

# **Resolutions**

**Submitted to the 171st Annual Convention  
of the Episcopal Diocese of Milwaukee**



**BECOMING THE BELOVED COMMUNITY**

**EMBRACING GOD'S MISSION OF RECONCILIATION**

**October 13, 2018**

**St. John's Northwestern Military Academy  
Delafield, Wisconsin**

**RESOLUTIONS**  
**CREATING CANON 8, RELATING TO PARISH STATUS AND OVERSIGHT**  
**AND**  
**AMENDING AND RECREATING CANON 28, RELATING TO**  
**CONGREGATIONS AND PARISH PROPERTY**

**BE IT RESOLVED**, that new Canon 8, relating to parish status and oversight, be created and adopted to read in its entirety as follows:

**CANON 8**  
Of Parish Status and Oversight

SECTION 1. Purpose. This Canon is intended to address the exceptional case of a Parish that appears to be in jeopardy, such that a degree of Diocesan intervention or oversight may be beneficial as a means of restoring the health of the congregation. It is not intended to diminish the traditional right and responsibility of Parishes in the Episcopal Church to govern themselves.

When a Parish is declared to be at risk, it shall be the obligation of all parties to labor to restore the Parish to a greater degree of health, setting forth problems to be addressed in an open, honest manner, and working toward the resolution of such problems in a climate of respect and charity, and for the greater good of the Church's witness to its Lord.

SECTION 2. Initiation of Inquiry. An inquiry by the Ecclesiastical Authority may lead to the declaration of a Parish as being under review. This Canon may be initiated only under the following circumstances:

- (a) The Ecclesiastical Authority, believing that two or more of the conditions in Section 4 may exist, may initiate such inquiry; OR
- (b) The Standing Committee by vote of three-fourths of its members, believing that two or more of the conditions in Section 4 may exist, may petition the Ecclesiastical Authority to initiate such inquiry; OR
- (c) The Rector, or both Wardens, or a majority of the Vestry of such Parish, believing that two or more of the conditions in Section 4 may exist, may petition the Ecclesiastical Authority to initiate such inquiry.

After a proper request has been received, and determination by the Ecclesiastical Authority that the presumption of circumstances presented with the request is credible and would warrant continuation of the process, the inquiry will be initiated as follows:

- (a) The Ecclesiastical Authority shall transmit to the Parish verifiable written notice

summarizing two or more at-risk circumstances, as described in section 4, indicating the reasons that could warrant designation of the Parish as at risk, and explicitly directing the Parish to cease and desist from any conduct which constitutes a breach, or to act affirmatively as canonical obligation requires; and,

(b) The Parish shall acknowledge the commencement of the inquiry process in writing within 60 days. Failure to do so will not inhibit the process from beginning and may be considered an additional indication of at-risk condition.

SECTION 3. Inquiry by the Ecclesiastical Authority. Upon proper initiation as provided in Section 2, the Ecclesiastical Authority, either itself or through persons it may designate, shall conduct such inquiry into the condition of the Parish as it deems appropriate. Such inquiry shall include conversations with persons in the Parish. It may also include written or oral questions to the officers of the Parish or members thereof and examination of any books and records of the Parish. The Parish must cooperate in the inquiry by answering such questions fully, accurately, and promptly, and by making available the books and records of the Parish upon reasonable notice. If, after such inquiry, the Ecclesiastical Authority finds that two or more of the conditions in Section 4 exist in the Parish, the Ecclesiastical Authority may, with the concurrence of three-fourths of the Standing Committee, declare the Parish to be at risk, and give notice to the Executive Council of this status. In the event that the Standing Committee is the ecclesiastical authority, a three-fourths vote of that body shall be required along with the concurrence of the majority of the Executive Council.

SECTION 4. At Risk Conditions in the Parish. No declaration that a Parish is at risk may be made except upon a finding, following inquiry, that two or more of the following conditions exist in the Parish:

- (a) The failure of the Parish, for two years or more, to be financially self-supporting; (This does not apply to congregations who receive grants and development support under agreements with the diocese.)
- (b) The failure for at least two years to elect a Vestry;
- (c) The reliance of the Parish on the use of short-term Supply Clergy for a period of more than two years, unless the Parish is actively involved in a Clergy search process;
- (d) The failure to pay clergy compensation, insurance or other benefits as defined by the current letter of agreement between the clergy person and the parish;
- (e) A difficult and/or sudden departure of clergy;
- (f) The refusal or willful failure to arrange for representation of the Parish at an Annual Convention of the Diocese;
- (g) The failure or neglect to make canonically-required reports, including the annual parochial report to the Bishop, to complete the annual Parish financial review, or to pay diocesan assessments;

(h) Persistent and significant instability or decline in the financial condition of the Parish, as evidenced by, for example, substantial invasion of the principal portion of endowment or trust funds in violation of the governing instrument of that fund.

