

Report of the Compensation and Benefits Committee of the Commission on Ministry

Purpose of Committee

The Clergy Compensation Committee was established by a resolution of the Diocesan Convention of 1980 as a sub-committee of the Commission on Ministry*. The present title reflects the broader role of the Committee as it has evolved since 1980.

The role of the Committee is to serve the Diocese, its congregations and employees, including ordained and lay staff, in matters of compensation and benefits. The Committee proposes guidelines to promote uniform, fair, and equitable compensation and benefits for such church employees within the Diocese.

The Committee also is a resource to lay and ordained congregational leadership as advisors and facilitators in establishing and maintaining compensation and benefits in relation to diocesan guidelines, congregational mission and individual performance objectives. In fulfilling this role, the Committee collects and reviews compensation and benefits in other Episcopal dioceses and other denominations as well as the business, government, and academic communities.

** Please see the proposed Resolution "To Transfer Oversight of Matters Pertaining to The Compensation and Benefits of Lay and Clergy Employees from The Commission on Ministry to the Diocesan Council."*

Goals for the Committee

The Committee has focused on these specific goals relative to compensation and benefits for clergy:

Attract, retain, and support clergy to achieve the mission of the Diocese and congregations.

Create an environment that promotes the well-being of clergy through a clear understanding of the relationship between clergy and their congregations and goals that express their mutual ministry.

Allow a reasonable standard of living according to local and/or regional measures.

Encourage that the initial salary in a new clergy placement conforms to the diocesan standard and takes into account differences in length and range of experience relative to the scope of the position and role.

Promote salary advancement and benefits that reflect personal growth and experience in the role.

Advocate for standards for fair and equitable compensation for lay employees.

Summary of Committee Work in 2011

During this past year, the Committee addressed the following matters:

The Committee has reviewed the compensation standard for parochial clergy and recommends an increase to the Standard Guidelines for Clergy Compensation for 2012 of 3% compared to the Standard for 2011 (*see the following Resolution.*) The Total Clergy Compensation Standard or “TCC” was established following the Committee’s compensation study of 2000-2001, with the express purpose of establishing a more consistent minimum standard, and raising incomes in a more equitable fashion going forward. Historically, the Committee recommended increases to the standard of 3% for the period 2001-2008. As reported last year, the 2008 compensation study confirmed that our approach was achieving its intended goals, and that compensation levels within the diocese were competitive with our chosen market benchmarks. Economic conditions in 2010 and 2011 resulted in a modification of the Committee’s recommendation to 1% for both years. The Committee was advised by its compensation specialist that this was a conservative adjustment by market standards, although it was consistent with inflation statistics during that period. In recommending a 3% adjustment to the standard, the Committee is returning to its historical trend. The Committee appreciates that many parishes are not in a position to provide increases, but feels that it is important to maintain its long-term standard and avoid large catch-up adjustments in future years.

The Committee was asked to study the issue of Health Insurance Contributions, and delivered its findings to the Diocesan Council in March. A broad range of market research was gathered from a variety of sources, including but not limited to the Bureau of Labor Statistics, the Kaiser Family Foundation, the Agency for Healthcare Research and Quality, and the Society for Human Resource Management. The Committee also surveyed dioceses nationally to determine current practices around the country. Our findings included the following: 1) Nationally, civilian workers contribute 18% towards health insurance costs, with those in private industry contributing 20%; 2) The average Massachusetts-based employee contributes 28%; 3) Although the majority of dioceses still contribute the total cost of premiums, *all* dioceses reported active discussions to introduce cost-sharing; 4) For those dioceses reporting a cost-share, the range was between 5%-15%; 5) Massachusetts has the highest premium rates in the lower 48 states. The high absolute cost of healthcare in the Commonwealth, coupled with the disparity between diocesan practices and the experience of most Massachusetts residents raises basic issues of fairness, economic justice and burden sharing. To begin a dialogue around this issue, a series of well-ordered forums will be conducted throughout the spring to explore how and when some form of health insurance contribution might be introduced.

Consistent with the General Convention of 2009’s Resolution A177, the Diocese of Massachusetts adopted the Denominational Health Plan in 2009. Although the Committee no longer reviews competitive bids for health insurance, it is in regular contact with DHP staff to insure that our members are treated as valued clients. The DHP has met its target to deliver a renewal below 10%. The rate increase for 2012 on the base plan offering will be 9.51%.

Adjustments to the Compensation Formulae

Pursuant to our stated goals and objectives, the Committee has made an adjustment to the formula for parochial clergy, and presents the following resolution to be voted upon here:

Members of the Committee

Robert Bettacchi
Milt Boyd
Charles Curti
Stephen DeBellis
The Rev. Anne Fowler
Carol Kingston

David A. Kirchner, Esq.
The Rev. Todd Miller
The Rev. Warren R. Radtke
The Rev. Natasha Stewart
Jeff Tyrakowski, Chair
John V. Woodard, Esq.

Diocesan Staff

Lynn Clark,
Manager of Human Resources

The Rev. Cynthia P. Hubbard,
Canon for Transition Ministry and
Clergy Deployment

Resolutions on Clergy Compensation and Benefits

Resolved

That the diocesan Total Clergy Compensation (TCC) be defined as the total of cash stipend, utilities allowance, housing, SECA (Self Employment Contribution Act) allowance, if any, and all other cash compensation paid to an individual clergyperson. TCC does not include benefits (e.g. pension, health or dental insurance, etc.) or reimbursements for job-related expenses as described in the 2012 Guidelines.

Resolved

That the TCC Standard be defined as the minimum TCC for active full-time parochial clergy and, for the calendar year 2012, is determined by the following formula:

$$\text{TCC Standard} = \$59,491 + (122.29 \times \text{Points}) + \$500 \times [\text{years of service}^* \text{ within congregation}]$$

Provided that the minimum TCC Standard for full-time parochial clergy is \$63,160.

Points are determined as the sum of three factors, calculated from data taken from the most recent Parochial Report:

	Total Current Operating Revenues (000s)	x .30
+	Number of Current Adult Pledging Units	x .40
+	Average Current Sunday-Attendance	x .30
=	<hr/> Total Points	

The TCC applicable to a full-time rector, vicar, priest-in-charge or interim shall not be less than 100% of the TCC Standard for the congregation.

The TCC applicable to a full-time curate shall not be less than:

$$\text{TCC Standard (curate)} = [\$59,491 + (122.29 \times \text{Points})] \times 0.65$$

The TCC applicable to a full-time assistant rector shall not be less than:

$$\begin{aligned} \text{TCC Standard (assistant)} &= [\$59,491 + (122.29 \times \text{Points})] \times 0.70 \\ &+ \$350 \times [\text{years of service within the congregation}] \end{aligned}$$

The TCC applicable to a full-time associate rector shall not be less than:

$$\begin{aligned} \text{TCC Standard (associate)} &= [\$59,491 + (122.29 \times \text{Points})] \times 0.75 \\ &+ \$375 \times [\text{years of service within the congregation}] \end{aligned}$$

*Provided that in each case no more than ten years of service will be considered in this calculation.