

Diocese of New Jersey Minimum Clergy Salary Schedule for January 2013 - December 2013

ENTER IN BOX CREDITED SERVICE (CS) YEARS FROM PENSION FUND (1 to 20) for 2012

0

CS values from 1-10 has an increase of 2.5% per year, CS from 11 - 20 has an increase of 2% per year.

		A		B	C*	D	E	F	G**	EXAMPLE	EXAMPLE
	COMPENSATION COMPONENTS POSITION CATEGORIES	CASH STIPEND MINIUM	CASH STIPEND MINIMUM x CS	HOUSING EQUITY or HOUSING ALLOWANCE	Self-Employment Contributions Act (SECA) OFFSET Diocesan Min 50%	PENSION ASSESSMENT	PROFESSIONAL EXPENSES (unless car is provided)	CONTINUING EDUCATION	INSURANCE PREMIUMS (Medical, Dental, Life) AVERAGE of Single or Family Coverage	COMPENSATION PACKAGE Single Coverage	COMPENSATION PACKAGE Family Coverage
I	Curate/Assistant Newly Ordained	33,092	33,092	Not Required	2,531 (A x 7.65%)	6,412 [(A+C) x 18%]	4,500	1,117	9,302 to 27,378	56,954 (A+C+D+E+F+G)	75,030 (A+C+D+E+F+G)
II	Assistant/ Associate Experienced	35,795	35,795	Not Required	2,738 (A x 7.65%)	6,936 [(A+C) x 18%]	4,500	1,117	9,302 to 27,378	60,388 (A+C+D+E+F+G)	78,464 (A+C+D+E+F+G)
IIIa	Vicar/Rector/ Priest in Charge/ Interim Rector <i>Rectory Provided</i>	35,795	35,795	2,300 (Negotiated for Interim)	4,330 [(A+ Fair Market Value + Utilities ) x 7.65%]	10,370 [((A+B+C+Utilities) x 1.3) x 18%]	4,500	1,117	9,302 to 27,378	67,714 (A+B+C+D+E+F+G)	85,790 (A+B+C+D+E+F+G)
IIIb	Vicar/Rector/ Priest in Charge/ Interim Rector <i>Rectory NOT Provided</i>	35,795	35,795	16,000	3,962 [(A+B) x 7.65%]	10,036 [(A+B+C) x 18%]	4,500	1,117	9,302 to 27,378	80,712 (A+B+C+D+E+F+G)	98,788 (A+B+C+D+E+F+G)

\* If cleric's combined compensation of cash stipend, housing allowance and/or equity and utilities is MORE THAN \$113,700, the amount over \$113,700 is multiplied by 1.45% and then added to \$8,170.  
The dynamic version of this chart adjusts for this calculation.

\*\* AMOUNTS NOT REGULATED BY THE STANDING COMMISSION ON CLERGY COMEPENSATION. INSURANCE IS INCLUDED IN COMPLETE COMPENSATION PACKAGE

Assumptions: Sample calculations based on **FULL TIME EMPLOYMENT** and the following:

- 1
- Bold values established by Diocesan Convention and cannot be decreased. All other numbers may vary due to negotiation, evaluation, usage or rates.
- 2
- Cash Stipend is the **minimum** required by the Diocesan Convention. The cleric and church are encouraged to negotiate compensation based on experience and job responsibilities.
- 3
- CS increase is only enforced to 20 years in order to allow clergy a vary of oppourtunities toward the end of their careers.This calculation can still be used for extablishing a work experience minimum beyond 20 CS years.
- 4
- Fair Market Value of NJ Rectory or Rental Rectory – Estimate of \$16,000/year used in calculations on this chart. Value will vary. Please have property professionally appraised.
- 5
- Utilities (heating, electric, sewer, etc.) – Estimate of \$4,800/year used in calculations on this chart. Depending on usage and energy efficiency, costs will vary.
- 6
- Medical/Dental/Life Insurance Expenses based on 2013 Rate Chart at highest single and family premiums. Cost will vary depending on coverage.
- 7
- If cleric has insurance coverage from a spouse or partner, the cleric may negotiate with the church for additional remuneration to offset premium costs of that coverage.
- 8
- If a Housing Allowance is provided for Curate/Assistant/Associate, that expense **MUST** be included in SECA and Pension Assessment calculations.
- 9
- The SECA Offset calculation does NOT include the Housing Equity amount (\$2300) if that money is directly deposited into a tax defered account (such as a 403(b)). If the cleric opts to receive the money (in order to invest in a ROTH account, for example) then that amount does need to be included in the SECA calculation.

