Clergy Assurance Fund. Please contact the Church Pension Group for additional information. Group Life Insurance may be included as an additional negotiated benefit in Clergy or Lay Employee Letters of Agreement..

## Constellation Clergy

Congregations unable to afford a full-time priest and/or are seeking to strengthen their congregation are invited to consider a constellation – that is, a partnership agreement with another church or nonprofit that is financially sustainable and mutually beneficial.

It is important to recognize that obtaining the services of a part-time clergy person is very difficult. Finding someone is challenging and often the congregation has only one person to consider—but it can be done. Part-time clergy are often recent retirees who choose to move to Vermont. Younger clergy may want to be a worker-priest and are drawn to Vermont for a position in hospitality, agriculture, etc. Finally, a priest may move to Vermont because their spouse has taken a position

here and the priest is thus able to consider a part-time position. All of these are “luck of the draw” when they happen. These clergy tend to contact the Bishop and/or the diocesan Transition Consultant to offer their services who then look at churches within a reasonable commuting distance from their home and invite a congregation into a conversation about a match. This occurs about once every year or two and we have a dozen or more churches either actively or soon will be looking for a priest. All of which is to say, that is a possible but not reliable way to obtain a new priest for your congregation.

If a congregation is interested in a constellation, the Canon for Transition Ministry and Bishop can assist you in finding partners. That might be a neighboring Episcopal church or a Lutheran church as we are in full communion with the ELCA. That means that a Lutheran pastor can function fully in our churches and an Episcopal priest can fully function in a Lutheran church. The compensation package would be the same or fairly similar, but it would be more complicated as there are two pension systems, insurance, etc. which need to be agreed upon. See the section on part-time clergy compensation for further information.

Other denominations would be more challenging – mostly because their clergy are not authorized to celebrate the Eucharist in our churches. So, if you approached a Methodist or UCC church to share clergy, you would need a team with a retired Episcopal priest available to celebrate and fulfill any other functions restricted to Episcopal clergy (e.g., voting at Convention). Most of the other functions of a clergy person could be done by the pastor of another denomination. Again, the compensation would need to be negotiated and since that could be complicated, it would need the assistance of the Canon for Transition Ministry.

Another option is to form a constellation with another nonprofit. That might mean sharing physical space or it might be a nonprofit in your community or even one that you are already engaged in that needs a part-time staff person enabling the priest to share their time between the church and nonprofit. Again, sorting out the schedule and compensation package would need the assistance of the Canon for Transition Ministry.

In all of these cases, you are welcome to initiate a conversation yourself, or the Canon for Transition Ministry or Canon to the Ordinary can facilitate that conversation. Please notify the Bishop and Canon for Transition Ministry when you begin exploring any of these options so they can assist you before you begin negotiations.

## Lowering Compensation

Of course, the other side to compensation also exists. There may be times when your church is paying a compensation package at a level that you feel needs to be adjusted. Perhaps your congregation simply cannot afford to pay the compensation package you are now paying – or you can see that time coming in the next 2-3 years (start that conversation now!); or you started out at or even above the minimums, but attendance/membership and your budget has been steadily declining for the last few years and your priest and vestry have done little or nothing to address that. Or it may be that your priest has seen the decline, has the capacity to do a part-time job elsewhere and has expressed an interest in moving to part-time with

the church. All of these are reasons why you might need to or want to renegotiate your priest's compensation.

When facing a budget shortfall, your first action should **not** be to lower your priest's compensation!

Honest conversation with your priest is the most important first thing to do. Clergy generally know when there is an issue with the budget, so a quiet, respectful conversation between the wardens and priest is your starting point. Talk about the issue and ask the priest to help you decide what to do.

In some cases, the priest may suggest other ways to address the situation – including actions by the priest and/or congregation such as renting space or reducing other staff hours or positions. They may suggest doing fundraisers, a more focused pledge campaign or establishing a planned giving strategy. These ideas require an action plan and the full commitment and full participation of the lay leaders in implementing the plan. The Canon to the Ordinary can help you identify resources to develop and implement these kinds of plans.

Some clergy may suggest a reduction in their hours. This requires the priest and vestry to identify what work will be eliminated or delegated to laity. It is important to convey the decision to the entire congregation and be clear that this is the consequence of the budget shortfall, and that the decision was jointly made and is supported by the priest and the Vestry or Bishop's Committee and has been approved by the Bishop.

Other clergy will acknowledge that the situation has changed and that it is time for them to begin the search for a new position or will suggest beginning a conversation with another church or nonprofit to form a constellation. The Canon for Transition Ministry or the Canon to the Ordinary are available to assist you in exploring options.

If you and your priest agree to lower a priest's compensation and hours, make sure your priest truly agrees and that they are affirmed in other ways. If your priest agrees to be compensated below the minimum in exchange for some other benefit they prefer, you must obtain the Bishop's permission. So, you need to work out an agreement that is comfortable to your priest before you approach the Bishop. It is important that you do not push or even accept your priest receiving less than the minimum without some comparable change in hours, time off or other compensating factor that is valued by the priest. The congregation needs to see that if they cannot afford the minimum compensation for their priest, they cannot receive the same services from that priest. Otherwise, what happens is the priest is devalued (and is likely to leave sooner) – and the congregation is deceived into thinking they can get something for nothing. That results in a surprise when that priest leaves you, they then discover that they cannot call a priest to work at the same level for that compensation. Better to face reality as it occurs, make sure that the work done by the priest matches the compensation and be transparent about that with the congregation's members.

