

CLERGY REMUNERATION & BENEFITS **ROMANIAN ORTHODOX EPISCOPATE OF** **AMERICA**

(For clergy serving in the United States)

Guidelines for Determining Basic Minimum Salary **and other Cash Payments and Benefits**

I. GUIDELINES

1. The following guidelines are to be used as standards by the lay leaders of the parishes to determine Salary & Benefits for the parish priest, salary & benefits that are equitable and fair and commensurate with the value that Orthodox Christians place upon the pastoral services he renders. The guidelines are intended to insure that all other related matters of compensation and benefits are taken into account. It is recognized that local circumstances may require modification or adjustments in any actual salary & benefits package. The guidelines do attempt to offer objective criteria for serious and prayerful consideration by the parish, their lay leaders, the pastor and the Bishop.

2. Where applicable, reference is made to the appropriate Articles and Sections of the By-Laws of the Romanian Orthodox Episcopate of America (ROEA). The Church Congress has the authority to establish standards for Clergy remuneration, as set forth in Article III, Sec. 20 (p) of the Constitution and By-Laws of the ROEA.

3. Adoption of the proposed Guidelines should not to be considered as mandating changes in existing arrangements for salary or benefits. However, a review of existing arrangements may be in order in the light of these guidelines.

II. BASIC MINIMUM SALARY

1. In arriving at the Basic Minimum Salary, consideration should be given to a number of factors in the individual case. These factors include the following:

Geographical location of the parish,
The financial ability of the parish,
The size of the parish,
The individual priest (length of service, record of achievement and rank),
Other factors unique to the individual parish.
(Remuneration... Art. XI, Sec. 19(a))

2. A Salary Range chart, is attached to these guidelines, and is to be used to select Basic Minimum Salary for the parish priest. The range of salaries takes into account a number of the above mentioned factors, (length of service of the priest, size of the parish).

3. The Basic Minimum Salary Range chart of Annual salaries is based on the National Average Salary for selected Metropolitan areas as shown in the National Data Book for 1997 published by the US Department of Commerce. The selected Metropolitan areas chosen are those listed in the National Data Book in which parishes of the Episcopate are located. The Average Salary is reduced by 32.5% to account for housing expense. (This is done because of special income tax treatment of housing expense for clergy as set forth in federal IRS regulations.)

4. The Salary Range chart is the range of basic minimum Annual salaries adjusted for years of service, @ 1.5% per year, and size of parish @ 2.0% for each additional 100 members up to 500 members and above. "Members" is defined as the number of souls ministered to by the parish priest. The chart gives an example of how to arrive at a minimum basic salary figure.

5. The Basic Minimum Salary is the base salary to which increases may be added. "Basic Minimum" is exactly that. The parish can offer a larger salary to recognize performance and merit by the priest in his pastoral service.

6. The marital status of the priest should have no effect on the setting of the salary level. Unmarried clergy should not receive less than married clergy any more than if they worked in business, industry or the public sector. Nor should the fact that the priest's wife may be working have any effect on the setting of salary.

III. HOUSING & UTILITIES

1. The parish is obliged to provide housing for the parish priest. This may consist of the use of a Parish owned house. Or, in lieu of a parish house, a cash Housing Allowance shall be negotiated, which should be based on Fair Rental Value for equivalent housing in the area in which the parish house is located. Housing allowance is not taxable income to the priest, but is subject to Self Employment Tax (SET). If a parish house is used, the parish must report the parish house Fair Rental Value amount to the priest for purposes of determining his SET.

2. The parish is also obliged to provide a utilities allowance for the priest. This is a matter for negotiation. This allowance is not Taxable Income, but is subject to SET.
(*Housing & Utilities... Art. XI, Sec. 19 (b)*)

IV. BENEFITS & CASH PAYMENTS

1. The parish is obliged to pay 50% of the priest's Self Employment Tax. This amount should be negotiated, since several items are included in the income subject to SET.
(*Self-Employment Tax... Art. XI, Sec. 19(g)*)

2. The parish is to make a matching contribution to the Clergy Pension Plan for the priest. Presently this is 6% of the priest's salary.
(*Pension contribution... Art. XI, Sec. 19(f)*)

3. Prepaid Health and Medical coverage, to include dental, vision and prescriptions, is to be paid by the parish for the priest and his family.

