

Iowa District West – LCMS

**Compensation and Benefit Recommendations for
Professional Church Workers**

Commissioned Salary Schedule 2026

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ON A MISSION TO SUPPORT CHRIST'S MISSION!

Introduction

Iowa District West is on a mission to support Christ's mission! This document is intended to help congregations as they develop an objective salary and benefit package for their commissioned (called, not ordained) workers.

Scripture

Scripture addresses church worker compensation. Paul writes in 1 Timothy 5:18, "You shall not muzzle an ox when it treads out the grain," and, "The laborer deserves his wages." And in 1 Corinthians 9:7-12, Paul teaches that the worker is worthy of his wages.

Prayer

God's will stands revealed. The church worker should be compensated. Pray, then, for wisdom to make prudent decisions regarding your worker's compensation.

Guideline Intent

The information and worksheets which follow are guides for congregations/schools as they seek to establish equitable pay practices based on prevailing wages paid in congregations/schools and in secular jobs in Iowa. **These guidelines are minimum suggested compensation levels. You are encouraged to go above the suggested amounts when it is appropriate. Properly paying your workers must take into account special circumstances, exceptional or extra effort or skills, special ministry needs, and other unique factors in your congregation, school, and/or community.** Using the guidelines will require effort, but that effort can lead to enhanced working relationships for congregations/schools and workers in the Lord's Kingdom.

As the primary supporters of the recommendations, the responsible board or committee from your congregation/school should prepare and submit the compensation recommendations to the church council, governing board or assembly per your congregation's/school's constitution and bylaws.

A proper compensation package should take into account the following items:

1. Base Salary;
2. Benefits – Health, Retirement, Disability & Survivor Plans;
3. Professional experiences and resources: continuing education, books, periodicals, etc.;
4. Travel Expenses; and,
5. Social Security Adjustment.

These compensation guidelines are designed to encourage fair and equitable compensation within the pastoral, teaching, and related ministries of our District on the basis of: Years of experience; Professional growth and/or formal education; and, Levels of Responsibility. Care and concern for ministry leaders is a congregation and District priority.

Care Beyond Compensation

As each congregation/school calls professional church workers to serve in ministry, **there is an opportunity and a responsibility for mutual care and concern.** Each congregation/school is unique and each worker has unique needs which will determine specific ways to care and show concern. We **encourage each congregation/school to establish a Professional Church Worker Support Committee** to focus on the wellness of church workers and their families. It would be the responsibility of this committee to identify, develop, promote, and encourage opportunities for wellness. Suggestions include prayer for specific needs of workers and their families, providing family time, personal days, and financial support for continuing education and retreats. Each congregation/school is encouraged to be creative in their caring.

General Compensation Guidelines

Introduction

This section includes specific guidelines for commissioned church workers as congregations/schools seek to offer an objective salary and benefits package. The first part of this guideline deals with what is considered a basic salary and benefits package (salary, benefits, vacation) followed by additional compensation considerations. For convenience, a worksheet for calculating compensation and expenses is provided at the end of this guideline. These guidelines are developed to honor the commissioned worker and **it is understood that this package should be higher than the contracted (non-called) worker.**

Congregational Treasurer's Manual

The Lutheran Church—Missouri Synod releases annually a *Congregational Treasurer's Manual*. It is a helpful tool for understanding the complexities of salary, benefits, and other payroll issues. It also covers congregational accounting and financial reporting. The manual is available on the LCMS website at www.lcms.org/ctm.

Salary

This section includes specific guidelines for teachers in addition to the general salary guidelines for professional church workers. The base salary can be determined by consulting the Commissioned Salary Guidelines found at the end of the document. The salary guidelines for all (men and women) full-time teachers provides for recognition of years of experience and personal educational achievement. Entry level salary (year 0) assumes a commissioned church worker with a Baccalaureate Degree (4 year) and no related work experience. It is recommended at least ½ of prior years' life experience in another career be added to the salary scale. In addition, housing and utilities are included in the scheduled salaries for the full year of service. If congregation owned or leased housing and/or utilities are provided, appropriate adjustments to the applicable guideline salary should be made.