## Part-time Clergy

Compensation for part-time clergy is pro-rated on a percentage basis but may have more flexibility, depending on the needs of the church and priest. The following serves as a guideline to begin conversations.

- 10 hours a week is considered quarter time (divide full-time compensation by four). It needs to meet the Church Pension Fund minimum for one year of credited service (currently \$18,500). Quarter-time usually includes a Sunday service with coffee hour once a month, basic pastoral care, a monthly Vestry meeting, oversight of staff and lay volunteers and attendance at required diocesan events. Other meetings or tasks are negotiable but mostly are carried out by laity who share information with the priest.
- 13-14 hours a week is considered one-third time (divide full-time compensation by three). It is for congregations that have more pastoral care and formation needs/desires and may include an additional meeting or two each month where a priest's leadership is desired.
- 20 hours a week is considered half-time.
- 30 hours a week is considered three-quarter's time.

Vacation and continuing education days are one month (four weeks/five Sundays) for vacation and two weeks/two Sundays for education for full time clergy. All clergy get at least one week of continuing education. But the reimbursement amount and time is proportional. So a quarter-time priest would get four weeks and the one Sunday they normally serve that month as vacation and one one week/one Sunday for education and  $\frac{1}{4}$  of the full-time education reimbursement. A half-time priest would get four weeks and the two Sundays a month when they would normally lead worship and they would get two weeks/two Sunday's for education and half of the education reimbursement.

Health insurance is the item most likely to require negotiations. For part-time clergy who need insurance, it is often advantageous for the church to pay less salary and pay the full amount of health insurance because it is a non-taxable benefit. Begin by prorating the insurance (half-time = half the cost of insurance). Then reduce the cash salary by the amount the priest would owe for the other half of the cost of insurance and have the church pay the full health insurance cost. You can also provide the co-pays, deductibles, and other medical expenses through a Health Reimbursement Account which every priest should have. All these strategies reduce the priest's taxable income and saves the church the money it would have spent on pension and Social Security.

For example, if the priest is half-time and single, the insurance is c. \$12,000 which the priest would owe \$6,000. If they instead took a reduction in cash salary, they would save about \$1,200 in taxes (if they are in the 20% tax category) plus c. \$450 in Social Security taxes and the church would save c. \$2,160 in pension assessment and c. \$450 in Social Security taxes. So, both the priest and the parish would have more cash and the primary "losers" in this scenario are the IRS and CPG. The one exception to this is if the priest is planning to retire within seven years and does not have a higher HAC (highest average compensation) from earlier positions. If this year is going to increase their HAC, it may be better to take the higher salary. Confer with the Transition Consultant on how to do that calculation.

Honorariums for weddings and funerals are paid to a part-time priest serving at just one church (vs. full time clergy where they are given to the Discretionary Fund). If they are full-time but serving in two or more churches as part of a constellations, the honorariums are given to the Discretionary Fund of the church where the wedding or funeral occurs. If there are frequent weddings and/or funerals that do not provide any or only provide inadequate compensation to a part-time priest, it is important that the church to provide additional compensation for each one, as both of these pastoral events entail a significant number of hours of work by the priest. Use the supply priest hourly rates to determine a fair compensation rate. It is also appropriate for the church to establish a minimum fee for weddings and to make that higher for people who are not members of the church.

### Retired Clergy serving on an on-going basis

Retired clergy are often seen as an inexpensive way to obtain the services of a priest. They have a pension so can work part-time. They do not require pension payments and often do not need health insurance or only require a reduced premium amount. Retired clergy can be valuable assets to a congregation – or they may hinder a congregation’s ability to thrive. Because they are retired, they may focus on the basics: Sunday services and pastoral care. It is especially important that retired clergy do not become “mass priests” – offering the Eucharist and a sermon every week – as that leads the congregation to feel they essentially have a full-time priest without paying for it. If you are engaging a retired priest, it is important to honestly assess their gifts and to be clear about their role. A thriving congregation needs a spiritual leader who can inspire their members to be fully engaged in ministry as disciples of Christ. Some retired clergy are great at doing that and can help a congregation move forward, some are not.

