

### Supporting Glossary - Colorado Clergy Compensation Standards 2018

1. ASA (= Average Sunday Attendance): primary basis for calculating compensation levels; calculated by each congregation and reported annually to the Diocese; often grouped in five ranges or tiers, as follows,

ASA	up to 75	=	Family Size Congregation
ASA	76-140	=	Pastoral Size Congregation
ASA	141-225	=	Transitional Size Congregation
ASA	226-400	=	Program Size Congregation
ASA	>400	=	Resource Size Congregation
2. Stipend without Benefits: combination of three components - salary (“fixed compensation paid regularly for services”; i.e., basic pay), housing (allowance or value of in-kind/provided rectory), and utility allowance. [For housing information, see item 10 below.]
3. Health and dental insurance plan premiums (benefit): premiums set forth annually for Colorado carriers of health and dental plans, as appropriate to the clergy person’s status and needs (rates are reflected on a supporting table each year). Costs are paid directly by the congregation and not included in Assessable Compensation or Pension figures.
4. SECA Allowance (sometimes referred to as Social Security allowance): SECA, Self-Employment Contributions Act, or self-employment taxes, under which self-employed persons (clergy are considered self-employed for Social Security purposes but most are considered employees for federal and state income tax purposes) must ensure both the employer and employee portions of required taxes are paid to cover their Social Security, Medicare, and Old Age Survivors and Disability Insurance (OASDI) costs. Optionally, this allowance may be paid (covered) by congregations (instead of the individual) to fund the difference between the rate of employee FICA and the rate of self-employment SECA, currently 7.65% of the Stipend without Benefits amount. The SECA Allowance, if paid, is taxable and must be included in pension calculations.
5. Pension Fund payments (benefit): Congregations are expected to pay directly into the Church Pension Fund on behalf of each priest at the rate of 18% of combined Stipend without Benefits and SECA Allowance.
6. Assessable Compensation (also called Total Assessable Compensation and sometimes Total Compensation): primary components are salary, housing (allowance or value if rectory is provided), and utility allowance - three components together referred to as Stipend w/o Benefits. Benefits also used in calculations for the Assessable Compensation are (optional) SECA Allowance and mandatory Pension payment. Other normally paid benefits are health insurance and dental insurance, which are not included in Assessable Compensation.
7. Other possible components of Total Compensation: Congregations may opt to cover other costs, such as Employer Contributions to Qualified Retirement Plan (e.g. 403(b)), IRAs and Employer Paid Tuition (paid for dependents). If so, these should be added to the Assessable Compensation calculations (not illustrated in Standards table).
8. Professional Expenses Reimbursement: Reimbursement of clergy business expenses, mileage, required conference or training fees, and electronic connections in the workplace, should be budgeted and paid for by the congregation, whether through direct payment or reimbursement upon presentation of appropriate documents. Reimbursements need not be included in Allowable Compensation or pension figures (provided proper accountable procedures are followed).

9. Other benefits: Congregations should consider providing other benefits, such as life insurance, disability insurance, elements of continuing education, or a share of clergy sabbatical costs.
  
10. Housing considerations: NOTE - Strongly recommend careful review of Sample Resolution and Letter for Housing Allowance provided on the diocesan website to ensure proper steps are taken regarding taxes. In general, if a rectory or similar housing is not provided, an allowance to cover housing, whether rent or toward ownership costs (both consistent with such costs in the local area) should be determined. If a rental or housing allowance is provided, housing is figured at the actual amount of that allowance or 30% of the cash salary plus (add) utilities plus Social Security allowance plus housing equity allowance (if applicable) combined, whichever is greater. If, instead, a priest has living quarters provided rent-free by the congregation, the value of housing for pension purposes is calculated as 30% of the combined total of cash salary plus utilities plus Social Security allowance plus housing equity allowance (if applicable). As reflected, an allowance to cover some level of utility costs should be included. Housing equity allowance may be offered to off-set the effect of not building ownership equity for rental or in-kind/provided situations.
  
11. Recognizing that proper treatment of all compensation components is often complex, particularly from a tax standpoint, clergy are encouraged to obtain available guidance from the Church Pension Fund to help in properly preparing tax returns. This is particularly true regarding housing-related allowances and expenses.