Preschool Teachers - those congregations with preschools are encouraged to use this salary guideline for all certified teachers. Salary adjustments may be made to accommodate part-time classroom hours.

General Compensation Guidelines *continued*

Teachers may be requested to serve in other areas of responsibility in addition to their normal duties. Each congregation is encouraged to recognize this factor when applicable and adjust the worker's compensation as the situation warrants. A guideline for some situation adjustment consideration is included in the following table. For additional work beyond the typical work/school day (instructional technology, technology manager, coach, etc.), a stipend should be considered.

Responsibility	Salary Adjust (from service year)
Principal	30%
Teaching Principal	Add up to 50% to salary
DCE/Deaconess	15%
Athletic Director	5%

Example: for a principal, multiply service-year salary by 1.3, for a teaching principal, multiply by 1.5, etc.

Annual compensation increase is built into the guideline schedules to accommodate experiential growth. The year-to-year increase factor is as follows: 1-10 years: add 3% of the base salary to the preceding year's salary; 11+ years: add 2% of base salary to the preceding year's salary. The base salary is the salary for the worker with no/zero experience.

Benefits

Concordia Plans is the LCMS benefits provider of choice for all LCMS entities.

Concordia Plans offers an employer the opportunity to select a comprehensive package of benefits. The Plans include: 1) the Concordia Health Plan-CHP; 2) the Concordia Retirement Plan-CRP; 3) the Concordia Disability and Survivor Plan-CDSP; 4) the Concordia Retirement Savings Plan-CRSP. Information can be obtained on their website: www.ConcordiaPlans.org. Concordia Plans offers a wide variety of choices that will meet a ministry's ongoing needs. Employers who do not elect to offer Concordia Plans will have greatly reduced benefits for their workers and may experience difficulty securing new called workers.

Concordia Plans offers an Account Manager assigned to every LCMS Ministry to assist employers with these decisions. Whatever benefit package is offered, it must be applied consistently to all workers within the Concordia Plans guidelines

General Compensation Guidelines *continued*

Personal Spending Accounts: If a plan option with a deductible or significant out-of-pocket expenses to workers is offered, the congregation is encouraged to set up appropriate Personal Spending Accounts so those expenses can be paid using pre-tax dollars. Personal Spending Accounts could include a Flexible Spending Account (FSA), a Health Reimbursement Arrangement (HRA), or, if offering a qualified high deductible plan, a Health Savings Account (HSA). Depending on the type of account, it may be funded by the worker, the employer, or both.

Full Basis and Regular Basis: As of July 1, 2014, the additional payment of 3% of compensation for workers is no longer required but still is encouraged for workers who were receiving the payment.

Plan Contributions: The employer is responsible for the full cost of the CDSP and the CRP (if working more than 20 hours per week and more than five consecutive months). If the employer participates in the CRSP, it is optional for the employer to provide additional contributions.

The employer must pay at least 50% of the cost for the worker-only coverage in the CHP. If the employer makes the decision to pay for all of the worker's cost or all or a part of the cost for dependent coverage in the CHP, the procedure used should be uniform and nondiscriminatory for all workers. It is recommended by the District that the entire cost of Concordia Plans (health, retirement, disability, and survivor plan) be paid by the employer.

Rates: Rates may change annually so it is best to check with Concordia Plans on specific rates. The current retirement program contribution rate on the Regular Basis is 10.7% of total compensation.

The current Disability & Survivor Plan rate is 1.75% of compensation for worker with dependents and 1.2% of compensation for worker without dependents.

The CHP rates vary according to location of the employer and plan option selected. To view the latest rates, call Concordia Plans at 888.927.7526 and ask for the Account Manager assigned to your ministry, or contact the District Office.

General Compensation Guidelines *continued*

403(b) Retirement Plans

All employers can offer the 403(b) Concordia Retirement Savings Plan (either pre-tax or Roth after-tax savings plan) at no additional cost. To view information about the 403(b) plans, go to www.ConcordiaPlans.org (click on “Our Solutions” and “Retirement Solutions”) or call (314) 885-6865 to speak with a Financial Educator or email MoneyMatters@ConcordiaPlans.org.