If you are engaging a retired priest on an ongoing basis you must have a Letter of Agreement and to do annual Mutual Ministry Reviews. Also, you need to work together to plan for the future, as retired clergy cannot serve you forever! Retired, part-time clergy may be appointed by the bishop as Priest-in-Charge or as a Transition Priest for a time certain (usually one to three years) and have an annual review with the congregation and the Bishop or the Bishop’s designated staff person. The expectation is that the priest will help the congregation implement a plan that enables them to secure a priest in the future. That may mean forming a constellation with other nearby churches (Episcopal or ecumenical) or with a nonprofit or other entity aligned with the church’s mission. It may mean helping the congregation engage in conversations with others in their community about sharing space – selling their church or sharing their building with another congregation, nonprofit or other entity. It may mean merging with another congregation. It may mean leading the congregation to participate in a diocesan or national program designed to reinvigorate congregations that are in communities where there is opportunity for growth or a new vision of being church. But the long-term goal is to ensure that the congregation has a sustainable way to engage a settled priest, ideally a full-time priest, even if shared with another congregation. The Baby Boomers currently acting as supply clergy will soon be unable to continue doing so – and the generation following them are very small so the ability to use retired clergy is limited. Now is the time to begin planning for what will happen in 5 or 10 years when there will be few or no clergy available for part-time positions.

## Supply Clergy Rates

The diocesan office maintains a list of supply clergy who serve a congregation on an occasional basis. If you are using a single retired priest on a regular basis, it is important to craft a Letter of Agreement to establish compensation at appropriate rates (not supply rates) and to set expectations. Otherwise, please use multiple clergy who are thus not seen by your congregation as being “in charge” of your church. A single priest serving regularly needs to be appointed as the Priest-in-Charge by the Bishop.

### Recommended minimum rates for Supply Clergy

- One Service with sermon: \$175 plus mileage/expenses
- Holiday services (Christmas, Ash Wednesday, Maundy Thursday, Good Friday, Easter Eve, or Easter day): \$225 plus mileage/expenses
- One Service without sermon (lay preacher): \$100 plus mileage/expenses
- Two Services on one Sunday with sermon: \$225 plus mileage/expenses
- Two Services on one Sunday without sermon (lay preacher): \$150 plus mileage/expenses
- Weddings and funerals that include meetings in addition to the service need to provide additional compensation at \$40/hr. in addition to the worship service charge above
- Other services such as pastoral care, providing training, etc. \$30-45/hr. for the visitation/training time plus mileage. If extensive preparation is required, you need to compensate that for an agreed upon number of hours in advance.

Milage and expenses includes travel at the current IRS mileage rate, which may be found at [www.irs.gov](http://www.irs.gov) (enter “standard IRS mileage rate” in the internet search box), meals (you can provide a set amount) and overnight lodging, if required (e.g., you have a Saturday late afternoon and a Sunday morning service and the drive is too far). Lodging can be in a hotel or guest room of a parishioner provided that the accommodations are private (e.g., not a bathroom shared with residents or a couch in the living room). The priest must be given personal time and space to prepare for the worship service the next day and not expected to socialize with the host. Also, there must be more than one resident in the home at the time the priest is there to avoid even the appearance of impropriety. If the priest’s spouse is accompanying the priest, they may stay in a single person’s home. Please make sure the priest is comfortable being in someone’s home and, if not, secure a hotel room for their use.

If your congregation is currently without a priest, it is important to use several different supply clergy. That helps your congregation’s members experience a variety of clergy which prepares them to welcome a new priest who may be quite different from their last settled priest. A single supply priest tends to lead to your members seeing that priest as their priest-in-charge and can create difficulties when they go to the priest for things that need to be handled by the wardens and vestry. It is important to keep roles clear. One way to do that is to rotate supply clergy so you do not have the same priest more than once every six weeks or two months. It is also important to hold up the ministry of the laity and encourage your members to lead Morning Prayer and preach.

Contact the Canon to the Ordinary or the diocesan office for information about training programs available for laity.

If your congregation is searching for a part-time priest, it is essential that you follow that same schedule with supply clergy as you will be using when you have a settled priest. So, if you can pay a quarter-time priest, schedule Eucharist for once a month. If you can afford a priest half-time, then do Eucharist twice a month, etc. If you schedule supply priest for every Sunday (because you can afford it now that you aren't paying a settled priest's salary), your congregation becomes used to a weekly Eucharist and then is unhappy when the new priest arrives and is only doing two Sundays or one Sunday a month. That results in a negative start for your new priest and makes for unhappy parishioners. So, follow the schedule you will have with your new priest and schedule supply clergy accordingly.

In the absence of a settled priest, it is the responsibility of the Senior Warden to ensure that worship happens on a weekly basis. The Senior Warden does not have to be the person making the calls to supply clergy or lay worship leaders, but they need to make sure that happens. It is best to plan ahead, as we do not have an abundance of supply clergy and summers, in particular, are often challenging as full-time clergy often are taking their vacation time and looking for supply clergy as well.

Consider creative solutions. Decide to move the entire congregation to visit another nearby church (Episcopal or other denomination). And use that opportunity to talk about what you learned, liked, found challenging, etc. when you meet at your church the next week. Or change your service time to Sunday afternoon after a picnic lunch so the supply priest leading worship next door can come for lunch and an informal Eucharist in the park. Or move the service time to Saturday at 5 pm or to a weekday evening or afternoon (especially if your entire congregation is comprised of retired folk). If you have families and a big church yard or a park nearby, start with grilling burgers and playing games and use that as an opportunity to invite other families to join you. This can be a wonderful way to invite people to connect with your members and perhaps feel attracted to attend worship at your church in the future.