(Health Insurance... Art. XI, Sec. 19c)

4. Auto allowance is to be provided by the parish. Several alternatives may be considered. The following are offered for consideration:

a. A car may be furnished by the parish. All expenses are to be paid by the parish. Negotiation of how to treat the personal use of the car would probably be necessary. From an income tax point of view, this latter may have to be treated as a taxable benefit by the priest.

b. A cash allowance to the priest that would cover all expenses of operating his car on church business, including expenses such as gas, oil, repairs, insurance, license, tires, battery, etc. The priest has to report this as income which is subject to income tax and SET. It can be offset on his income tax return as a miscellaneous deduction, but at a limited amount.

c. Reimbursement of expenses of the priest. This method of Auto Allowance would not have to be reported and would be the most favorable for the priest for Income Tax purposes. One of two methods may be used:

(1). The actual expenses of operating his car. The expenses, similar to those referred to in 4b. above, prorated for actual church business use. Such proration would be based on the percentage of miles driven on church business to total mileage driven.

(2). Use of a negotiated rate of reimbursement for the miles driven on church business. The IRS permits a rate of 31 1/2 cents per mile as a standard allowance.

(Auto allowance... Art. XI, Sec. 19(i))

5. The parish is required to pay for Worker's Compensation for the priest.

(Worker's Compensation... Art. XI, Sec. 19(j))

6. All reasonable expenses for attending the Episcopate Congress and Deanery meetings shall be paid by the parish and should be a budget item of the parish.

(Congress, etc., expenses... Art. XI, Sec. 19(h))

7. The priest is entitled to vacation time at full remuneration for periods as set forth in the ROEA Constitution and By-Laws.

(Vacations... Art. XI, Sec. 19(e))

8. Established remuneration in case of sickness, disability or illness should be continued for at least 3 months as set forth in the ROEA Constitution and By-Laws.

(Sickness remuneration... Art. XI, Sec. 19(d))

9. Cost of Living Increases (COLA) shall be granted to the parish priest annually. This should be based on the Consumer's Price Index (CPI).

10. A policy concerning Honorariums, Pastoral Fees and Gratutities should be established in the parish. This income should be identified as either belonging to the priest, or to the parish, or shared. Income received by the priest for such services are reported as

Self-Employment income. Expenses incurred in earning such income are deductible and both income and expenses are reported on a Schedule C or C-EZ of the priest's 1040 Income Tax Return.

11. All items that are part of parish Clergy Remuneration and Benefits shall be reflected in the annual budget of the parish.

(Budgets... Art. XI, Sec. 30(a) & Sec. 43(d))

12. Continuing Education for the parish priest should be a clergy benefit consideration by the parish. It is recommended that the parish urge applicable further education by their parish priest. This should be a budget item of the parish.

V. LIMITATIONS

1. Where the parish is unable to comply with these Guidelines for Basic Minimum Salary and/or Benefits for the parish priest, the Parish Council should apply to the Episcopate Office (Chancery) to request modifications in their case, as set forth in the By-Laws of the ROEA.

(Remuneration... Art. XI, Sec. 19)

2. The provisions of these Guidelines apply to a full time parish priest. Salary and benefits for an assistant priest should be negotiated by the Bishop, the priest and the parish council. Keep in mind, the purpose of these Guidelines is to provide fair and adequate compensation and benefits for the priest to permit him to perform a FULL TIME

MINISTRY.

3. When the members of a parish call a priest to be their full-time pastor, to share their lot in the community and to lead them in God's work, they should, as members, share their material blessings and their level-of-living with their priest, as both Scripture & tradition seems to indicate. In parishes which may have difficulty providing an appropriate salary, it may be necessary to develop a two or three year strategy to improve the salary.

VI. CONCLUSION

1. A Full time priest should be paid a salary which permits him and his family to live at the same general level-of-living as most of the families of the parish and families of the community as a whole.

2. The parish has the responsibility to provide such level of compensation - full sharing, priest and people.

3. A priest should be satisfied with such treatment and should not want, expect, nor ask for more.

4. All items that are agreed upon by all parties as being part of the remuneration and benefits, should be included in the minutes of an applicable parish council meeting.

5. The salary & benefits set for the priest should appear to be reasonable to the parish lay leaders, the majority of the members of the parish, to the priest and his spouse. For the peace and unity of the church in carrying out Christ's mission, it is essential that there be general acceptance by all of these of the salary level and benefits.

