

Diocese of the Midwest
Orthodox Church in America
Clergy Compensation Policy
November 28, 2017

This Policy covers all incoming and existing Priests within the Diocese of the Midwest.

The starting salary (cash salary + housing allowance) for a full time Priest in the OCA, Diocese of the Midwest, shall be at least the current Median Household Income (MHI) of the county in which the Parish resides. Starting salaries should also consider the parish size (*see "Factoring Membership" below*).

Because of history and location, additional resources, membership, additional responsibilities and church budget, some Parishes are capable of paying 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%

Cost of Living Allowance (COLA)

Each year the Priest shall receive a COLA based on the COLA established by the Social Security Administration. The Diocese shall publish the Social Security Administration COLA every November as the government agency posts it.

Factoring experience

Beginning with year 5th of SERVICE IN THE PARISH, and every 5 years thereafter, the priest should be awarded a minimum 5% salary increase in addition to the COLA.

Housing

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

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:*

Parishes that require the priest to live in the parish-owned rectory should provide “Equity Allowance.”

An equity allowance fund is NOT a housing allowance. In fairness, there is a need to enable Priests using the Parish house or rectory 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 Dean 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 belonging to the priest. The Equity Allowance should be paid monthly so the priest gains the benefit of compounding earnings. 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 that the priest 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 8% of the Priest’s total compensation. *Some parishes may opt to pay total pension of 14% of Total Salary.*

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 for the Priest and his family.

Disability Insurance

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

Vacation

The Priest shall receive vacation time each year. Vacation shall include Sundays.

Number of weeks of vacation are based on years of priestly service

- 0 - 5 years – 2 weeks
- 5 -10 Years – 3 weeks
- 10 – 20 years – 4 weeks
- 20 – 30 years – 5 weeks
- 30 + years – 6 weeks

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. *(Substitute priest coverage is dependent on the location and availability of supply priests. Currently they generally they range from \$250-\$300 per Sunday.)*

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 and/or Cell Phone
- Internet service

Reasonable Auto Allowance or Mileage (IRS business allowance)

Auto expenses may be paid by one of the following methods:

- Priest records and submits mileage records and gets reimbursed at the current IRS Business rate
- The priest is paid a reasonable monthly rate
- The parish provides a parish owned vehicle and maintains all expenses for the 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 is responsible for all expenses including registration, lodging, travel and meals when the Priest attends:

- All American Council
- Clergy Convocation
- Diocesan Assembly

Please Note that all Clergy Compensation Packages for parishes must be approved by the Diocesan Bishop