These are just a few suggestions of things that have worked for other churches – your members will be able to brainstorm some other ideas. Try them. Some will work well; some will be flops. That is OK. Use these as learning opportunities and as ways to think about what is important, essential for your worshipping community and what is “nice to have” or even just “we’ve always done it this way” but might not either important or essential anymore.

## Deacon Compensation

Congregations with a vocational deacon must pay the deacon a minimum of \$25 a month as remuneration (but can offer more), and each parish must also make the required contribution to the Church Pension Fund for the benefit of the deacon as long as the Deacon is assigned to the church(es).

- In most instances diaconal ministry is non-stipendiary. However, the congregation reimburses a deacon for expenses in connection with ministry in a congregation and provide resources and leave for the deacon's growth and wellbeing. The Letter of Agreement spells out the minimal reimbursements. Ordinarily, every agreement will include provision for the following:
  - The deacon is reimbursed by the congregation for mileage spent in ministry upon submission of a statement from the Deacon to the Priest-in-charge, using the current IRS approved mileage rate. This should include all congregation related ministry other than regularly scheduled worship services.
  - The deacon is reimbursed by the congregation for ministry expenses (amount in the Letter of Agreement) upon submission of a statement. This includes such things as the expenses of attending Diocesan Convention and/or other diocesan events as appropriate, program materials or pastoral care supplies used in the exercise of ministry, etc.
  - The deacon receives a continuing education allowance of up to \$350 annually upon submission of receipts to the Priest-in-charge.
  - The deacon shall receive four weeks of vacation (five Sunday's) annually; two weeks for leave for continuing education and diaconal formation annually and any days needed for sickness or other debilitation.

At the end of each Congregational Assignment, a deacon shall have a three-month break for rest and refreshment as they prepare to enter a new congregation contingent on the Bishop's approval. It is the norm that a deacon leaves the congregation whenever the current Priest-in-Charge leaves unless a transition Letter of Agreement is agreed to with the Bishop for the deacon to stay throughout the transition and a plan is in place for their departure at a certain time (usually 3-6 months after the new priest arrives). This enables the new priest to identify the need for a new deacon and confer with the Bishop as to who is best suited to carry out those ministries.

## Health and Dental Insurance

It is important the clergy and vestry decide what level of insurance the parish will provide. The Executive Council voted to approve to the PPO 80 level as the minimum required along with establishing a Health Reimbursement Account to assist members in covering medical costs.

The norm in the past is that employees can choose a higher level of insurance and pay the difference themselves. However, parishes may want to offer their employees the same level as they did in the past or they may decide to offer the PPO 80 level. Those choices are left to the individual congregations with the diocese establishing the minimum required for ALL employees who work at least 1,000 hours a year. You may not choose one plan for clergy and another for lay employees. The exception is that any clergyperson or lay employee or their spouse who is 65 or older MAY choose the MSP<sup>1</sup> plans but the employer may not require them to do so. These plans are less expensive and require the employee to be on Medicare, which is the first payer, and then the Medicare Secondary Payer plan covers additional costs which significantly reduces or eliminates out-of-pocket costs for those employees. If you choose to go this route, the church must be registered with the Church Pension Group (CPG) as a small business employer. Call CPG for more information on how to register.

<sup>1</sup> From the Diocese of Pittsburgh:

Medicare Secondary Payer – Small Employer Exception: Employees who are 65 years old and eligible for Medicare may enroll in a Medicare Secondary Payer (MSP) plan. In most cases, Medicare is the secondary payer of healthcare claims for employees covered under Medicare Part A and Part B, and the Medical Trust’s health plan is the first, or primary payer. However, Medicare allows for an exception to the “secondary payer” rule for small employers (including all employers in the Diocese) who may request that Medicare serve as the primary payer for eligible Medicare beneficiaries by submitting an Employee Certification Form for each eligible participant seeking a “small employer exception.” When Medicare becomes the primary payer of Part A hospital claims, the cost of providing medical coverage is lower because the Medical Trust’s health plan becomes the secondary payer. The reduction in cost reduces premiums compared to plans in which Medicare is not the primary payer. An employee’s out-of-pocket medical costs may be lower, too. For an employee or their eligible dependent(s) to be approved for these plans, they must first be enrolled in Medicare Part A (hospital insurance). Individuals who opt for an MSP plan will continue to have access to the value-added benefits included in the Medical Trust plans. It is important to compare what the various plans cover as well as what the annual premium cost is and to plan for contingencies. What will you do if an employee has a major medical expense that is not covered by the lower-level insurance?

The parish offers its employees all the plans the diocese has approved however, the parish needs to decide which plan they will pay the full premium. The PPO 80 is the minimum required for 2026. The PPO 80 plan is a step down in cost of premiums but still covers more costs than the PPO 70 plan. A chart is provided next showing the primary differences between the various plans.

