



The Episcopal Diocese of the Central Gulf Coast

December 15, 2022

MEMORANDUM TO: All Clergy, Senior Wardens and Treasurers

REFERENCE: Clergy Minimum Compensation (effective 2023)

The Standing Committee has approved a change in the initial minimum compensation schedule for full-time active clergy, effective January 1, 2023.

The new minimum standard is a 5.0% increase from previously approved diocesan minimums. The Diocese takes into consideration a number of variables including the annual Social Security Administration (SSA) cost of living adjustment (COLA) and the Church Pension Group (CPG) annual recommendations when determining changes to minimum compensation. For reference, SSA & CPG cost of living adjustments announced for 2023 is 8.9%; the last approved clergy minimum compensation increase was 3.0% in 2019.

Years of Service in the Episcopal Ministry	Minimum Annual Salary for Full-Time Clergy (effective 2023)
<1	\$58,700
2	\$59,750
3	\$60,800
4	\$63,000
>5 years	\$64,650

Remember that these are **minimum salary standards and not maximums**; salary levels may and can be more than the minimums referenced. Churches are highly encouraged to provide increases for merit, inflation, and / or local circumstances. Salaries lower than these minimums will be permitted only with agreement between the Bishop and the clergy involved. Those working less than full-time are expected to be compensated in proportion to the scale but may negotiate compensation and benefits with approval of the Bishop. These minimums include that portion of salary also noted as housing allowance but exclude other items such as pension, health insurance, or travel.

Below is an overview of compensation / benefit information for **full-time, active clergy** (note: without church provided housing / rectory):

Salary Compensation (cash salary + cash housing)	The clergy minimum compensation standard includes the cash compensation that fits individual circumstances for full time / active clergy. It includes cash salary and the portion of that salary designated by clergy as housing allowance. Housing allowance is the amount of cash compensation determined by cleric and declared by vestry annually (in accordance with IRS Code). Compensation that will include church provided housing (rectory) is calculated a bit differently; please request how this is calculated from Diocesan Administrator.
Pension (required)	Church employers are required by Canon law to pay pension assessment on behalf of clergy, based on total assessable compensation (TAC). The current rate is 18% of a cleric's TAC. Please visit CPG.org for a complete listing of all assessable compensation.
Health Insurance (required)	The plan selection / coverage level is determined jointly by clergy / vestry. Coverage is provided by the Church Medical Trust. There are Diocesan minimum coverage levels and "parity" is required (clergy / lay employees have same coverage opportunities). Please read "CGC Denominational Health Plan Policy" for the specifics. https://www.diocgc.org/benefits
Group Life (required)	Group term life coverage is required and paid by employer (\$40,000 coverage level). Clergy may waive this coverage if they so wish only by notifying the diocese in writing.
Dental (optional)	Dental coverage is available; it is considered a negotiated benefit option. https://www.diocgc.org/benefits
SECA Contribution (optional)	Churches may provide SECA offset / reimbursement to clergy if so negotiated. If this offset is to be provided, it is recommended it be rolled into the cash compensation rather than a separate SECA support account. Remember, clergy are considered self-employed for Social Security and Medicare; SECA offset can provide assistance clergy for paying both employee & employer's portion of SS/Med. Note: this is considered compensation and is pension assessable.
Disability (optional)	It should be noted that active clergy currently are provided with disability coverages thru CPG. Please make sure church has signed up to offer this benefit if a different plan offering is considered. Disability insurance is considered a voluntary / negotiated option.
Other: (Continuing Education, Phone, Travel Mileage)	It is usual practice that travel required for church business be reimbursed at the IRS allowance, unless an allowance is provided. The IRS publishes an annual mileage reimbursement rate each year in late December (rate as of this publication is .625 per mile.)

Vocational Diaconate Assistance:

Historically, those called to the diaconate serve in congregations without compensation. Typically, deacons contribute time and talent of a minimum of 10-12 hours a week in ministry, in worship, and other activities. This lack of formal compensation prevents deacons from access to benefits through the Church Pension Group (CPG). These benefits include such items as Credo conferences that address spiritual / physical / financial well-being, life insurance, resettlement benefit, Christmas benefit. These benefits are available for all eligible clergy (deacons and priests) meeting the compensation guidelines developed by CPG.

While the expectation is that deacons will continue to serve without salary compensation, churches will be required to provide a monthly stipend that will provide deacons access to required / eligible retirement benefits.

Beginning January 1, 2023, parishes in the Diocese of the Central Gulf Coast shall compensate deacons at the rate of \$100 a month and pay the applicable 18% assessment to Church Pension Group (CPG). This compensation will be provided to any eligible deacon actively serving. Per CPG rules, retirement contributions cannot be made for any clergy age 72 or older.

Supply Clergy Rates:

The following are the standard rates for supply clergy (unless negotiated otherwise by the parties) and are effective beginning January 1, 2023:

- ✓ **\$200 for one service + travel**
- ✓ **\$250 for two services on the same Sunday (at same location) + travel**
- ✓ Travel expense: the IRS standard mileage rate for the business use of a vehicle is currently \$0.625 per mile. These rates will change annually; mileage is published / updated by the IRS at year end.

If you have any questions or need additional information about minimum compensation, please do not hesitate to contact the Diocesan Administrator at 850-434-7337.