THE EPISCOPAL DIOCESE OF RHODE ISLAND

2027 Clergy Compensation Guidelines

Approved by Diocesan Council on September 23, 2026

Clergy Salary and Benefits Minimum Requirements – 2027

Total Clergy Compensation minimums for full-time priests-in-charge in the Diocese of Rhode Island in 2027 are as follows:

	CHURCH TYPE/SALARY GRADE			
SERVICE LEVEL	I and II	III	IV	V
A 1 - 5 years similar service	71,446	76,671	84,340	92,774
B 6 - 10 years similar service	82,161	88,177	96,993	109,360
C 10+ years similar service	94,488	101,402	111,541	125,763

*The chart included in this packet uses your church's 2025 Parochial Report to identify your church type. "Fulltime" is considered to be at least 40+ hours per week. Part-time positions are negotiated.

This chart is for clergy employed as a full-time Priest-in-Charge, Interim, Vicar or Rector. Part-time clergy compensation and benefits are negotiated individually based on the priest's needs and the church's means (see section on Part-Time Clergy for guidance).

Churches must maintain their clergy salaries at least at the minimum. However, this in no way disallows churches from enhancing their priest's compensation beyond the established minimum.

Calculating Housing Allowance, Rectory Value, and Social Security Reimbursement

Housing Allowance is a portion of the priest's salary and is designated as such. The priest sets the amount of the housing allowance, which is a subset of cash salary and therefore does not impact the compensation package total. The priest may designate any portion of that as Housing Allowance, including the full amount of compensation. The priest is responsible for paying income taxes on any funds received that are not used for housing. Housing allowance can include mortgage payments or rent, utilities, landscaping, furniture, appliances, curtains, and anything that isn't consumable. It is the priest's responsibility to maintain records of funds spent on housing expenses and file their taxes. The Internal Revenue Service provides responses to frequently asked questions about clergy compensation and housing allowance here: https://www.irs.gov/faqs/interest-dividends-other-types-of-income/ministers-compensation-housing-allowance/ministers-compensation-housing-allowance

The Vestry or Bishop's Committee must pass a resolution recorded in the meeting minutes designating the priest's desired Housing Allowance *before* any payments are made for the exclusion to be in effect and this resolution needs to be *renewed for each new year* at the amount designated by the priest for that year, usually at the December board meeting and before the end of the year.

How to calculate Salary, Housing Allowance, and SECA reimbursement for a salary and housing total of $80,000 for ***when the church does not provide a rectory***:

Cash $60,000 Salary
The amount of cash salary minus the amount designated by the clergyperson as housing allowance.

Housing Allowance $20,000
The amount of cash received as designated by the clergy person for housing allowance.

Cash Salary + Housing Allowance is $60,000 + $20,000 = $80,000

Social Security & Medicare (SECA) reimbursement of 7.65% of salary and housing total is recommended. $80,000 x 7.65% = $6,120
See the explanation below regarding SECA reimbursement.

Total Clergy Compensation is Cash Salary + Housing Allowance + SECA reimbursement
$60,0000 + $20,000 + $6,120 = $86,120

Note: Benefits and other reimbursements are calculated separately.

How to calculate Salary, Rectory value, Housing Allowance, and SECA reimbursement for a salary and housing total of $80,000 ***when the church <u>does</u> provide a rectory***:

Cash $<u>54,000</u> Salary
The amount of cash salary minus the value of the rectory (see detailed information below for this estimate)
and the amount designated by the clergyperson as housing allowance.

Rectory value <u>$24,000</u>
Approximately 30% of the total of salary + housing, informed by the fair market rental value of the rectory.

Housing Allowance $<u>2,000</u>
The amount of cash received as designated by the clergy person for housing allowance.