Plan Name	Plan Code	Enroll Total	2025 Rates					2026 Rates					2026 Election
			Single	Plus Sps	Plus Child	Family	Final % Chg	Single	Plus Sps	Plus Child	Family	Final % Chg	
Anthem BCBS BlueCard MSP PPO 100	MSG9	1	981	1962	1766	2943	13.03	1074	2148	1933	3222	9.46	Yes
Anthem BCBS BlueCard MSP PPO 70	MS12		678	1356	1220	2034	3.50	729	1458	1312	2187	7.53	Yes
Anthem BCBS BlueCard MSP PPO 80	MS11	3	752	1504	1354	2256	3.44	808	1616	1454	2424	7.43	Yes
Anthem BCBS BlueCard MSP PPO 90	MS10		877	1754	1579	2631	9.49	952	1904	1714	2856	8.55	Yes
Anthem BCBS BlueCard PPO 100	MPP1	5	1226	2452	2207	3678	13.00	1342	2684	2416	4026	9.46	Yes
Anthem BCBS BlueCard PPO 70	MPP4		845	1690	1521	2535	3.55	908	1816	1634	2724	7.45	Yes
Anthem BCBS BlueCard PPO 80	MPP3	7	938	1876	1688	2814	3.52	1008	2016	1814	3024	7.46	Yes
<b>Anthem BCBS BlueCard PPO 90</b>	<b>MPP2</b>	<b>6</b>	<b>1096</b>	<b>2192</b>	<b>1973</b>	<b>3288</b>	<b>9.49</b>	<b>1189</b>	<b>2378</b>	<b>2140</b>	<b>3567</b>	<b>8.49</b>	<b>Yes</b>
EAP	MEAP		4	4	4	4	0.00	4	4	4	4	0.00	Yes
Delta Dental Premium	DPRE		82	164	148	246	2.60	82	164	148	246	0.00	Yes
Delta Dental Basic	DDBA		42	84	76	126	2.54	42	84	76	126	0.00	Yes
Delta Dental Comprehensive	DCOM	19	62	124	112	186	3.36	62	124	112	186	0.00	Yes

One response is that in addition to the insurance plan, parishes are required to offer employees the option of enrolling for a Health Reimbursement Account (HRA). Single employees are entitled to \$1500 a year and couples and families are entitled to \$2000 a year. This covers medical co-pays and deductibles. So, as you look at what each plan covers, you know that this amount is available to cover some of those costs. Your parish should set aside these amounts for each employee -- preferably in a separate, interest-bearing account or the diocesan Unit Fund. You can do that deposit at the beginning of the year, quarterly or monthly. The employee submits eligible expenses to the third-party firm (currently Northeast Benefits Management – NBM) which processes and sends them the reimbursement. That firm bills the diocese. The diocese will bill your parish for the

total amount reimbursed for all your employees. You can expect one bill in July covering the first six months and one early in January, covering the last six months. Documents for setting up an HRA account for an employee are included as separate attachments with this document.

Below is a chart showing what each plan covers. Notice the difference in annual deductibles and in the maximum out-of-pocket expenses. This is what the HRA will help in covering those costs. Please note that the HRA benefit may not be used to cover dental or vision expenses/co-pays.

