

## **Resolution 2010-10**

**Title: Clergy and Lay Employee Compensation**

**Submitted by:** Compensation and Benefits Committee

Michael C. Warlow and the Rev. Ann Boyd, Co-Chairs

**RESOLVED**, that the 226th Convention of the Diocese of Maryland, meeting April 30-May 1, 2010 continues to be committed to a Living Wage; at present there is no substantiated source or reliable information on a Living Wage for each of the various jurisdictions in the State of Maryland; therefore, the Diocese of Maryland strongly encourages that all clergy and lay employees be paid according to the state's Living Wage standard for a single employee which currently ranges from \$9.21 to \$12.25 per hour, depending on the particular city or county, unless another Living Wage standard amount is prescribed for the particular city or county; and be it further

**RESOLVED**, in accord with Resolution A177 of the 2009 General Convention, that all "lay employees of parishes, missions, and other ecclesiastical organizations or bodies" in the Diocese of Maryland working at least 1,000 hours per year have health benefits through the church available to them, and be it further

**RESOLVED**, in accord with Resolution A138 of the 2009 General Convention, that lay employees of parishes, missions, and other ecclesiastical organizations or bodies in the Diocese of Maryland working at least 1,000 hours per year be enrolled in the Church Pension Group's Lay Pension System no later than January 2012, and be it further

**RESOLVED**, that all clergy and lay employees be granted an annual review of performance that should consider merit increases in compensation as appropriate, and be it further

**RESOLVED**, that the recommended annual salary increase for parochial clergy and congregational lay employees for 2011 shall be the total of a 2.7% Cost of Living Adjustment (COLA) on the 2010 salary plus any salary adjustment based on responsibilities and performance; in considering compensation, vestries should take into account the recommended salary, adjustments based on responsibility, the performance review, and the COLA; and be it further

**RESOLVED**, that the annual compensation for parochial priests for 2011 be increased by an equity adjustment of 1.0% to continue the effort to increase the compensation of Diocese of Maryland clergy to at least the midpoint of compensation paid to clergy of similar dioceses in Province III; and be it further

**RESOLVED**, that this Convention adopts the following Honoraria for supply clergy for 2011:

1 service                      between \$75 and \$175



The Compensation and Benefits Committee recommends annual adjustments reflecting the Bureau of Labor Statistics CPI reported December 31 of the year prior to convention. Using the same standard year after year attempts to provide a consistent reference point for equitable salaries for parochial clergy and congregational staff. Whereas the projected cost of living increase and equity adjustment may fiscally challenge congregations, the annual recommendations provide norms for competitive salaries, recognizing that each parish will negotiate salaries according to their circumstances.

The COLA of 2.7% is based on the Bureau of Labor Statistics information concerning the Consumer Price Index for all urban areas.

Pursuant to Canon 4-140 of the Diocese of Maryland, the Compensation and Benefits Committee each year submits a Resolution for consideration by the Diocesan Convention that addresses annual compensation payable to parochial clergy, a cost of living increase for congregational staff, a living wage for congregational staff and compensation for certain key congregational lay staff.

The components of Total Assessable Compensation (TAC) and information on how to formulate an equitable housing allowance are outlined in the Diocese of Maryland Compensation and Benefits Guide, Attachments 2 and 3, which is available on the Diocesan web site or through the Diocesan office. The Resolution's TAC ranges do not include salaries which clearly are part-time nor the lowest or highest actual salaries when these are inconsistent with other salaries in the particular ranges. This avoids skewing the ranges unrealistically so that the ranges reflect compensation values as close to actual market values as feasible.

TAC is the assessable compensation reported to the Church Pension Fund and includes cash salary, utilities, payments made to Social Security, equity allowances, other miscellaneous allowances, and housing, either in the form of a housing allowance or, if a rectory is provided, as 30% of salary. Compensation also includes such items as contributions to individual retirement accounts, cash gifts to clergy and the payment of school fees for clergy children. This compensation amount does not include the pension payments made to the Pension Fund; any of the standard employee benefits such as health, life, and dental insurance; or reimbursed employee expenses as long as the reimbursement is based on actual expense.

An exception to the 3.7% total increase for clergy members may be made for rectors whose current TAC exceeds the top of the range by more than 10%.

In pursuing the mandate of the Canon as to Clergy compensation, the Committee wanted to bring the compensation decisions into line with the prevailing methods used by profit and not for profit organizations in Maryland. Most organizations establish salary ranges for a position based upon the responsibilities of the position, the qualifications of the person in the position and the prevailing compensation paid in the geographical area in question. Within those ranges, an employer sets compensation on the basis of experience and job performance. The proposed Resolution provides information for clergy in the Diocese and allows the clergy and Vestries to negotiate fair compensation for each position in light of the size, demands, and resources of each congregation.