Cash Salary + Rectory Value + Housing Allowance is $54,000 + $24,000 + $2,000= <u>$80,000</u>

Social Security & Medicare (SECA) reimbursement of 7.65% of salary and housing total is recommended. $80,000 x 7.65% = $<u>6,120</u>
See the explanation below regarding SECA reimbursement.

Total Clergy Compensation is Cash Salary + Rectory Value + Housing Allowance + SECA reimbursement $54,0000 + $24,000 + $2,000 + $6,120 = <u>$86,120</u>

Note: Benefits and other reimbursements are calculated separately.

Calculating Rectory Value

In the Diocese we calculate cash compensation for a clergyperson living in provided housing by estimating the value of the rectory at approximately 30% of the total of salary + housing.

For example, if the total compensation is $80,000, then the rectory is valued at $24,000 ($80,000 x 30%) for housing + utilities, and the priest receives $56,000 as cash compensation.

Important notes:

- The calculated value of a rectory provided by the church should be within the range of the fair market rental value as established by a real estate professional to meet IRS requirements. If the value of the rectory exceeds 30% of the clergy salary + housing total, the church is encouraged to declare by Vestry or Bishop's Committee motion that they are willing to accept the lower value in order to provide housing for their clergyperson.
- In addition, the clergyperson may ***also*** declare a housing allowance for the value of any items used to furnish or maintain the rectory, such as a couch, bookcase, vacuum cleaner, curtains, or cleaning supplies. The housing allowance would be deducted from the cash salary total and the Vestry or Bishop's Committee needs to pass a housing allowance resolution prior to the first paycheck and again by each December for the upcoming year as explained above.

- The Church Pension Group has its own calculations for valuing the clergy salary, SECA reimbursement, and rectory. This calculation changed in 2018 and therefore may vary from the way in which your church previously calculated these values. Like the differences between state and federal taxes, the two ways of calculating clergy salary, housing, and SECA do not match. We acknowledge the difference and do both.

Social Security Reimbursement (SECA)

We recommend that all full-time clergy receive a 7.65% SECA (Self-Employment Contributions Act) reimbursement, as clergy are considered self-employed by the Social Security Administration and are required to pay the full 15% contribution. The SECA reimbursement would cover half of the cost of the employee's Social Security contribution, as is automatically done for lay employees.

The SECA reimbursement is included in the cash compensation figure which is reported on the priest's W-2. It is also assessable as part of total clergy compensation for Church Pension purposes. The value of the rectory and the housing allowance are NOT included on the W-2 as income, only the cash compensation.

Full-time Assistants

Full-time transitional deacons and those priests serving in an assisting position during the first two years of ordained ministry shall be compensated at a rate no less than $62,062 plus mandated benefits. Assisting Priests with more than two years of experience shall be paid no less than 70% of their appropriate service level/salary grade amount.

Planning for the future

Historically, the diocesan Total Clergy Compensation minimums(TCC) have increased 2%-2.5% per year to assist in keeping pace with the cost of living. With that in mind, churches with priests who will be approaching the sixth or eleventh year of service should plan ahead for that priest's elevation to the next service band. For example, if a church wants to avoid a significant TCC jump at year six or eleven, it could consider increasing the TCC more than 2.5% each year.

Service Level and Church Type

Service Level for Clergy is NOT based on years of ordained ministry but rather the number of years a priest has served as the rector/vicar/priest-in-charge. The grid presumes continued service in a particular size of church.

Service Level A is the *entry-level minimum* for a church of that type for a priest who has not served as rector/vicar/priest-in-charge in a church of a similar size.

Service Level B would be appropriate for a priest after 5 years of service in the current position, 5 years of service in a similar position in another church of a similar size, or a combination thereof.

Service Level C would be appropriate after 10 years of service in the current position, 10 years of service in a similar position in another church of the same size, or a combination thereof.