2026 Medical Trust Health Plan	Anthem BCBS BlueCard PPO 100		Anthem BCBS BlueCard PPO 90		Anthem BCBS BlueCard PPO 80		Anthem BCBS BlueCard PPO 70	
	Network	Out-of-Network	Network	Out-of-Network	Network	Out-of-Network	Network	Out-of-Network
Annual Deductible (CDHPs have a combined medical & Rx deductible)	\$0 per person \$0 per family	\$500 per person \$1,000 per family	\$500 per person \$1,000 per family	\$1,000 per person \$2,000 per family	\$1,000 per person \$2,000 per family	\$2,000 per person \$4,000 per family	\$3,500 per person \$7,000 per family	\$7,000 per person \$14,000 per family
Annual Out-of-Pocket Limit	\$2,000 per person \$4,000 per family	\$4,000 per person \$8,000 per family	\$2,500 per person \$5,000 per family	\$5,000 per person \$10,000 per family	\$3,500 per person \$7,000 per family	\$7,000 per person \$14,000 per family	\$5,000 per person \$10,000 per family	\$10,000 per person \$20,000 per family
<b>Preventive Care</b>								
Preventive Services & Well-Child Care	\$0 copay	50% coinsurance	\$0 copay	50% coinsurance	\$0 copay	50% coinsurance	\$0 copay	50% coinsurance
<b>Physician Services</b>								
Office Visit	\$30 copay	50% coinsurance	\$30 copay	50% coinsurance	\$30 copay	50% coinsurance	\$30 copay	50% coinsurance
Diagnostic Services (outpatient)	\$0 copay	50% coinsurance	10% coinsurance (Deductible does not apply)	50% coinsurance	20% coinsurance (Deductible does not apply)	50% coinsurance	30% coinsurance (Deductible does not apply)	50% coinsurance
Specialist Care	\$45 copay	50% coinsurance	\$45 copay	50% coinsurance	\$45 copay	50% coinsurance	\$45 copay	50% coinsurance
<b>Hospital Services</b>								
Inpatient Services (including inpatient maternal services)	\$250 copay	50% coinsurance	10% coinsurance	50% coinsurance	20% coinsurance	50% coinsurance	30% coinsurance	50% coinsurance
Outpatient Surgery	\$200 copay	50% coinsurance	10% coinsurance	50% coinsurance	20% coinsurance	50% coinsurance	30% coinsurance	50% coinsurance
Emergency Room Care	\$250 copay	\$250 copay	\$250 copay	\$250 copay	\$250 copay	\$250 copay	\$250 copay	\$250 copay
Ambulance Services	\$0 copay	\$0 copay	10% coinsurance	10% coinsurance	20% coinsurance	20% coinsurance	30% coinsurance	30% coinsurance
<b>Behavioral Health</b>								
Outpatient Services	\$0 copay	30% coinsurance	\$30 copay	30% coinsurance	\$30 copay	30% coinsurance	\$30 copay	30% coinsurance
Inpatient Services	\$250 copay	50% coinsurance	10% coinsurance	50% coinsurance	20% coinsurance	50% coinsurance	30% coinsurance	50% coinsurance
<b>Other Medical Services</b>								
Durable Medical Equipment	\$0 copay	50% coinsurance	10% coinsurance	50% coinsurance	20% coinsurance	50% coinsurance	30% coinsurance	50% coinsurance
Home Health Care (210 visits per calendar year, combined network and out-of-network)	\$0 copay	50% coinsurance	10% coinsurance	50% coinsurance	20% coinsurance	50% coinsurance	30% coinsurance	50% coinsurance
Outpatient Therapy (60 visits per calendar year per each type of therapy, combined network and out-of-network)	\$30 copay PCP/\$45 copay specialist (includes speech, physical, and occupational)	50% coinsurance (includes speech, physical, and occupational)	\$30 copay PCP/\$45 copay specialist (includes speech, physical, and occupational)	50% coinsurance (includes speech, physical, and occupational)	\$30 copay PCP/\$45 copay specialist (includes speech, physical, and occupational)	50% coinsurance (includes speech, physical, and occupational)	\$30 copay PCP/\$45 copay specialist (includes speech, physical, and occupational)	50% coinsurance (includes speech, physical, and occupational)
Skilled Nursing / Acute Rehabilitation Facility (60 days per calendar year, combined network and out-of-network)	\$0 copay	50% coinsurance	10% coinsurance	50% coinsurance	20% coinsurance	50% coinsurance	30% coinsurance	50% coinsurance
Urgent Care Services	\$50 copay	\$50 copay	\$50 copay	\$50 copay	\$50 copay	\$50 copay	\$50 copay	\$50 copay

	Pharmacy Benefits Administered by Express Scripts		Pharmacy Benefits Administered by Express Scripts		Pharmacy Benefits Administered by Express Scripts		Pharmacy Benefits Administered by Express Scripts	
	Retail	Home Delivery	Retail	Home Delivery	Retail	Home Delivery	Retail	Home Delivery
<b>Prescription Drug Benefits</b>								
<b>Annual Prescription Deductible (in-network)</b>	None	None	None	None	None	None	None	None
<b>Tier 1: Generic</b>	Up to a \$10 copay	Up to a \$25 copay	Up to a \$10 copay	Up to a \$25 copay	Up to a \$10 copay	Up to a \$25 copay	Up to a \$10 copay	Up to a \$25 copay
<b>Tier 2: Preferred Brand Name</b>	25%; up to \$40 min / \$80 max	25%; up to \$100 min / \$200 max	25%; up to \$40 min / \$80 max	25%; up to \$100 min / \$200 max	25%; up to \$40 min / \$80 max	25%; up to \$100 min / \$200 max	25%; up to \$40 min / \$80 max	25%; up to \$100 min / \$200 max
<b>Tier 3: Non-Preferred Brand Name</b>	40%; up to \$80 min / \$160 max	40%; up to \$200 min / \$400 max	40%; up to \$80 min / \$160 max	40%; up to \$200 min / \$400 max	40%; up to \$80 min / \$160 max	40%; up to \$200 min / \$400 max	40%; up to \$80 min / \$160 max	40%; up to \$200 min / \$400 max
<b>Tier 4: Specialty Rx</b>	40%; up to \$100 min / \$200 max	40%; up to \$250 min / \$500 max	40%; up to \$100 min / \$200 max	40%; up to \$250 min / \$500 max	40%; up to \$100 min / \$200 max	40%; up to \$250 min / \$500 max	40%; up to \$100 min / \$200 max	40%; up to \$250 min / \$500 max
<b>Dispensing Limits Per Copayment</b>	Up to a 30-day supply	Up to a 90-day supply	Up to a 30-day supply	Up to a 90-day supply	Up to a 30-day supply	Up to a 90-day supply	Up to a 30-day supply	Up to a 90-day supply