Vacation & Days Off

Congregations are encouraged to grant full-time workers annual vacations. Teacher vacation times are determined by the school calendar and no recommendation is suggested. The following table is the suggested vacation for all other commissioned workers.

Service Years	Vacation Weeks (minimum)
0 to 9	3
10 to 19	4
20+	5

Please note that “years of service” (from first call) is to be determined by the fiscal year of the congregation/school and not by anniversary date of when the church worker began ministry.

Congregations are encouraged to develop a policy for worker time-off (e.g. personal days, professional days, funeral leave, sick leave, etc.). The policy for sick leave should be consistent with the applicable Concordia Plans.

Social Security Tax

A commissioned worker’s net earnings in ministry are subject to self-employment tax (unless he or she has filed for an exemption). The tax rate 15.3%. Congregations are encouraged to provide 50% (or 7.65% of the 15.3%) of this payment. Please consult your professional tax advisor in making decisions related to the tax planning for and reporting of your commissioned workers’ payments.

Annual Review

Congregations of the District are urged to appoint or otherwise select a salary review committee to discuss, at least annually, compensation issues with all workers. Members of the salary review committee should include some of the elected leaders of the congregation. Open and honest lines of communication are vital in the area of worker compensation.

Additional compensation of at least \$2,000 should be considered for full-time/year-round workers.

Additional Compensation Considerations

Professional Expenses

Expenses for business use of a personal car, travel for ministry, meetings, conferences, conventions, retreats, classroom allowance, library, etc., are cost of doing business for the congregation/school. These expenses are not a part of salary administration and may not be considered as a salary or a benefit. They should be budgeted separately as a business expense of the congregation. The congregation/school should adopt an accountable plan for expense reimbursement to meet the requirements of the Internal Revenue Code. For more detailed information, consult the *Congregational Treasurer's Manual*, chapter 6, section 6.110.

Continuing Education

Each congregation is encouraged to support the Continuing Education of all full-time church workers by granting financial support and appropriate time to attend workshops, conferences and other educational opportunities. Contracted teachers are encouraged to seek their colloquy education; whereby the congregation, individual, and District would contribute 1/3 each to the education cost.

Church Worker Gifts

The congregation/school may provide gifts to its workers such as a Christmas bonus. Such gifts are taxable to the worker if paid from the church treasury, even if paid only from designated receipts. Direct gifts from the parishioner to the worker are not taxable to the worker but are not deductible for the donor.

Miscellaneous Compensation Items

Moving Expenses

When a congregation calls a professional church worker it should pay all necessary and reasonable moving expenses for the worker and family. Beginning in 2018, qualified moving expenses are no longer excludible from an employee's gross taxable income; neither can he or she claim a tax deduction for them. Consequently, the commissioned minister will incur a liability to pay federal, state and self-employment taxes for all employer-paid or reimbursed moving expenses. If the congregation decides to help relieve him or her of this additional tax liability by subsidizing his or her pay with additional compensation, this subsidy also is taxable. Please consult your professional tax advisor in making decisions related to the tax planning for and reporting of payments for job-related moves.

Renewal Time

Congregations should encourage their workers to take off two weekends a year (in addition to vacation time) with the intent of sharing quality time with family or seeking personal or professional growth.

Additional Financial Resources

Workers are encouraged to apply for student debt support from the Iowa District West Ministry Excellence Fund - go to www.idwlcms.org/forms-and-links.php. In addition, financial aid may be available for ongoing education, leadership, or other coursework; contact the district office.