The appropriate level for each clergy person will necessarily be determined by a combination of factors: years in the actual position in question, experience in prior comparable positions, and relevant experience in non-ordained positions. The salary levels set forth here are meant to be *minimums* for those who have held their (or similar) positions for the requisite number of years and are not to taken as limiting the freedom of clergy and vestries to recognize particular situations which require additional compensation. With the increasing number of second career clergy, it is important that congregations take that experience into consideration. That is especially true if the prior experience is directly applicable to church life and significantly enhances the priest's ability to serve the congregation.

Additional Mandatory Benefits

- Pension premiums as determined by the formulas of the Church Pension Fund
- Medical and Dental insurance premiums with a contribution of **17 %** by all participants (note this is a change from 2018). This applies to all employees at your church eligible for this benefit. If a priest's spouse is over 65, the spouse can go onto a Medicare supplement plan which is less expensive than buying a family plan. The church would pay for the total of both plans, minus the 17% clergy share.
- Life insurance of 4 times total compensation with a maximum of $ 100,000 provided by the Church Pension Fund
- Worker's Compensation insurance and/or any other benefit required by law
- Professional Ministry Expense Reimbursement line in parish budget of not less than
- $4,000 to reimburse the cleric for expenses necessary to carry out his/her ministry, such as, mileage for travel on behalf of the parish, attendance at meetings or conferences, purchases of books and journals, entertainment of individuals with a purpose directly related to the congregation's ministry.
- Continuing Education Reimbursement line in parish budget of not less than $1,000 with two weeks (including Sundays) time
- One month of vacation (including five Sundays)

Professional Development Sabbatical

Purpose: A clergy sabbatical is not simply a leave intended for rest, relaxation, or change in routine. Such time is already provided for clergy as annual vacation. For clergy, sabbatical is a time for renewal of one's sense of vocation and for extended study not possible during the typical work year. A sabbatical is intended to allow time for reflection, research, writing, internship or intensive training which will be beneficial to the exercise of one's ministry.

Guidelines:

- Clergy who have completed five years of service in a parish or mission are eligible to apply for a sabbatical, or as agreed upon in the cleric's letter of agreement.

- The normal duration of a sabbatical is three months. Exceptions must be approved by the Bishop's Office.

- There needs to be a lead time of at least six months prior to the start of the sabbatical for preparation and conversation with the lay leadership and congregation and the Bishop.

- An applicant must develop specific goals, determine the means for reaching those goals in academic, spiritual and personal areas, and present them to the Vestry or Bishop's Committee to develop mutual expectations which will be part of the application. The application must be submitted to the Bishop for approval no later than six months prior to the start the sabbatical. The application should clearly identify how the sabbatical will benefit the congregation.

- Following the sabbatical the clergy will prepare an evaluation of the sabbatical based on the Application and share it with the Bishop and their Vestry or clergy supervisor Required Components: Sabbatical need to include these three components. These components are designed to increase the clergy's ability to lead church institutions in a changing world and to enhance the life of a congregation in which the clergy serves.

    1. Academic
        - Extended period of residence in an academic institution
        - Independent study which can be measured and has an impact on the life and work of the applicant in their current ministry
        - Internship with non-profit in order to enhance skills transferable to current church context.
        - Completion of work required for an advanced degree program
    2. Spiritual
        - Time to develop perspective about applicant's spiritual growth and future development working with a spiritual director or coach.
        - Extended retreat time for reflection and prayer
    3. Personal
        - Opportunity for personal refreshment and renewal
        - Time for strengthening of personal and family relationships

Funding:

Typically, a priest or deacon on sabbatical continues to receive salary and other benefits, including their normal Continuing Education allowance. It is the responsibility of the congregation to provide for clergy presence as needed, whether that be as little as Sunday supply or full time. Prudent congregations should set monies aside each year so that they have a fund to pay for Clergy presence when their priest is on sabbatical

The Bishop has limited funds available to support sabbatical work. A maximum grant of up to $3,000.00 depending on fund availability may be requested at the time that the sabbatical application is sent to the Bishop's Office.