2026 Medical Trust Health Plan	Anthem BCBS BlueCard PPO 100		Anthem BCBS BlueCard PPO 90		Anthem BCBS BlueCard PPO 80		Anthem BCBS BlueCard PPO 70	
	Vision Benefits Administered by EyeMed		Vision Benefits Administered by EyeMed		Vision Benefits Administered by EyeMed		Vision Benefits Administered by EyeMed	
<b>Vision Benefits</b>	Network	Out-of-Network	Network	Out-of-Network	Network	Out-of-Network	Network	Out-of-Network
<b>Eye Examinations</b>	\$0 copay	Plan pays up to \$30 for ophthalmologists or optometrists	\$0 copay	Plan pays up to \$30 for ophthalmologists or optometrists	\$0 copay	Plan pays up to \$30 for ophthalmologists or optometrists	\$0 copay	Plan pays up to \$30 for ophthalmologists or optometrists
<b>Lenses (eligible once every calendar year)</b>	\$10 copay	Plan pays up to: \$32 for single vision \$46 for bifocal \$57 for trifocal	\$10 copay	Plan pays up to: \$32 for single vision \$46 for bifocal \$57 for trifocal	\$10 copay	Plan pays up to: \$32 for single vision \$46 for bifocal \$57 for trifocal	\$10 copay	Plan pays up to: \$32 for single vision \$46 for bifocal \$57 for trifocal
<b>Lens Options</b>								
Standard progressive (add-on to bifocal)	Up to \$75 copay	Plan pays up to \$46	Up to \$75 copay	Plan pays up to \$46	Up to \$75 copay	Plan pays up to \$46	Up to \$75 copay	Plan pays up to \$46
UV Coating	Up to \$15 copay	You are responsible for the cost of any lens options that you elect from out-of-network providers,	Up to \$15 copay	You are responsible for the cost of any lens options that you elect from out-of-network providers,	Up to \$15 copay	You are responsible for the cost of any lens options that you elect from out-of-network providers,	Up to \$15 copay	You are responsible for the cost of any lens options that you elect from out-of-network providers,
Tint (solid and gradient)	Up to \$15 copay		Up to \$15 copay		Up to \$15 copay		Up to \$15 copay	
Standard Scratch Resistance	Up to \$15 copay		Up to \$15 copay		Up to \$15 copay		Up to \$15 copay	
Standard Polycarbonate	\$0 copay		\$0 copay		\$0 copay		\$0 copay	
Standard Anti-Reflective Coating	Up to \$45 copay		Up to \$45 copay		Up to \$45 copay		Up to \$45 copay	
Disposable	20% off retail price		20% off retail price		20% off retail price		20% off retail price	
<b>Frames (eligible once every calendar year)</b>	\$200 allowance, 20% off balance over \$200	Plan pays up to \$47	\$200 allowance, 20% off balance over \$200	Plan pays up to \$47	\$200 allowance, 20% off balance over \$200	Plan pays up to \$47	\$200 allowance, 20% off balance over \$200	Plan pays up to \$47
<b>Contact Lenses (eligible once every calendar year)</b>								
Conventional	\$200 allowance, 15% off balance over \$200	Plan pays up to \$133	\$200 allowance, 15% off balance over \$200	Plan pays up to \$133	\$200 allowance, 15% off balance over \$200	Plan pays up to \$133	\$200 allowance, 15% off balance over \$200	Plan pays up to \$133
Disposable	\$200 allowance, then you pay balance over \$200	Plan pays up to \$133	\$200 allowance, then you pay balance over \$200	Plan pays up to \$133	\$200 allowance, then you pay balance over \$200	Plan pays up to \$133	\$200 allowance, then you pay balance over \$200	Plan pays up to \$133

Your employees may or may not use the full amount available to them in the Health Reimbursement Account. We strongly recommend that you leave any excess funds in an interest-bearing account and let it accumulate over the years. The day may come when you decide to offer to cover a higher level of insurance to your employees and those funds can help with that increased cost during the first year or two. Or one of your employees or their family member may have a very large medical cost one year. If you choose to give money directly to help them with that cost that amount is additional income and is both taxable and assessed for pension.

You can also transfer funds to the Discretionary Fund and let the priest decide how to respond to the employees needs either by paying the hospital or doctor for expenses as they would for anyone coming for financial assistance. In general, it is best for discretionary funds to be used to pay a bill rather than providing anyone with cash as you are then assured that the funds are used for the purpose intended. Also, it is often possible for a priest to negotiate with the hospital to reduce the amount required, especially if the priest can offer to pay some, but not all, of the bill. The Bishop may also be able to provide assistance if the medical expense is for the priest or their family member. In that case, the priest can contact the Bishop or the Senior Warden can do so on the priest's behalf.

It is important that everyone be aware that your clergy and lay employees may have varying medical needs. Someone with a chronic medical issue that needs regular, expensive care needs a higher level of insurance. If you only have one employee, it is easy to simply provide that higher level plan and pay the premium if you choose to do so. If you have multiple employees, most of whom have little or no medical issues, it is more challenging as you would have to offer the same higher level of plan to all of them. In that case, it may be less expensive to offer that one employee a higher salary to help offset the cost of a higher-level plan. In any case, you want to look at the big picture and offer the compensation package that both meets your employees' needs and is affordable for the parish.

