

## **WELS COMPENSATION GUIDELINES REVISION**

### *Report to the Twelve Districts 2016*

#### ***Background***

The Ad Hoc Commission 2 (AHC2), charged by the 2013 synod convention with the task of assessing synod structure and programs, identified the WELS Compensation Guidelines as a matter needing review. The AHC2 noted a number of weaknesses they felt could be addressed in a revision of the Compensation Guidelines officially adopted by the synod in convention in 2003. Their report to the 2015 convention noted the following: “Some of the issues that the present guidelines seem to influence strongly are: increases in salary that are largely tenure-based and do not reflect sufficiently the called workers’ duties or responsibilities, the lack of calls to older pastors and teachers, the difficulty the synod is having in filling principal vacancies, the lack of any mention of early childhood education directors in the present guidelines, and more.”

The AHC2 shared a preliminary report with the Compensation Review Committee (CRC), a standing committee that reports to the Synodical Council (SC), before presenting it to the synod in convention. The CRC agreed with the recommendation of the AHC2 and consented to take the lead in reviewing the current guidelines and proposing revisions should the convention request such a review.

The 2015 synod convention adopted a resolution directing the CRC to “develop a draft proposal of the revised guidelines to be shared with the 2016 district conventions” and to have a “final recommendation of the revised synod compensation guidelines be presented to the 2017 synod in convention.” (21-01)

#### ***Goals for this revision***

The CRC adopted a number of goals to guide its work on the revision of the compensation guidelines. The Committee wants to produce compensation guidelines that . . .

1. reflect the Scriptural principle that those who serve in the public ministry are worthy of double honor (1 Timothy 5:17);
2. recommend appropriate compensation so that gospel servants may devote themselves to the work of the ministry, without needing to find outside employment to support themselves and their families (1 Corinthians 9:1-14);
3. encourage equity in compensation, so that two people doing the same work receive the same compensation;
4. recognize the value of experience, but place a greater emphasis on responsibilities assigned to the individual worker;
5. will be easy for Calling bodies to utilize in putting together a compensation package for their workers; and
6. will be relatively cost-neutral to the work we do together as a synod as they are implemented.

The goals are listed in priority order.

#### ***Preliminary Findings***

The Committee began its work with the thought that the current Compensation Guidelines would have to be substantially revised and a significantly different approach to compensation adopted. The more the CRC wrestled with the issues, the more it recognized the excellent work that had been done in putting together the current Compensation Guidelines. A number of the concerns raised by AHC2 are

actually addressed in the current guidelines; the problem has been that calling bodies haven't consistently applied the guidelines' recommendations. In that regard, the CRC has discussed ways to repackaging the current guidelines so that the provisions will be more uniformly applied. The CRC decided to focus on a modification of the current guidelines rather than on a radical reworking of them.

While the WELS Compensation Guidelines are primarily intended for use by those ministries officially under the auspices of WELS, the guidelines have also been used by self-supporting calling bodies across the synod. Recognizing this, the CRC is aiming to add positions common to congregational ministries that are not currently listed in the guidelines.

### ***Recommendations***

The CRC has spent much of its time working on its overall philosophy and approach to compensation for called servants of the Word. While the members of the CRC initially hoped to have a more detailed proposal by the time of this writing, at this point they feel it would be wiser to get feedback on a general approach before attending to all of the details. The CRC offers the following high-level recommendations for consideration:

- 1) That we retain a number of the compensation plan components included in the current guidelines and more strongly encourage their use:
  - a. Cost of Living Adjustment [COLA] (to reflect the variance in the cost of living from region to region)
  - b. Social Security Reimbursement [SECA tax] (remunerating up to one-half of the self-employed social security tax for those classified as Ministers of the Gospel by the Internal Revenue Service)
  - c. Housing allowance (for every called worker, whether or not that worker is head of household or is married to another called worker)
  - d. Housing equity allowance (for those who live in provided housing)
  - e. Contribution to WELS Pension Plan
  - f. Health insurance
  - g. Reimbursement for business-related expenses such as travel and conferences

*(Rationale: The current guidelines provide compensation and benefits that allow called workers to focus on the ministry instead of needing to supplement their income with outside employment. In addition, particularly in the matter of a housing allowance, the guidelines encourage equity in compensation for those serving in similar positions.)*

- 2) That calling bodies set aside \$1,000 a year for each of their called workers to be used to reimburse costs associated with professional growth/continuing education.

