



ORTHODOX CHURCH IN AMERICA  
DIOCESE OF THE MIDWEST  
OFFICE OF THE ARCHBISHOP

## **Clergy Compensation Policy**

The starting salary (cash salary + housing allowance) for a full time newly ordained Priest in the OCA, Diocese of the Midwest, shall be 60% of the current Median Household Income (MHI) of the county in which the Parish resides. This acceptance of this Policy shall also cover all incoming and existing Priests within the Diocese of the Midwest.

Annually, for a maximum of ten (10) years, the Priests salary shall be progressively increased at a rate of four percent (4%). The intent of this annual raise is to bring the salary equal to 100% of the current MHI by year ten.

Because of history and location, additional resources, membership and church budget, some Parish's are able to pay larger salaries.

It is understood that all Parishes or Missions will not be able to meet this policy for Priest compensation. The Parish or Mission shall work with the Priest, Dean/Chancellor to establish an affordable compensation package. They shall also establish a plan so the Parish or Mission can work towards the minimum guidelines set forth in this Policy.

### **Factoring Membership**

Based on Parish membership the following scale may be used for adding to the starting figure:

0 - 120	add	0%
121 - 160	add	2%
161 - 200	add	2.5%
201 - 300	add	3%
300+	add	3.5%

### **Factoring experience**

In year ten (10) and at each five year anniversary thereafter, the Priest's salary shall be adjusted to the current MHI of the county in which the Parish resides or remain at the Priests current salary, which ever is higher. The Priests salary shall **NOT BE ADJUSTED DOWN** if the current MHI has dropped or his current salary is higher.

### **Cost of Living Allowance (COLA)**

Beginning at the 11<sup>th</sup> year of priesthood, each year in addition to his salary the Priest shall receive a COLA based on the COLA established by the Social Security Administration. The COLA shall not be compounded year to year, but shall be adjusted each year to match the COLA established by the Social Security Administration.

**Example:**

	Total salary
2007 salary = \$40,000 + 2% COLA (\$800)	= \$40,800
2008 salary = \$40,000 + 3% COLA (\$1200)	= \$41,200

2009 salary = \$40,000 + 2% COLA (\$800) = \$40,800

### Housing

If the Parish does not provide a home for the priest, a portion of his compensation should be designated as 'housing allowance' so as to provide an IRS allowed tax benefit.

If the Parish provides housing, utility costs will be the paid by the Parish.

All Parishes which provide housing are encouraged to establish an \*Equity Allowance Fund.

\*Equity Allowance Fund: An equity allowance fund is NOT a housing allowance. In fairness, there is a need to enable Priests using the Parish house to accumulate some equity that can eventually be used to provide housing, either owned or rented. After a lifetime spent in a Parish house the family may have no assets with which to provide housing. In other words, at death, disability or retirement the Priest's family is on its own without a house or the means to obtain one.

The Parish and Priest shall negotiate an amount not less than 10% of the fair rental value of the rectory for equity allowance. All funds shall be placed into a tax deferred account.

In the event the Priest is moved to another Parish, the equity allowance account shall move with him. The new Parish shall contribute their negotiated amount into the account if a rectory is provided. It is recommended to contact a Tax Advisor for assistance in selection of a suitable account and in drafting the paperwork.

### Pension

The Parish shall pay into the Priest's pension (retirement) fund annually an amount equal to 6% of the Priest's total compensation.

### Life Insurance

The Parish shall pay the premium in full for a \$50,000 Term Life Insurance policy. Parishes are to use LCBA to purchase life insurance.

### Social Security (FICA)

The Parish shall pay the employer share of FICA tax. (7.65% of the Priest's total compensation)

### Health Care

The Parish is responsible for payment of 100% of the OCA costs for health care.

### Disability Insurance

The Parish shall provide long term Disability Insurance for their priest.

### Vacation

The Priest shall receive vacation time each year based on OCA standards.

Years	1	5	10
Vacation	2 weeks	3 weeks	4 weeks

Vacation shall include Sundays.

The Priest is responsible for finding a fill-in Priest to serve during his absence. The Parish is responsible for paying the fill-in Priest at the established rate of pay.

*Moving Expenses*

The Parish is responsible for all (100%) of the moving expenses for incoming Priests.

*Reimbursed Expenses*

The following items are to be considered reimbursable expenses of the priest.

Phone line (long distance calls *negotiable*)

Internet service

Mileage (IRS allowance)

Priests are encouraged to record and submit mileage figures monthly for reimbursement at the IRS established allowance. The Priest and Parish may choose to negotiate a monthly flat rate reimbursement instead of using the IRS allowance, or opt for a parish owned vehicle.

Mileage

Options

The Priest records and submits mileage records and gets reimbursed at the current IRS established rate.

The Priest is paid a monthly flat rate for mileage reimbursement.

The Parish provides a parish owned vehicle.

Continuing Education

Parishes are encouraged to provide time and financial reimbursement in their budget for study and continuing education for their Priest. A minimum annual budget line of \$800 is recommended.

*Assemblies, Conferences etc*

The Parish shall is responsible for all expenses including registration, lodging, travel and meals when the Priest attends:

All American Council

Clergy Convocation

Diocesan Assembly

***Ratified by the 47<sup>th</sup> Diocesan Assembly of the Diocese of the Midwest  
October 2008, Burr Ridge, Illinois***