## How to Negotiate

Diocesan minimums are just that – they are the minimum, but compensation is always negotiable. You want your priest and lay employees to feel valued and you want their needs to be met. Often that is simple but sometimes there are complications or there are adjustments that can be made or that are desirable.

The most important thing is to talk openly and honestly with each other. It is best if the Senior Warden and at most just one other person (usually the Jr. Warden or treasurer) has this conversation with the priest. You cannot negotiate something in a room full of people, so do not ever do it with the entire vestry!

Your priest is likely to know and understand your financial situation. But you may not know or understand your priest's situation. So, after the three of you look at the budget ask your priest what they want and need. Ask what would make them feel valued and affirmed. Ask them to help you figure out what is fair and what is do-able. Usually, you can work out something that works for both the priest and the church. The vestry, of course, must approve what you agree upon, but hopefully they will entrust their representatives to negotiate in good faith.

Sometimes you cannot come to an agreement. You are welcome to ask the Transition Consultant, Canon to the Ordinary or the Bishop for assistance. But it may mean a reduction in hours if you cannot provide the compensation package that the priest needs. Or it may mean that the priest is going to begin searching for a new position. That last option should NOT be public until the priest secures a new position. But it is important for the Wardens to know that their priest may be seeking a new position or is likely to do so in the next year. Again, both the priest and Wardens

need to inform the Bishop and contact the Transition Consultant early in the process so appropriate assistance can be provided.

You may also need to negotiate with lay employees – although that is less likely. In any case, the priest and Senior Warden should discuss what the parameters are before they initiate a conversation with an employee to discuss hours, job responsibilities, benefits, etc. Remember that you must offer the same insurance plans to all employees who work at least 1000 hours a year and you cannot require anyone to enroll in a specific plan. They can choose any of the plans and pay the difference (or ask for a reduced salary in exchange for the full premium). If they work at least 1000 hours a year (half-time), you must offer them the option of enrolling in the lay pension plan. You may also provide pensions for lay employees scheduled to work fewer than 1,000 hours per year but are not required to do so. The Episcopal Church Lay Employees' Defined Contribution Retirement Plan (Lay DC Plan) consists of two different plans - a 401(a) plan and a 403(b) plan. Your church may have adopted both plans or only the 403(b) plan. Both plans are administered by Fidelity Investments. If you have not adopted a lay pension plan, contact the diocesan benefits administrator for assistance in doing so.

## What To Do Next

- 1) Complete your 2026 Compensation Spreadsheet
- 2) Ensure your parish budget meets the financial requirements listed in the spreadsheet
- 3) Have your Institutional Administrator log into CPG (My Administrator Portal – MAP) and enter the updated clergy and lay staff salary and other information that changes for 2026 (use the spreadsheet starting at row 56 for parish priests)
- 4) Verify only active employees are listed in CPG MAP and terminate any that are no longer employed
- 5) Update your parish payroll system with the 2026 compensation amounts

Parish priests, Senior Wardens, Parish Administrators, or another person registered as your parish benefits administrator received information on plans available, how to register, etc. back in October and open enrollment has closed. If there are any clergy or lay staff who have had life event changes, their benefits are able to be changed however all other staff and clergy benefits are not able to be changed at this point. If the clergy member or lay staff member did not log into their CPG portal, their benefit designation stayed the same as what they selected for 2025.

For assistance, employees may contact CPG Client Services at 800-480-9967, Monday to Friday, 8:30 AM to 8:00 PM ET, or email [mtcustserv@cpg.org](mailto:mtcustserv@cpg.org). Also, during Annual Enrollment, Quantum Health (the new healthcare coordination service) will be available (at 866-871-0629) to help members and potential members review existing benefits, understand plan options, and choose the right plan for themselves and their families.

## Model Resolution for Housing Allowance

Moved:

Whereas The Rev. \_\_\_\_\_ is employed as a minister of the Gospel by Church, \_\_\_\_\_, Vermont, which does not provide a residence for him, the Vestry resolves that of the total compensation of \$\_\_\_\_\_ to be paid to The Rev. \_\_\_\_\_ during 200\_\_\_\_, that \$ \_\_\_\_\_ be designated as a parsonage allowance with the meaning of that term in Section 107 of the IRS Code of 1986.

OR

Moved:

Whereas The Rev. \_\_\_\_\_ is employed as a minister of the Gospel by Church, \_\_\_\_\_, Vermont, which although providing a residence for him/her does not provide the full cost of maintaining and furnishing such a residence; the Vestry resolves that of the total compensation of \$\_\_\_\_\_ to be paid to The Rev. \_\_\_\_\_ during 20\_\_\_\_, that \$ \_\_\_\_\_ be designated as a parsonage allowance with the meaning of that term in Section 107 of the IRS Code of 1986.

*This is to be presented at Vestry in the first month following the signing of the Letter of Agreement and made part of the minutes. The Rector may designate up to 100% of the compensation as parsonage allowance for tax purposes.*

**NOTE: THIS RESOLUTION MUST BE PASSED IN DECEMBER OF EACH AND EVERY YEAR OF EMPLOYMENT.**