

2023 CLERGY MINIMUM COMPENSATION

BE IT RESOLVED that the clergy compensation levels for 2023 will be increased either by virtue of the clergy being placed in a higher range on the minimum compensation grid OR by the calculated percent of **5%** whichever is greater.

YEARS EXPERIENCE	MINIMUM TOTAL CASH COMPENSATION*
0 – 2 YEARS	\$ 61,629
3 – 7 YEARS	\$ 67,118
8 – 12 YEARS	\$ 76,266
13 – 18 YEARS	\$ 85,414

* The Total Cash Compensation (TCC) package is defined as the sum of salary (stipend), housing and utilities allowance, and a 50% self-employment tax (SECA) offset being 7.65% of the assessable income for the purposes of SECA. It is expected that part time clergy should meet these minima on a pro-rated basis.

We recognize that there may be extenuating circumstances preventing a congregation from meeting these minima. Any exceptions must be approved by the Office of the Bishop.

EXPLANATION

A parish must by Canon Law provide its clergy pension (which includes \$100,000 of life insurance coverage) at 18% of the TCC, and group medical and dental insurance as applicable (family or single) and in accordance with Resolution IIIA adopted by the 164th Convention of the Episcopal Diocese of Milwaukee. The provisions in Resolution A177 require the employing entity to provide a minimum of 90% of premium coverage as appropriate to the insured and to establish a Health Savings Account for those employees choosing the high-deductible health plan (HDHP) and funding it at 100% of the HDHP in-network deductible appropriate to the insured, minus the maximum in-network deductible of the lowest non-HDHP, non-HMO plan offered, as appropriate to the insured. This amount shall not exceed the legal maximum amount as appropriate to the insured.

Clergy Compensation Percent Increase Calculation for 2023

1. Under IRS regulations, the amount of clergy compensation to be allocated for housing and utilities should be estimated by the cleric and approved by specific recorded action of the Vestry. The designation for 2023 must be completed no later than December 31, 2022.
2. If the priest and his/her family live in housing provided by the parish, the Total Cash Compensation amounts can be reduced by the Fair Market Rental Value of the housing. However, the sum of stipend, housing and 50% SECA offset is still used to compute pension fund payments and self-employment tax.
3. In recommending a 5% increase for the 2023 year we have taken into account increase proposed by other Dioceses, the 3% increase proposed for staff of the Episcopal Church in the USA, National CPI Increase between October 2021 and June 2022 (6.6%), State of Wisconsin CPI increase between October 2021 and June 2022 (9.5%), Midwest CPI increases between October 2021 and June 2022 (7.3%), the 2021 Federal Employees Retirement System (FERS) 2021 increase of 4.9%, the 2021 COLA from Social Security Administration released in October 2021 (6.9%) and an average national increase of 4.1%.
4. We are currently experiencing an inflationary environment and the uncertainty around prices increases in the future mean that while we believe it is fair to recommend a Cost-of-Living Adjustment, we do need to be conservative about the magnitude of this adjustment for 2023 leaving us the flexibility to respond to changing economic conditions in the 2024 year. We have opted for 5% being a little more than the average national increase although it is mostly a lower adjustment than some of the other Dioceses.

Submitted by:

Financial Controller and Finance Committee

