

Compensation Guidelines Revisions Pre-Assembly Gathering Summary

Virginia Synod Assembly 2021

Recordings of the Pre-Assembly Meetings can be found on the Synod Assembly page at: <https://www.vasynod.org/synod-assembly-2021/>

Pre-Assembly Meeting Questions and Responses

Why is the Synod Council introducing new Compensation Guidelines?

The Synod Council has been considering new compensation guidelines for many years because of the wide variation in cost of living around the Virginia Synod. In some areas of the Synod the median cost of a house is \$74,000 and in other areas of the Synod the median cost of a house is \$427,000. The current guidelines make no allowance for the cost of living, so in some places the compensation for a rostered minister seems far higher than the compensation for similar professionals in the area and in some places, the compensation is far lower than compensation for similar professionals in the area. The new compensation guidelines introduce a cost of housing adjustment and also begin a conversation about additional factors like non-pastoral experience, additional education, and complexity of call.

The 2022 proposed guidelines now stop at 25 years of service whereas they had previously extended to 40+. Is there guidance for a congregation whose pastor/leader may have been in the compensation bands that have been deleted?

While the minimum compensation guidelines are capped at 25 years, the Synod certainly encourages congregations and rostered ministers to consider additional experience beyond 25 years as a factor in determining compensation. The decision was made to cap the experience chart at 25 years because having the minimum compensation guidelines extend to 40 years of experience was making it difficult for some experienced pastors to receive full-time calls in smaller congregations. The hope is that by moving to this approach there will be more flexibility in the process.

Here's an example of how the new system could impact rostered ministers with more than 25 years of experience. Under the existing system, assume Pastor A had 39 years of experience and was making \$80,000 in their previous call in another Synod. In the Virginia Synod, under the 2021 Guidelines, the minimum compensation for Pastor A would be \$104,831. Even if the congregation could afford \$85,000 in compensation and the pastor was agreeable to that compensation amount, the call would still be categorized as a $\frac{3}{4}$ call because it did not reach the minimum compensation level.

Under the new system with experience capped at 25 years, the required minimum compensation for 25+ years of experience is \$83,295. If the congregation offers Pastor A, who has 39 years of experience, \$85,000 in compensation and Pastor A is agreeable to that compensation amount, then the congregation can issue a full-time call to Pastor A.

Our pastor is hired in a 3/4 time capacity. How do we apply the proposed guidelines?

The guidelines represent compensation for a full-time pastor. When calculating compensation for a less than full-time pastor, simply multiply the fraction by the adjusted minimum compensation. For example, if the adjusted minimum compensation is \$60,000, then the adjusted minimum compensation for a $\frac{3}{4}$ time pastor would be \$45,000 ($\$60,000 \times .75$). The congregation and the rostered ministry can decide how those funds are divided between salary, housing allowance, and social security offset.

Will there be training sessions on how to implement these compensation guidelines if they are approved?

Yes. There will be training sessions on how to use the Excel sheet to calculate compensation in the fall if the guidelines are approved.

How would these guidelines be applied to Rostered Ministers currently under call? Is there a guide or recommendation to congregations on how quickly these changes would need to be implemented?

Nearly every compensation package in the Synod will be affected by these guidelines but implementation will vary. For new calls, these guidelines, if approved, will become effective on January 1, 2022 and will be used by the Virginia Synod in helping determine compensation for any new call that is issued from that date forward.

For existing calls, the recommendation from Synod Council is that congregations and leaders take a look at the guidelines and develop a plan to implement these guidelines over time. For some congregations in areas with expensive housing, the recommendations could jump as much as \$15,000. In a situation like that, the hope is that leaders could work together to develop a written plan to move toward the recommendation both for the sake of the current IRostered Minister and to prepare for the next Rostered Minister.

For places where a decrease in compensation is recommended, the hope is that congregations will maintain current compensation for a Rostered Minister under call and make a change whenever the next Rostered Minister is called.

The recommendation from Pastor John is that whatever you decide to do, write it down and put it in the minutes so that everyone has a clear idea of how the compensation will change and the timeline. The plan can be mutually adjusted, but having something written gives a frame of reference for future and current leaders.

How often with the Compensation Guidelines and specifically the housing information be updated?

The Compensation Guidelines are updated yearly. The median cost of housing data in the proposed guidelines was gathered in March/April 2021. The numbers for the median cost of housing in the Compensation Workbook will be updated annually.

Are there guidelines for the cost of pastors who cover days off of primary pastor?

The compensation guidelines provide guidance on providing compensation for supply pastors and the Synod has guidelines for compensating Vice-Pastors.

How was the feedback solicited from Rostered Ministers?

Possibility of change has been discussed at different events over the past few years. Every rostered minister has been sent the proposed guidelines and has the opportunity to attend the Pre-Assembly events and the Assembly..

If a congregation is in the call process now, would it use 2021 guidelines? Would the congregation re-negotiate in 2022?

This would depend on when the call is being negotiated and issued. If the call is negotiated and issued in 2021, then the current guidelines would apply, but certainly the Synod would encourage everyone involved to look at both sets of guidelines and have a conversation about how the new guidelines would apply.

Other than pastor feedback, synod council feedback, did you seek professional compensation consultants for advice?

No, the Synod did not use a professional consultant, in part because there are not many first that specialize in rostered minister compensation and the ones that do rarely break the data down by denomination. The Synod surveyed other Region 9 Synods plus Metro DC to provide benchmarks for compensation and looked at other national surveys. The Synod benchmarked the housing allowing adjustments against the military housing adjustment system and it compared well. .

How did the Synod make the recommendations for the housing adjustments?

The Synod surveyed 25 locations in the Virginia Synod for the median cost of housing and determined the median cost of a house to be in Woodstock, Virginia. From that

information, a median housing allowance was determined.. Each congregation will need to find the median cost of housing for their zip code and then use the formula in the Compensation Workbook to adjust locally.

Will the Synod be able to help guide through this process?

Yes, in addition to the training events, Rebecca Walls walks through compensation and develops an initial compensation package with the call committee and the candidate.