

ON CLERGY COMPENSATION – 2025

Designated contact person for this resolution:

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Commission on Wellness (CoW)

BE IT RESOLVED:

I. MINIMUM CASH COMPENSATION - FULL-TIME CLERGY

That minimum cash compensation (See *Explanatory Note*) for full-time clergy, effective January 1, 2025, be:

	Minimum Compensation Housing Not Provided*	Minimum Compensation Housing Provided*
Rector, Vicar, or Priest-in-Charge	\$93,712	\$70,196
Rector, Vicar, or Priest-in-Charge of Yoked Parishes (Combined)	\$93,712	\$70,196
Curate / Assistant / Associate	\$83,980	\$62,906
Transitional Deacons	\$75,783	\$59,449

* includes SECA reimbursement paid as salary (7.65%)

When full-time assistants or associates have responsibilities or experience that meet or exceed those of a rector, vicar, interim, or priest-in-charge, their compensation should be adjusted accordingly.

Cash compensation of transitional Deacons upon ordination to the priesthood or completion of one year or more of service (whichever occurs first) should increase to match the minimum cash compensation of the office to which they are called, whether it be rector, vicar, priest-in-charge, curate, assistant, or associate.

Compensation increases for all clergy, including adjustments for experience, shall be added to cost-of-living increases as warranted by periodic reviews, which should occur at least annually. Increases for incumbent clergy are recommended and are based on June 2023 CPI-U to June 2024 CPI-U data, resulting in an increase of 3.8%.

Parishes located within the City of Philadelphia should consider the impact of the City Wage Tax rate in their calculation of clergy compensation.

SECA reimbursement (What is SECA?). SECA reimbursement is typically 7.65% of the total compensation (salary & designated housing allowance) and is provided to the clergy member as additional salary. Clergy are exempt from FICA as the IRS considers clergy contractors. As such they pay 15.3% SECA tax (Self-Employed Contributions Act) on their personal federal tax returns. This tax is equivalent to the FICA tax (7.65% employer, 7.65% employee – 15.3%). Clergy working at churches are unfairly taxed personally compared to lay. The SECA reimbursement is done to reimburse the clergy member for the employer portion (7.65%) of SECA they must pay personally.

MOVING TOWARD EQUITABLE PAY: These new guidelines are in keeping with many years of policy in our Diocese while simplifying our guidelines. They also reflect the ongoing pursuit of equity in clergy compensation.

This resolution sets minimum compensation standards that reflect the minimum required education, preparation, skills, and competencies for clergy serving in these roles. These minimum standards do not account for education, or experience beyond or exceeding canonical requirements for duly ordained clergy. These standards are meant to eliminate gender, race, family constellation, disability, language, or sexuality disparities.

The pandemic years of 2020 to 2023 were unusual years financially and significantly impacted parish finances for the foreseeable future. The demands and expectations encountered by our clergy have been extremely challenging. It is recommended that parishes make efforts to increase cash compensation accordingly – especially those parishes which did not offer a Cost-of-Living Allowance or other compensation increase to their clergy during this period.

Periodic reviews of clergy and lay compensation should be conducted by respective parish vestry members to ensure that employees meet or exceed compensation guidelines.

BE IT RESOLVED:

II. PART-TIME CLERGY

That cash compensation for priests employed part-time (other than as supply priests) shall be proportional to the cash compensation for a priest holding the same position on a full-time basis. Any clergy person compensated at a level lower than the minimum is understood as part-time and should negotiate duties/responsibilities with their employer as appropriate. A church must pay Church Pension Fund pension assessments for part-time clergy employed for three months or more based on Church Pension Group (CPG) policy.

BE IT RESOLVED:

III. SUPPLY CLERGY

That the guidelines for priests who supply or cover specific services in a congregation be \$265 for a single service and \$353 for two services. Based upon requirements for participation by Church Pension Group, a

congregation could be obligated to pay Church Pension assessments. Questions of eligibility should be addressed to the Diocesan CPG Benefits Administrator.

Churches may contribute to the sponsoring organization (e.g., clergy from the Offices of the Diocese, Episcopal Community Services (ECS), etc. or respective clergy's discretionary fund at their discretion).

Mileage is reimbursed at the current annual IRS rate and/or other related expenses should be paid in addition to cash compensation.

BE IT RESOLVED:

IV. VOCATIONAL DEACONS

That churches or organizations served by non-stipendiary vocational deacons, excepting deacons that are retired, pay such deacons a stipend of at least \$25 per month and make the corresponding contribution for the pension assessment to the Church Pension Fund of 18%.

Explanatory Note:

For this resolution, "cash compensation" includes cash salary, housing allowance, and SECA reimbursement. Cash compensation does not include reimbursement for expenses (e.g., for automobile use or continuing education, health, dental, life, or other insurance premiums and pension contributions.) The recommended minimum cash compensation levels reflect churches reimbursing half of the clergy's SECA liability.