Additional Compensation Factors

The clergy compensation minimums are set to be in line with what is being offered in other New England dioceses so that we remain competitive when calling strong clergy candidates. They presume that the clergy member is the rector or sole priest at a church with full responsibility for the church and its basic pastoral and liturgical responsibilities—perhaps assisted by a part-time parish secretary and/or part-time sexton. However, the pastoral size of the church is often only one part of what we call clergy to do in our churches and it is important that we then compensate above the minimum compensation rates for these expectations. Diocesan staff are available to assist in determining how much additional compensation is appropriate for these expectations and if these conditions exist in your church.

Examples to consider:

- Being the primary person responsible for an extensive physical plant or particularly old or historically significant facilities that requires a significant amount of time and expertise in contracting, overseeing workers, negotiating, managing workflows, etc.
- Overseeing a school or day care or any other auxiliary operation as manager (not just having a school present in your buildings or where the priest sits on the board)
- Supervising a large staff, especially those not directly working on pastoral or
- liturgical issues-which requires a significant amount of managerial skill, time and effort
- Organizing and/or running a major fundraising effort (e.g., over $25,000, complex, requiring recruiting and managing multiple volunteers, etc.) or a major capital campaign
- Taking on a diocesan designated church re-start
- Working without benefit of any clerical or administrative support requiring hours of work beyond the normal expected of a priest
- The congregation asks for the priest to be highly involved in community, civic or charitable events and activities beyond typical outreach activities

- The congregation asks the priest to start new, weekly liturgies that expand the reach of the parish into the community and draw people who do not attend

regular weekend services

Some of these may result in an adjustment to the compensation, especially if they are ongoing. Additionally, rewarding clergy for achieving pre-determined goals established by the church or for exceptional service in unexpected or unusually difficult circumstance can be done through bonuses or even through non-monetary rewards. These are methods that make it possible to express support and appreciation to our clergy with low-impact or no-impact on your annual budget. Some clergy may prefer more time off, for example. Others may prefer having you hire staff to take over some portion of administrative type work freeing up the priest to do more ministry.

Lowering Compensation

Of course, another side to compensation also exists. There may be times when your church is at a compensation level that you feel is inappropriate or declines in attendance or budget may move you to a lower level than you were before. Your first action should ***not*** be to lower your priest's compensation!

Honest conversation with your priest is the most important first thing to do. Clergy generally know when there is an issue so a quiet, respectful conversation between the wardens and priest is your starting point. Talk about the issue and ask the priest to help you decide what to do. In some cases, the priest may suggest a reduction in salary or change in benefits. In other cases, the priest may suggest other ways to address the situation – including actions by the priest and/or congregation.
Other clergy will acknowledge that the situation has changed and that it is time for them to begin the search for a new position.

If you agree to lower a priest's compensation, make sure your priest truly agrees and is affirmed in other ways. If you agree to go below the minimums (starting minimum plus the 2½% annual increase), you must obtain the Bishop's permission, so you need to work out an agreement that is comfortable for your priest before you approach the Bishop. Here are some things to consider on this side:

- Your attendance/membership is small, but your budget is high because you have a large endowment that enables you to maintain a large building and staff.
- Your priest basically is just serving as the next level downsized congregation in a large building and doesn't have major responsibilities that would justify that level of compensation
- Your congregation simply cannot afford to pay the compensation package you are now paying – or you can see that time coming in the next 2-3 years (start that conversation now)
- You started out at the top of the band that you are in, but attendance/membership and your budget has been steadily declining for at least five years and your priest has done little or nothing to address that.

Part-time Clergy

Compensation for part-time clergy is pro-rated on a percentage basis but often has more flexibility, depending on the needs of the church and priest. The following serves as a guideline to begin conversations.