*(Rationale: Both the 2013 and the 2015 synod conventions passed resolutions encouraging calling bodies to set aside funds to assist their called servants in pursuing growth. Including it as part of the compensation guidelines would give it the higher profile that two consecutive synod conventions desired.)*
- 3) That principals be compensated in the same range of columns as pastors and missionaries.

*(Rationale: Those who serve as principals in our Lutheran elementary schools and high schools have heavy responsibilities placed upon them and ought to be honored for their service. The AHC2 identified the shortage of teachers willing to serve as principals, in large part because of the demands of the position. While compensation is not the only component in fostering an*

*environment in which more would be willing to serve as principals, it is one way to demonstrate our respect synodically for that office.)*

- 4) That the current salary matrix, which includes an increase in salary for each year of experience up to 32 years, be shrunk by ten years, to 22 years of experience. [see sample]  
*(Rationale: This may reduce the budgetary impact of calling an experienced worker and perhaps provide opportunity for more called workers to consider calls later in their service in gospel ministry.)*
- 5) That the salary numbers in rows 1 to 22 of the current salary matrix be used in the revised salary matrix. [see sample]  
*(Rationale: Consideration was given to making the compensation currently in row 32 the new row 22 and adjusting the percentage change from one row to the next, but that would eventually end up in a substantial increase in the synodical budget. It might also work against the rationale mentioned in connection with the previous recommendation.)*
- 6) That the salary matrix be broadened with the addition of two columns to the left of the column A in the current matrix and one column to the right of column H in the current matrix. [see sample]  
*(Rationale: The two columns to the left of the current column A would provide salary recommendations for those congregations who call people, particularly in early childhood ministries, who have not yet earned a bachelor's degree. The addition of a column to the right of current column H allows for the recommendations that follow.)*
- 7) That the range of columns for most positions be increased by one column, with a range of four columns instead of the three columns in the current guidelines. [see listing of positions and compensation ranges]  
*(Rationale: The range of columns in the salary matrix provide calling bodies with flexibility in determining appropriate compensation for an individual called worker. The lowest number in the suggested range of columns reflects the minimum salary a called worker in a particular position should be paid. A calling body should carefully weigh and consider a number of factors to determine which salary column to choose, such as responsibilities, continuing education, extra duties, etc. By expanding the range of columns, the CRC is hoping that calling bodies will approach the task of determining compensation with more careful thinking and analysis. The range of compensation across four columns would be 15%, which would be a range from \$4,000 to \$6,000 a year, depending on the worker's experience. The final guidelines would include some guidance to calling bodies regarding items to consider in determining the appropriate salary matrix column and level of compensation.)*
- 8) That a user-friendly form, perhaps web-based, be produced to assist calling bodies in determining appropriate compensation for their gospel servants,  
*(Rationale: The current guidelines may not always be fully utilized because of the complexities involved in their use. Some calling bodies think they are compensating according to the so-called "synod code" when they pick a number from the salary matrix, not realizing the number of other benefits that ought to be included. A user-friendly form could highlight the other items to be included in the overall compensation package for a public minister of the gospel.)*

- 9) That the CRC, working together with the Human Resources office, prepare materials for circuit pastors and district presidents to use in helping calling bodies understand and apply the compensation guidelines.

*(Rationale: District presidents and circuit pastors regularly meet with congregations at the time of a pastoral vacancy and provide counsel on appropriate compensation. They would welcome tools to assist them in that work, not just at the time of a vacancy, but in their regular visitation of congregations.)*

- 10) That the Human Resources office, in conjunction with the district presidents, contact calling bodies annually with materials intended to assist congregations in determining appropriate compensation packages for those who serve in their name.

*(Rationale: Each year, the Ministry of Christian Giving contacts congregations with helpful information for congregations to use as they prayerfully determine their Congregational Mission Offerings for the year. Following that model, the Human Resources office could provide helpful materials to congregations regarding compensation so that calling bodies give prayerful consideration to the work they are asking of Christ's servants and compensation that would acknowledge their service with thanksgiving.)*

### **Next steps**

Significant work remains to be done on this modification of the current compensation guidelines. The CRC recognizes that the devil is in the details, especially in a matter like compensation. The Committee will be working on a recommendation regarding when and how to implement the proposed revisions, particularly for those receiving compensation according to the current guidelines, so that neither calling bodies nor called servants are negatively impacted. Another high priority is to work on front-end materials that will help calling bodies make fuller use of the compensation guidelines. The members of the CRC look forward to feedback from the districts in convention and plan to meet this summer to consider the comments received. The goal is to provide a concrete and detailed proposal to the 2017 synod convention.