To Provide a Financial Foundation (Worker Compensation) RESOLUTION 3-03A

OVERTURE 3-03A (CW, p. 106 replacement)

WHEREAS, Scripture provides stewardship principles regarding those who serve in ministry (1 Timothy 5:17-18, 1 Corinthians 9:14; 1 Thessalonians 5:12-13); and

WHEREAS, The Iowa District West convention provides a compensation recommendation, and the most recent statistics indicate that Iowa District West is seventh from the bottom (35 districts) in average compensation to pastors and fifth from the bottom in average compensation to teachers; and regional (eleven Midwest districts) comparisons indicate that Iowa District West is third from the bottom in salary base; and

WHEREAS, It typically takes over 100 active worshippers to support a full-time pastor, and congregation and community demographics make financial support of workers more difficult; and

WHEREAS, Workers not receiving adequate benefits subsidize the ministry of the congregation and face personal and family financial challenges; therefore be it

Resolved, That District congregations see the District recommendations as a minimum goal for worker compensation and take action steps to meet District recommendations; and be it further,

Resolved, That District congregations consider ways to compensate their professional church workers for extra time they invest for their congregation, the community, and Christ's church; and be it finally

Resolved, That District staff and appropriate committees and task forces develop intentional strategies of congregation transition and transformation and work directly with circuits and congregations to be wise stewards of the workers and congregational resources in expanding the Gospel within our communities and throughout the District.

Action: Adopted 2009

A Final Word

As you begin work on salary planning for next year, we encourage you to reflect on 1 Timothy 5 and 1 Corinthians 9 for instruction regarding caring for those who serve us in the Lord. You will note that in Timothy, the elders of the church are "worthy of double honor" and in Corinthians "the Lord commands that those who preach the Gospel should receive their living from the Gospel." May our Lord guide you as you plan!

IDW Commissioned Ministers and Ministry Partners 2026

Service Year	2024	2025	2026	For Additional Degrees:		
Base 0	44,400	46,000	48,300	BA+18	Add	\$ 800
1	45,732	47,380	49,749	MA	Add	\$ 1,600
2	47,064	48,760	51,198	MA+18	Add	\$ 2,400
3	48,396	50,140	52,647	MA+36	Add	\$ 4,000
4	49,728	51,520	54,096	PHD	Add	\$ 5,600
5	51,060	52,900	55,545			
6	52,392	54,280	56,994			
7	53,724	55,660	58,443			
8	55,056	57,040	59,892			
9	56,388	58,420	61,341			
10	57,720	59,800	62,790			
11	58,164	60,260	63,756			
12	58,608	60,720	64,239			
13	59,052	61,180	64,722			
14	59,496	61,640	65,205			
15	59,940	62,100	65,688			
16	60,384	62,560	66,171			
17	60,828	63,020	66,654			
18	61,272	63,480	67,137			
19	61,716	63,940	67,620			
20	62,160	64,400	68,103			
21	62,604	64,860	68,586			
22	63,048	65,320	69,069			
23	63,492	65,780	69,552			
24	63,936	66,240	70,035			
25	64,380	66,700	70,518			
26	64,824	67,160	71,001			
27	65,268	67,620	71,484			
28	65,712	68,080	71,967			
29	66,156	68,540	72,450			
30	66,600	69,000	72,933			
31	67,044	69,460	73,416			
32	67,488	69,920	73,899			
33	67,932	70,380	74,382			
34	68,376	70,840	74,865			
35	68,820	71,300	75,348			
36	69,264	71,760	75,831			
37	69,708	72,220	76,314			
38	70,152	72,680	76,797			
39	70,596	73,140	77,280			
40	71,040	73,600	77,763			

Compensation Worksheet for **Commissioned** Ministers

Worker's Name

Years of Experience

Highest Degree

Base Salary from Chart

Principal? (yes or no)

DCE/DCO/Music Director? (yes or no)

Compensation

Base Salary	\$	
Principal	\$	
DCE/DCO/Music	\$	

Subtotal

1/2 of Social Security & Medicare	\$	
Retirement Plan Adjustment (optional)	\$	
Total Worker Compensation	\$	

Benefits

Concordia Plan Services	Health (plan selected by congregation), retirement, disability, life
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Housing Allowance Designation	Designation for tax purposes (no cost to congregation or school)
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Professional Expenses

Reimbursed by accountable plan