Feb. 27, 1998

Rev. Mar. 18, 1998

Rev. May 8, 1998

SALARY RANGE

Figures are ANNUAL Salaries

3/18/97

Years of Service	100 or Less	Membership				501 & More
		101 - 200	201 - 300	301 - 400	401 - 500	
0	\$23,142	\$23,256	\$23,712	\$24,168	\$24,624	\$25,080
1	\$23,142	\$23,605	\$24,068	\$24,531	\$24,993	\$25,456
2	\$23,484	\$23,954	\$24,423	\$24,893	\$25,363	\$25,832
3	\$23,826	\$24,303	\$24,779	\$25,256	\$25,732	\$26,209
4	\$24,168	\$24,651	\$25,135	\$25,618	\$26,101	\$26,585
5	\$24,510	\$25,000	\$25,490	\$25,981	\$26,471	\$26,961
6	\$24,852	\$25,349	\$25,840	\$26,343	\$26,840	\$27,337
7	\$25,194	\$25,688	\$26,202	\$26,706	\$27,210	\$27,713
8	\$25,536	\$26,047	\$26,557	\$27,068	\$27,579	\$28,090
9	\$25,878	\$26,388	\$26,913	\$27,431	\$27,948	\$28,466
10	\$26,220	\$26,744	\$27,289	\$27,793	\$28,318	\$28,842
11	\$26,562	\$27,093	\$27,624	\$28,156	\$28,687	\$29,216
12	\$26,904	\$27,442	\$27,980	\$28,518	\$29,056	\$29,584
13	\$27,246	\$27,791	\$28,336	\$28,881	\$29,428	\$29,971
14	\$27,588	\$28,140	\$28,692	\$29,243	\$29,795	\$30,347
15	\$27,932	\$28,489	\$29,047	\$29,606	\$30,164	\$30,723
16	\$28,272	\$28,837	\$29,403	\$29,968	\$30,534	\$31,089
17	\$28,614	\$29,186	\$29,759	\$30,331	\$30,903	\$31,475
18	\$28,956	\$29,535	\$30,114	\$30,693	\$31,272	\$31,852
19	\$29,298	\$29,884	\$30,470	\$31,056	\$31,642	\$32,228
20	\$29,640	\$30,233	\$30,826	\$31,418	\$32,011	\$32,604

How to use the Salary Range Chart.

For a priest with seven (7) years of service, serving a parish with a membership of greater than 200 persons and less than 301 persons. The BASIC MINIMUM SALARY should be \$26,202 per year.

with updating their Incorporations in reference to the Episcopate By-laws. He wished to have the voice of the Congress insist that parishes comply according to the revised By-laws, Article IX, Section 4 (b) and 4(c). The Episcopate Congress moved that all parishes promptly comply without delay to update their articles of incorporation per the revised By-laws, Article IX, Section 4(b) and 4(c). Motion carried.

Rev. Fr. George Treff in the absence of Episcopate Treasurer, Rev. Fr. John Limbeson, presented the Clergy Remuneration & Benefits Package. Father Limbeson is recovering from open-heart surgery. Episcopate Council moved to ratify the Clergy Remuneration & Benefits Package as presented as a guideline and tool in determining Basic Salary and Cash Payments and Benefits as set forth in the By-laws.

Georgeta Poliac: If membership is based on souls ministered to where is the incentive to increase the number of voting members. How will the priest let us know how many souls he is serving. It is not right.

Ingrid Iskali moved to amend the recommendation so as to mandate the implementation of the Clergy Remuneration & Benefits Package as prepared by Rev. Fr. John Limbeson. Seconded by Robert Craciun:

Petre Albulescu: Against the motion to amend the recommendation. This will change the whole meaning. As presented it is a flexible guideline and a tool for establishing salary.

Question was called on the amendment to the motion. The motion failed.

A vote was taken on the motion to have the Congress ratify the Clergy Remuneration & Benefits Package as a guideline and tool in determining Basic Salary and Cash Payments and Benefits as set forth by the By-laws. The motion passed unanimously. X

Rev. Fr. Alexander Webster: The Episcopate Sunday and Ladies' Auxiliary Sunday are remain mandated for 1998 because the dues increase will not go into effect until 1999, due in 2000. Parishes that haven't participated should.

John Stanitz: Moved to accept the proposed budget and to include under Parish Dues a line to reflect the deficit in dues as a loan, since the increase will go into effect in 1999 and all the necessary repairs must be completed this year. Seconded by V. Rev. Fr. Panteleimon Stanciu.

Rev. Fr. George Treff: Parishes should help with the cash flow problem by not waiting until the end of the year to pay parish dues, but by doing so quarterly or semi-annually.