

UUA Transitions Office Compensation Recommendations

When Calling or Hiring a Minister

Applicable to interim ministries starting in 2007

and settled ministries starting January 1, 2008 and after

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Introduction

The UUA has changed its approach to ministerial compensation: *from* a Total Cost of Ministry (TCM) model *to* a Salary and Housing model.

- The TCM approach named the total amount of dollars available to fund a minister's salary, clergy housing allowance, retirement plan contributions, insurance premiums (life, health, dental, long-term disability), and professional expense allowance. The implied question to which the TCM model provides the answer is: "Our congregation doesn't have a minister; how much would it cost us to call one?"
- The Salary and Housing (S&H) approach names only the total amount of dollars available to fund a minister's salary and housing allowance. In addition, benefits and a professional expense allowance at standard levels are *assumed* to be part of the compensation package. Under this approach, then, clergy compensation is described in terms very close to those used in the non-church employment marketplace: as salary (including clergy housing allowance) plus a standard array of benefits and professional expenses *recommended by the UUA Church Staff Finance Office*. The implied questions to which the salary plus benefits approach provides the answers are: "How much are we paying our minister?" and "How does that compare to what other people get paid?"

For decades, the TCM approach has provided a stumbling-block to a congregation's ready comprehension of what a minister was actually getting paid. That should no longer be the case. And because the UUA Board recommends compensation levels for all church staff, ministers included, expressed in terms of salary (and housing) and benefits, it only makes sense that the Transitions Office follow suit.

The Salary and Housing Approach in Practice

The UUA Church Staff Finance Office publishes the essential documents, all at

<http://www.uua.org/programs/ministry/finances/compensation.html>:

- "Compensation Guidelines for Congregations" lays out the basic framework
- "Explanation of Salary Range Recommendations" surveys all factors taken into account by the UUA in making its recommendations to member congregations
- The "Geo-Index Table" lists the Wage Rate for almost every congregation's locale
- "Recommended Salary Ranges for UU Congregations" constitutes the recommendations themselves in dollar terms; they are functions of a congregation's wage rate area (1-5) and membership size and of a minister's level of accomplishment.

In preparing to call a minister, MRE, or associate minister or to hire an interim or an assistant minister, a congregation will wish to be aware of these Guidelines. A congregation offering a financial package in accordance with them should proudly so indicate on its application for a minister or an interim minister.

Computing the UUA-Recommended Salary Plus Housing

Determine your congregation's size code (I-V) on the table on the "Opportunities for Ministry" page

http://h5.uua.org/ministry_opps.asp

1. Find your congregation's geo-index number (1-5) on the "Geo-Index Table"

2. In the “Recommended Salary Range” table for your geo-index number, find the minimum, midpoint, and maximum recommended Salary Plus Housing for a particular position in ministry in a congregation of your size in your wage rate area:

Example:

- a. Assume that you have 280 members: you are thus size III (Mid-Sized II)
- b. Assume that you are located in Milwaukee WI: your geo-index number is thus 4
- c. Enter Recommended Salary Range table 4 and move to the column labeled “Mid-Sized II [250-499]”
- d. Assuming that you are planning to call a parish minister, the minimum UUA-recommended Salary Plus Housing is \$61,000; the midpoint is \$79,200; and the maximum is \$97,500.

Another way to put this is, if you plan to offer Salary Plus Housing of \$69,000, your offer in the Opportunities for Ministry table (link above) will be coded as “C.” If your offer exceeds \$70,600, which is the minimum amount to qualify as a “D,” it will in fact be coded as “D.”

Note to interim task forces: Due to the expertise brought to the interim ministry by Accredited Interim Ministers (AIMs) and AIMs in Training (AIMITs), congregations wishing to hire such a minister are expected to offer compensation at the midpoint or above and to offer the recommended benefits and expenses below. If an AIM or AIMIT is not secured, a reasonable adjustment should be made to reflect the experience level of the minister that is hired.

Recommended Benefits and Expenses

In lieu of employer’s FICA: 7.65 percent of salary plus housing, paid (and taxable) to the minister in cash, reflecting the fact that the congregation pays no FICA taxes on the minister’s compensation, while the minister is required to pay SECA taxes at 15.3 percent on salary plus housing

Retirement plan: at least 10 percent of salary plus housing to the UUA Retirement Plan (or comparable plan), thus permitting additional voluntary pre-tax contributions by the minister

Insurance premiums

- Comprehensive medical insurance: at least 80 percent of the premium for the minister, with the balance paid by the minister by salary reduction. We strongly encourage payment of at least 50 percent of premiums for spouse/partner/dependent children.
- Disability income insurance: 100 percent of the premium for a monthly benefit of 60 percent of salary plus housing, available through the UUA insurance plan (or comparable plan); the minister is encouraged to take this premium as taxable income so that benefits, in the event of disability, will be received tax-free.

Professional expense allowance: at least 10 percent of salary plus housing, reimbursable monthly by means of a professional expense reimbursement plan

Restoring Ministers’ Flexibility

In order to restore the flexibility ministers had under the TCM model, we recommend that the following paragraph be included in all ministry agreements:

The salary plus housing amount agreed to brings in its train the following additional benefits and professional expenses, for a total congregational cost of \$_____. The governing board and the Minister may, upon mutual agreement, reallocate funds among various categories to provide an optimum array of benefits. Only in unusual circumstances will the congregation not require that the minister participate in pension, health, and long term disability income insurance plans.