

2012 COSAR SALARY RECOMMENDATIONS FOR PASTORS

The SDB Standing **Committee on Support and Retirement (COSAR)** recommends the following **minimum salary for full-time Seventh Day Baptist pastors.**

COSAR offers **two separate recommendations** regarding salaries for full-time Seventh Day Baptist pastors: a **Minimum Salary** recommendation and a **Salary Goal** recommendation.

Minimum Salary Recommendation

The breakdown below is suggested for the salary base used to calculate a minimum salary for pastors in three different kinds of pastorates. The salary base includes cash salary, housing allowance and utilities payments or allowance. In addition, the church should contribute the employer's share of FICA.

- **Rural Pastorate**—This pastor lives in a community with a population of under 30,000.
- **Urban Pastorate**—This pastor lives in or within 7 miles of a community with a population of 30,000 or more. The salary base is equal to the “Rural Salary Base” (above) plus 5%.
- **Special Urban Pastorate**—This pastor is paying rent that equals one-third of his or her salary for even modest housing. This is often the case in special urban areas. The salary base is the “Urban salary base” plus 10% (to compensate for the higher cost of housing). If housing costs significantly exceed one-third of the pastor's salary, a further increase in salary must be given to ensure sufficient income for other needs.

Salary Goal Recommendation

In the belief that churches need to provide more than minimal support to their pastors, COSAR also recommends a Salary Goal for pastoral salaries that takes into consideration the pastor's experience and level of pastoral education.

Experience. Years of experience ought to be reflected in the pastor's salary. It is recommended that the salary base be increased by 2.5% for each year of full-time service in vocational ministry, up to a maximum of 20 years or 50%.

Pastoral Education. An additional amount (each year) for pastoral education is also recommended as follows: \$2,000 (MDiv degree); \$1,400 (Bachelor's degree in Pastoral Ministries from Columbia International University or Taylor University, where the Council on Ministry supports students under the Pastoral Ministries BA program); \$500 (Old TIME Program); \$500 (New TIME Associate Pastor's Certificate) and \$1,000 (“New TIME” Senior Pastor's Certificate).

Fringe Benefits

Medical Insurance. Every church should provide health insurance for their pastor. This is an expensive but essential benefit for the pastor and his or her family.

Retirement. Every church should also contribute 16% of their pastor's salary (including housing allowance or rental value of the parsonage and any utilities allowance) to his or her retirement account. Contact COSAR for more information. (IRS rules for 403B accounts were new 1/1/09)

Bi-vocational and Part-time Pastorates

When a church is unable to provide even the minimum pastoral salary, they must recognize that they cannot ethically pay part-time wages for a full-time pastor. Therefore it is recommended that the church calculate what percentage of the minimum salary they are paying, and use that to figure the number of hours in the pastor's work week. This is done by adding the cash salary, housing allowance (or parsonage rental value) and utilities allowance, and then dividing that total by the minimum salary base plus the 7.65% FICA adjustment.

Example—A rural church provides their pastor with a cash salary of \$18,000 per year and a parsonage. Since houses similar to the parsonage rent in the community for \$500 per month (\$6,000/yr), the total compensation is \$24,000 per year. Dividing that amount by \$37,699 (2012 min. rural salary=base+FICA) yields .6366 or 64%. Therefore the church is really paying for 28-29 hours per week (64% of 45 hours = 28.8 hrs) of a full-time pastor's 45-hour work week. So this pastor should be free to seek additional employment.

Conclusion

COSAR understands that these suggested minimum salaries and salary goals will stretch church budgets and impact the denominational budget. But failing to set such goals will result in an increasing shortage of qualified pastoral leaders in the future. Low salaries are a major factor in limiting pastoral recruitment, causing stress in the pastor's family and forcing pastors to leave the ministry. On the other hand, adequate support for pastors is ethically right and honoring to God, while it also strengthens the ministry of Seventh Day Baptists.

(SEE THE 2012 COSAR SALARY WORKSHEET
ON THE REVERSE SIDE OF THIS SHEET.)

2012 COSAR SALARY WORKSHEET

This worksheet is provided as an aid in helping the church and pastor determine the COSAR recommended salaries. There are two separate recommendations: a **Minimum Salary** (which is a 1.2% increase over last year's suggestion, plus the church's share of FICA for the self-employed) and a **Goal Salary** (taking into account a pastor's experience and education). This worksheet is to be used in conjunction with the guidelines found in "Salary Recommendations for Pastors."

SALARY BASE

Choose the area/situation in which the pastor ministers:

Rural¹	Urban	Special Urban
\$35,020	\$36,771	\$40,448

MINIMUM SALARY CALCULATION

Salary Base	FICA ² Employer's share	Minimum Salary
Rural¹	\$35,020 + \$2,679 =	\$37,699
Urban	\$36,771 + \$2,813 =	\$39,584
Special Urban	\$40,448 + \$3,094 =	\$43,542

GOAL SALARY

Calculate the goal salary by adding the adjustments (for years of experience, formal pastoral education and the church's share of FICA) to the Salary Base chosen at the left.

PASTOR'S EDUCATION	SUGGESTED EDUCATION ADJUSTMENT
Master of Divinity	\$2,000.00
Pastoral Ministries BA	\$1,400.00
New TIME, Sr Pastor's Certificate	\$1,000.00
Assoc Pastor's Certificate	\$500.00
Old TIME Certificate	\$500.00

¹ For a definition of Rural, Urban and Special Urban situations see the other side of this tri-fold which is a discussion of the 2012 COSAR Salary Recommendations for Pastors.

² Add one-half of the Social Security due to the salary base. (Pastors are considered employees for income tax purposes and self-employed for Social Security purposes. Therefore they pay 15.3% rather than the 7.65% which is generally paid by an employee with the employer paying the remaining 7.65%).

GOAL SALARY CALCULATION

Salary Base _____

(Use Rural, Urban or Special Urban Base from left. Do not use the Minimum Salary Calculation total as FICA needs to be calculated on all income.)

Plus Experience

_____ years (up to 20 yrs)

x 2.5% = _____%

the above % x Base = + _____
(a maximum of 20 years or 50%)

Plus Education

(See details in the box at left for the amount to add here).

+ _____

Subtotal

= _____

x .0765

Plus Employer's Share

of FICA² (7.65% of Base) + _____

Total Goal Salary

= _____

Remember that these are salary numbers and do not include benefits such as Retirement or Medical Insurance. Business expenses such as office supplies and business mileage should be reimbursed and are not salary.

Remember that part of compensation is encouragement and affirmation.