

## **Proposed 2022 Compensation Guidelines and Workbook FAQs (Updated 6/1/21)**

### **Why has the Synod replaced the Compensation Worksheets with an Excel Workbook?**

The 2022 Compensation Guidelines introduce a formula to adjust the minimum compensation to account for the local cost of housing and a method for valuing non-pastoral work experience, education, and complexity of call. By replacing the Compensation Worksheets with an Excel Workbook, the Synod hopes to simplify the process of calculating minimum compensation for everyone involved.

### **Why do the Compensation Guidelines need to include a cost of housing adjustment?**

The median cost of housing in the Virginia Synod ranges from \$74,300 to \$427,000. The wide disparity in the cost of housing means that in some areas the minimum compensation for a Rostered Minister is higher than local salaries while in other areas the minimum compensation for a Rostered Minister is significantly lower than local salaries. Introducing an adjustment will make it easier for some churches to afford a Rostered Minister and possible for some Rostered Ministers to afford a home.

### **How does the cost of housing adjustment work?**

In early 2021, the Synod Office did a survey of the median cost of housing in 25 locations around the Synod (see 2021 Housing Cost Data tab). Based on that survey, it was determined that the median cost of a house in the Virginia Synod is \$196,800 (Woodstock). To arrive at a median housing allowance, the median cost of a house, \$196,800, was multiplied by 12%, 1% per month, for a housing allowance of \$23,616 (\$1,980 per month). To adjust for the local cost of housing, the formula in the Compensation Workbook calculates the difference between the median cost of housing and the median cost of housing you enter for your location. The difference is multiplied by 12%. The result of that calculation either reduces or increases the required minimum compensation.

### **Is the “Additional Compensation Added by Mutual Agreement” a part of the required minimum compensation?**

No, the “Additional Compensation Added by Mutual Agreement” is not a part of the required minimum compensation, but the Synod Council hopes that this section of the Compensation Workbook will help generate conversation about how to value experience, additional education, and complexity of call.

### **How does the “Additional Compensation Added by Mutual Agreement” formula work?**

The Rostered Minister works with the congregation to enter values for each of the categories in the “Additional Compensation Added by Mutual Agreement” section. The values are added together and the total is multiplied by 500. The formula caps the maximum number of points which can be accumulated in this section at 10, so the maximum suggested increase is will not \$5,000.

### **What do we do if these guidelines suggest compensation which is different from a Rostered Minister’s existing compensation?**

If the guidelines are approved by the 2021 Synod Assembly, then nearly every congregation in the Virginia Synod will potentially see a change in the recommended minimum compensation for a Rostered Minister in their congregation. For congregations in the call process, the new minimum compensation guidelines will be used to develop minimum compensation requirements for a new call. For congregations who have a Rostered Minister currently under call, the Synod Council hopes these guidelines will begin a conversation about fair and equitable compensation. If the recommended minimum compensation is significantly lower than existing compensation levels, the Synod Council recommends that the congregation wait until their next call process before making a change. If the recommended minimum compensation guidelines are significantly higher than existing compensation levels, the Synod Council recommends creating a plan to move toward the recommended minimum compensation guidelines both for the sake of the Rostered Minister currently under call and as a way to prepare for the minimum compensation requirements the next time the congregation enters the call process.