DEFINITIONS

**Categories:** There are four categories for FULL TIME CLERGY POSITIONS based on experience and job responsibilities with the sub category of RECTORY PROVIDED or RECTORY NOT PROVIDED.

**Full Time:** Five or six workdays, consisting of no more than 12 to 14 Work Units (WU).

**“Work Unit” (WU):** A block of time noted as morning, afternoon, evening - usually 2½ to 4 hours in length.

- *Curate:* Newly ordained clergy mentored or apprenticed by experienced clergy member during the first 18 months from date of Transitional Diaconate ordination.
- *Assistant/Associate :* Experienced clergy called to assist and support Senior Clergy in specific ministry(ies) or specific tasks to augment the mission of Church.
- *Newly Ordained Vicar/Rector/Priest in Charge/Interim Rector :* Called priest to a mission or parish within the first 18 months from date of Transitional Diaconate ordination.
- *Vicar/Rector/Priest in Charge/Interim Rector :* Experienced priest called to serve in a mission or parish.

**Cash Salary Minimum:** Amounts are recommended minimums by The Standing Commission on Clergy Compensation after conducting a comprehensive salary survey of surrounding diocese in the Northeast region as well as diocese in which a noted pattern of clergy transers.

**Credited Service (CS):** Provided by Church Pension Fund on the *Personal Information Summary* . This calculation offers clergy and congregations a metric for the minimum cash stipend based on experience, compounded annually.

The SCCC will enforce using this calculation through 20 YCS in order to allow clergy the option of various opportunities toward the end of their careers, though it can be used for the clergy person's entire career.

**Pension Base:** The total of Cash Stipend, Social Security, Utilities, and Housing Allowance. (See Pension Base Definitions for further clarification.)

**Pension Assessment:** 18% of Pension Base (salary, housing allowance, Social Security Offset)

**Professional Expenses:** This minimum includes reimbursement for travel expenses for work related activities, functions, seminars, etc to maintain or improve work related skills; car mileage at IRS rates; professional journals and books related to work; hospitality and entertainment, vestments and clerical attire, etc.

**NOTE:** All items (books, computers, etc.) purchased with these monies belong to the church.

**Continuing Education:** This minimum amount may be applied to fees for work related workshops, seminars, classes and courses to maintain and improve work related skills.

**Housing Equity:** This minimum annual amount is designated at \$2,300 allocated when Rectory is provided. That money may be paid into a tax sheltered annuity or directly to the cleric (to put into a Roth IRA, for example), however the cleric is responsible for paying all income taxes associated with that additional income.

**Insurance Premiums:** Group Health Insurance Rate (Medical, Dental, Life insurance). Short-term disability is provided and paid by the Church Pension Fund. Long term insurances available and should be offered to clergy at the time of employment. Payment of LTD Insurance is a negotiated issue. Worker's Compensation Premiums are based on total employed by the church.

**NOTE:** Churches are encouraged to consider having a Life Insurance policy for the cleric payable TO THE CHURCH in case of his/her unexpected death to cover loss of income during that difficult time.

**Pension Base Definitions** (Source: Church Pension Fund – Active Clergy Group)

*Cash Stipend :* yearly salary, bonuses, one-time cash payments, tuition paid for dependents, & any salary reduction used to fund an annuity, TSA (tax sheltered annuities), 403(b) plans, or RSVP (Retirement Savings Program).

*Social Security:* Any payments given to offset the cost for self employment taxes in accordance with Self-Employment Contributions Act (SECA) tax, which is the self-employed version of the FICA tax that employees pay.

**Clergy are considered employees for Federal Income Tax purposes, but as self-employed for Social Security purposes.**

If the clergy person chooses to "opt-out" of Social Security, the congregation is still obligated to pay its full portion of the SECA Offset, and clergy person takes responsibility for the tax liability.

*Utilities :* Amounts paid to the clergy or directly to suppliers on behalf of the clergy for utilities (including gas, water, sewer, electric, phone, etc.)

*Housing Allowances paid to the clergy:* \$16,000 with no rectory provided

*Housing Allowance if house is provided rent-free :* For pension purposes, the housing allowance will be assumed at 30% of the total cash stipend, Social Security and utilities.

*Housing Allowance if both housing meals are provided free of charge* then Housing Allowance will be assumed at 40% of the cash stipend, Social Security and utilities.

*Housing Allowance if house is provided rent free and in addition the priest also receives a cash housing allowance :* For pension purpose, the housing allowance will then be assumed at 30% of total of cash stipend, Social Security & utilities, plus the cash house allowance.