Below are charts providing specific compensation data for clergy in our Diocese. The data presented are for the traditional curate or assistant in their first year of ordained ministry. Churches should adjust actual compensation for full-time assistants/associates based on their responsibilities. Some assistants and associates have more responsibility than the rector of smaller churches and should be compensated accordingly.

Total Cash Compensation (Including SECA reimbursement):

	Median Cash Compensation	Median High Cash Compensation	Top 8 Clergy Cash Compensation
Rector, Vicar, or Priest-In-Charge			
2022	\$97,792	\$115,400	\$142k - \$191,197
2023	\$95,300	\$115,400	\$131k - \$191,197
2024	\$93,680	\$115,008	\$141k - \$162,820
Assistants & Associates			

	Median Cash Compensation	Median High Cash Compensation	Top 8 Clergy Cash Compensation
2022	\$73,799	\$76,993	\$100,000
2023	\$86,717	\$95,713	\$105,300
2024	\$81,000	\$88,910	\$105,664

Housing Provided – The Church Pension Group policy for the value of church provided housing is 30% of cash compensation for pension assessment purposes. Each church should first determine the full salary of the priest and then subtract the value of the housing provided to determine the compensation with housing provided.

Housing Not Provided – IRS policy allows a portion of cash compensation to be designated annually by the priest as a housing allowance in accordance with the Internal Revenue Code. The designation must be acknowledged by resolution of the parish vestry before implementation and must be explicitly noted in the parish vestry meeting minutes. The cleric is responsible for following federal tax rules that apply to the housing allowance.

Yoked Parish Compensation - Because of the increasing number of yoked parishes in the Diocese, the Commission continues to assess compensation arrangements to ensure that clergy receive equitable pay.

Supply Priest Compensation - a growing number of parishes in the Diocese are being served by long-term supply priests. The Commission continues to assess compensation arrangements to ensure that clergy receive equitable pay in compliance with the compensation guidelines for Supply Priests defined in Section III of this Resolution Pension assessment \$1,500

Recommendations Related to Total Compensation versus Cost-of-Living Adjustments

The Commission on Wellness uses an industry-standard approach to update minimum clergy compensation levels annually in compliance with the Diocesan Canons. Each year, the Consumer-Price-Index (CPI-U) change for the Philadelphia Market is calculated from June to June, using data from the United States Bureau of Labor Statistics (BLS). Minimum compensation levels are adjusted based on the CPI-U and submitted annually to Diocesan Convention for review and approval for the subsequent year's Clergy Compensation standards.

This ends the formal text for resolution RB 2025.

SUPPLEMENTAL INFORMATION:

The following information includes Diocesan Policy and Commission on Wellness recommendations for organizations employing Diocesan clergy. Policy statements are to be followed by employers and are enforceable by the Bishop. Recommendations are advisory only and are intended to serve as guidelines for clergy and vestries responsible for setting and managing clergy compensation. You are encouraged to review, discuss, and act consistently with the spirit of these guidelines.

The following policy statements have been approved by previous Conventions and directed by Convention to be placed in delegate packets for their information.

POLICY ON MAJOR MEDICAL INSURANCE

Employers must offer health benefits to eligible full-time employees (1,500 or more hours worked in a year), consistent with the requirements of the Denominational Health Plan (DHP) of the Episcopal Church and the related DHP Parity Provisions as defined and implemented by the Diocese of Pennsylvania and the Commission on Wellness (CoW). Employers may offer access and contribution to available benefits for qualified part-time employees (1,000 or more hours worked in a year).

The CoW required and available benefits, contribution levels, related policies, and information are available on the Diocesan website. The parity provisions of the DHP became mandatory on January 1, 2016, and the Diocesan policies are available on the Diocesan website.

POLICY ON AUTOMOBILE AND OTHER EXPENSES

The policy on allowances and reimbursements for work-related expenses is reaffirmed as follows:

All "business" expenses, e.g., those expenses that would normally be reimbursed in secular employment, shall be reimbursed, and provided for inadequate allowances in congregation budgets.

The Internal Revenue Service generally recognizes two methods of accounting for Automobile Expenses. In Method One, which is recommended by the CoW, in consultation with the *Manual of Business Methods in Church Affairs*.

RECOMMENDATIONS BASED ON DIOCESAN AND NATIONAL CHURCH COMPENSATION STUDIES

The CoW and The Episcopal Church (TEC) conduct periodic clergy compensation studies to understand trends and provide context for compensation planning. The Commission acknowledges that there are many challenges in determining fair and equitable clergy compensation – particularly given the size and diversity of our congregations and the trends toward hiring more part-time clergy.

The Commission on Wellness, in concert with the Canon for Finance and the Canon for Transitions, are available to consult with vestries, search committees, and clergy to offer recommendations regarding clergy compensation at the beginning of a call or for adjustments during clergy tenure. They are recommendations, not policies, and do not require review or approval by Convention.

Each year, the CoW will make available the approved compensation resolution to all Parishes for budgeting purposes and to encourage open, ongoing conversation between vestries and their clergy about healthy, generous ministry.