*Prof. Earle Treptow, reporter*

### *The Compensation Review Committee*

*Prof. Earle Treptow, chairman*

*Mr. Brad Johnston, secretary*

*Mr. Mark Bannan*

*Rev. Joel Jenswold*

*Teacher James Moeller*

*Mr. Dennis Maurer, WELS Human Resources Director, advisory*

*Mr. Todd Poppe, WELS Chief Financial Officer, advisory*

## WELS SYNODICAL SALARY RANGE ASSIGNMENTS

<i><b>Position</b></i>	<i><b>Current Column Assignment</b></i>	<i><b>New Column Assignment</b></i>
Early Childhood Ministry Teacher w/o degree	n/a (new)	A - B
Early Childhood Ministry Teacher (BS or BA base)	n/a (new)	C - F
Teacher (BS or BA base)	A - C	C - F
Early Childhood Ministry Director	n/a (new)	D - G
Prep Professor	B - D	D - G
Staff Minister	B - D	D - G
Principal	B - D	E - H
Pastor	C - E	E - H
Home Missionary	C - E	E - H
World Missionary	C - E	E - H
Prep Vice President	C - E	E - H
Prep Dean	C - E	E - H
College Professor	C - E	E - H
CMM Associate Administrator	C - E	E - H
Associate CMM Director	n/a (new)	E - H
CMM National Coordinator	n/a (new)	E - H
Mission Counselor	C - E	E - H
CMM Administrator	D - F	F - I
CMM Director	n/a (new)	F - I
Prep President	D - F	F - I
College Vice President	D - F	F - I
College Dean	D - F	F - I
Seminary Professor	D - F	F - I
Seminary Vice President	D - F	F - I
College President	E - G	G - J
Seminary President	E - G	G - J
Synod President	H	K

**Draft Synod Schedule**

0.75% Inflation Rate Adjustment

**Based on CRC Recommendations****WELS COMPENSATION GUIDELINES****PROPOSED Salary Matrix****2017/2018**

<b>Range Spread</b>	9,061	9,594	10,660	11,193	11,726	12,259	12,792	13,325	13,858	14,391	14,924
<i>Service Incr.</i>	412	436	485	509	533	557	581	606	630	654	678
<b>Ranges</b>	A	B	C	D	E	F	G	H	I	J	K
<i>Experience</i>											
0	24,712	26,165	29,072	30,526	31,980	33,433	34,887	36,341	37,794	39,248	40,701
1	25,124	26,601	29,557	31,035	32,513	33,991	35,468	36,946	38,424	39,902	41,380
2	25,536	27,037	30,042	31,544	33,046	34,548	36,050	37,552	39,054	40,556	42,058
3	25,948	27,473	30,526	32,052	33,579	35,105	36,631	38,158	39,684	41,210	42,736
4	26,359	27,909	31,011	32,561	34,112	35,662	37,213	38,763	40,314	41,864	43,415
5	26,771	28,345	31,495	33,070	34,645	36,219	37,794	39,369	40,944	42,518	44,093
6	27,183	28,782	31,980	33,579	35,178	36,777	38,376	39,975	41,574	43,173	44,772
7	27,595	29,218	32,464	34,087	35,711	37,334	38,957	40,580	42,204	43,827	45,450
8	28,007	29,654	32,949	34,596	36,244	37,891	39,539	41,186	42,833	44,481	46,128
9	28,419	30,090	33,433	35,105	36,777	38,448	40,120	41,792	43,463	45,135	46,807
10	28,831	30,526	33,918	35,614	37,310	39,006	40,701	42,397	44,093	45,789	47,485
11	29,243	30,962	34,402	36,123	37,843	39,563	41,283	43,003	44,723	46,443	48,163
12	29,654	31,398	34,887	36,631	38,376	40,120	41,864	43,609	45,353	47,097	48,842
13	30,066	31,834	35,372	37,140	38,909	40,677	42,446	44,214	45,983	47,752	49,520
14	30,478	32,270	35,856	37,649	39,442	41,234	43,027	44,820	46,613	48,406	50,198
15	30,890	32,706	36,341	38,158	39,975	41,792	43,609	45,426	47,243	49,060	50,877
16	31,302	33,142	36,825	38,666	40,508	42,349	44,190	46,031	47,873	49,714	51,555
17	31,714	33,578	37,310	39,175	41,041	42,906	44,772	46,637	48,503	50,368	52,234
18	32,126	34,015	37,794	39,684	41,574	43,463	45,353	47,243	49,132	51,022	52,912
19	32,538	34,451	38,279	40,193	42,107	44,021	45,935	47,848	49,762	51,676	53,590
20	32,949	34,887	38,763	40,701	42,640	44,578	46,516	48,454	50,392	52,330	54,269
21	33,361	35,323	39,248	41,210	43,173	45,135	47,097	49,060	51,022	52,985	54,947
22	33,773	35,759	39,732	41,719	43,706	45,692	47,679	49,666	51,652	53,639	55,625