- 10 hours a week is considered quarter time (divide full-time compensation by four). It usually includes Sunday services with coffee hour, basic pastoral care, and a Vestry/Bishop's Committee meeting. Other meetings or tasks are negotiable but mostly are carried out by laity who share information with the priest.
- 12-14 hours a week is considered one-third time (divide full-time compensation by three). It is for congregations that have more pastoral care needs and may include an additional meeting or two each month where a priest's leadership is desired.
- 20 hours a week is considered half-time.
- 30 hours a week is considered three-quarter time.

Vacation and continuing education days are four weeks/five Sundays for vacation and two weeks/two Sundays for education. The reimbursement amount is proportional. So, for example, a half-time priest would get half the amount of a full-time priest reimbursement.

Health insurance is the item most likely to require negotiations. For clergy who need insurance, it is often advantageous for the church to pay less salary and pay the full amount of health insurance as that is a tax-deductible benefit. Begin by prorating the insurance (halftime = half the cost of insurance). Then deduct the priest's "share" from the cash salary and have the church pay the full insurance amount. *Most churches with part-time clergy do not require priests to pay the 17% share of the premiums* that full-time clergy pay as the priest is already carrying a significant amount of their health insurance costs.

If a priest's spouse is over 65, the spouse can go onto a Medicare supplement plan which is less expensive than buying a family plan. So, for example, with a half- time priest, the church and priest would share the combined costs of a single plan (priest) and the Medicare supplement plan (spouse).

Honorariums for weddings and funerals are paid to a part-time priest (vs. full time clergy when they are given to the Discretionary Fund). If there are frequent weddings and/or funerals that do provide any or inadequate compensation, it is appropriate for the church to provide additional compensation for each one as both of these pastoral events entail a significant number of hours of work by the priest.

Supply Clergy Rates

$185 for one service; $60 for each additional service for weekend services.
$100.00 for preaching only. $85.00 for celebrating only.
$60 for a weekday service or nursing home/institution service without formal sermon.
$40 hourly compensation for pastoral calls or other tasks.
In addition, the priest is reimbursed the IRS business rate for travel.
These rates are minimums. Clergy may request and churches are welcome to offer higher compensation for supply work.
Honorariums for funerals and weddings are negotiated directly with individual clergy.

Deacon Compensation

At the 230th Diocesan Convention a resolution was passed "That the 230th Convention of the Episcopal Diocese of Rhode Island require each parish with a deacon, or parishes if a deacon is serving more than one community, pay said deacon $25 a month as remuneration, and that each such parish also make the required contribution to the Church Pension Fund for the benefit of the deacon."

This requires that a church or churches sharing a deacon make $25.00 renumeration and contribute to the Clergy Pension Fund for the deacon as long as the deacon is assigned to the church(s).

In most instances diaconal ministry is non-stipendiary. However, a congregation shall reimburse a deacon for expenses in connection with ministry in a congregation and provide resources and leave for the deacon's growth and well- being. The Letter of Agreement in Appendix D shall spell out minimal reimbursements. Ordinarily, every agreement will include provision for the following:

- The deacon shall be reimbursed by the congregation for mileage spent in ministry upon submission of a statement from the deacon to the priest-in-charge, using the current IRS approved mileage rate. This should include all congregation related ministry other than regularly scheduled worship services beginning in Advent 2015 (per Bishop).
- The deacon shall be reimbursed by the congregation for ministry expenses (up to $_____$ per year) upon submission of a statement. This includes such things as the expenses of attending Diocesan Convention and/or other diocesan events as appropriate, program materials or pastoral care supplies used in the exercise of ministry, etc.
- The deacon shall receive a continuing education allowance of up to $350 annually upon submission of receipts to the priest-in-charge.
- Four weeks of vacation annually;
- two weeks for leave for continuing education and diaconal formation annually;
- any days needed for sickness or other debilitation, as needed;
- At the end of each Congregational Assignment, a deacon shall have a three-month break for rest and refreshment as s/he prepares to enter a new congregation contingent on the Bishop's approval.