**Draft Synod Schedule**  
0.75% Inflation Rate Adjustment

**WELS COMPENSATION GUIDELINES**  
**CURRENT Salary Matrix**  
**2017/2018**

<b>Range Spread</b>	14,536	15,263	15,990	16,717	17,443	18,170	18,897	19,624
<i>Service Incr.</i>	485	509	534	558	583	608	633	657
<b>Ranges</b>	A	B	C	D	E	F	G	H
<i>Experience</i>								
0	29,072	30,526	31,980	33,433	34,887	36,341	37,794	39,248
1	29,557	31,035	32,514	33,992	35,470	36,948	38,427	39,905
2	30,042	31,544	33,048	34,550	36,054	37,556	39,060	40,562
3	30,526	32,052	33,582	35,108	36,637	38,164	39,693	41,219
4	31,011	32,561	34,116	35,666	37,221	38,771	40,326	41,876
5	31,495	33,070	34,650	36,224	37,804	39,379	40,959	42,533
6	31,980	33,579	35,184	36,783	38,388	39,987	41,592	43,191
7	32,464	34,087	35,718	37,341	38,971	40,594	42,225	43,848
8	32,949	34,596	36,252	37,899	39,555	41,202	42,857	44,505
9	33,433	35,105	36,786	38,457	40,138	41,810	43,490	45,162
10	33,918	35,614	37,320	39,016	40,721	42,417	44,123	45,819
11	34,402	36,123	37,854	39,574	41,305	43,025	44,756	46,476
12	34,887	36,631	38,388	40,132	41,888	43,633	45,389	47,133
13	35,371	37,140	38,922	40,690	42,472	44,240	46,022	47,791
14	35,856	37,649	39,456	41,248	43,055	44,848	46,655	48,448
15	36,341	38,158	39,990	41,807	43,639	45,456	47,288	49,105
16	36,825	38,666	40,524	42,365	44,222	46,063	47,921	49,762
17	37,310	39,175	41,058	42,923	44,806	46,671	48,554	50,419
18	37,794	39,684	41,592	43,481	45,389	47,279	49,186	51,076
19	38,279	40,193	42,126	44,040	45,972	47,886	49,819	51,733
20	38,763	40,701	42,660	44,598	46,556	48,494	50,452	52,390
21	39,248	41,210	43,194	45,156	47,139	49,102	51,085	53,048
22	39,732	41,719	43,728	45,714	47,723	49,709	51,718	53,705
23	40,217	42,228	44,262	46,272	48,306	50,317	52,351	54,362
24	40,701	42,737	44,796	46,831	48,890	50,925	52,984	55,019
25	41,186	43,245	45,330	47,389	49,473	51,532	53,617	55,676
26	41,671	43,754	45,864	47,947	50,057	52,140	54,250	56,333
27	42,155	44,263	46,398	48,505	50,640	52,748	54,883	56,990
28	42,640	44,772	46,932	49,064	51,224	53,356	55,515	57,647
29	43,124	45,280	47,466	49,622	51,807	53,963	56,148	58,305
30	43,609	45,789	48,000	50,180	52,390	54,571	56,781	58,962
31	44,093	46,298	48,534	50,738	52,974	55,179	57,414	59,619
32	44,578	46,807	49,068	51,296	53,557	55,786	58,047	60,276