(i) Persistent failure to conform to the business methods in Church affairs required by the Constitution and Canons of the Episcopal Church or the Diocese, including those requirements relating to the bonding of treasurers or other custodians of funds, proper record keeping, proper maintenance of books of account, and the maintenance of adequate insurance;

(j) The purchase, use, or conveyance of property of the Parish, or the incurring of debt, other than in conformity with the Constitution and Canons of the Episcopal Church and of the Diocese.

SECTION 5. Remedies. If a Parish is declared to be at risk in accordance with this Canon, the Ecclesiastical Authority, with the concurrence of three-fourths of the Standing Committee, may require the application of one or more of the remedies below, anything in the articles of incorporation or by-laws of such Parish to the contrary notwithstanding. The remedies shall be considered independent remedies with no requirement of exhaustion of certain remedies before the application of others. The remedies shall be set forth within a Restoration Plan for the parish to cure the conditions which led to their declaration as a Parish at risk, which plan shall be submitted to the Vestry or Bishop's Committee of the parish for their consideration and comment. The Ecclesiastical Authority, with the concurrence of three-quarters of the Standing Committee, may amend the plan. The plan shall take effect within 60 days after such submission in accordance with its terms. The Executive Council shall be given a copy of the Restoration Plan. Potential remedies may include:

(a) Provision of support to the parish in the form of diocesan staff and resources, consultants, etc. to work with the parish towards the goal of sufficiently ameliorating the conditions that led to the at-risk status.

(b) Appointment by the Ecclesiastical Authority of three or more adult communicants temporarily as a Bishop's Committee to govern the affairs of the Parish as Warden and Vestry, notwithstanding any other canonical or other provision for such governance, until the Ecclesiastical Authority declares the end or sufficient amelioration of such conditions, or applies further measures under the Canons;

(c) Designation of the Rector of the Parish as Priest-In-Charge, until the Ecclesiastical Authority declares the end or sufficient amelioration of such conditions, or applies further measures under the Canons;

(d) A process by which the parish's title(s) of real property shall be reviewed and, if needed, brought into conformity with the national "Dennis Canon" (1.7.4 in 2015 C&C)

(e) Such other measures as the Ecclesiastical Authority shall determine with the advice and consent of three-fourths of the Standing Committee, until the Ecclesiastical Authority declares the end or sufficient amelioration of such conditions, or applies further measures under the Canons.

## SECTION 6. Restoration of the Parish to Regular Canonical Status.

Progress towards the completion of the Restoration Plan shall be reviewed at a meeting of the Ecclesiastical Authority and Standing Committee on an ongoing schedule, set within the terms of the restoration plan itself. The time frame between reviews shall not exceed six months. The review should include input from the leadership of the affected parish.

A Parish shall be declared to be no longer a Parish at risk when the Ecclesiastical Authority, with the advice of the Standing Committee, determines that all of the requirements of the Restoration Plan have been satisfied. A written notice of the satisfaction of the Restoration Plan shall be sent to both the Standing Committee and the Executive Council.

## **GLOSSARY OF COMMON TERMINOLOGY**

The following definitions are provided for convenience, and are not intended to supersede any canon; the latter shall govern in case of any conflict.

**Advice and Consent (In regards to Standing Committee):** In regards to canons requiring a bishop to consult the standing committee of a diocese, two different terms are used. Advice means that the bishop must seek the input of the Standing Committee, but does not require a resolution supporting his or her action. Consent means that the bishop must seek a resolution approved by the majority (unless specified otherwise in the canon itself) of the Standing Committee before taking action under canon.

**Assisted Parish:** The assisted parish is dependent on diocesan funding, and has a different governance status than a self-supporting parish. The Bishop is the rector of an assisted parish and the vicar is the ecclesiastical presence in that parish. In lieu of a vestry there is a bishop's committee (see Bishop's Committee below).

**Bishop's Committee:** A lay committee analogous to the vestry of a parish, with direct oversight, fiduciary responsibility and leadership of an assisted parish. The bishop's committee may be asked for input in making appointment of the priest to serve as the bishop's vicar.

**Congregation:** A worshipping community of Christians who gather weekly at Christ's altar to experience God's redemptive love by communal worship, and who then carry on this redemptive work in the world as the risen body of Christ. Through regular worship and service, the lives of members are brought before God and one another in a sacramental process that extends from baptism to burial. A congregation may be a self-supporting parish or an assisted parish.

**Ecclesiastical Authority:** Governs and acts for the Diocese in all matters not specifically reserved to another body (such as the Standing Committee). The Bishop Diocesan is normally the Ecclesiastical Authority. In his or her absence or disability, the Bishop Coadjutor, a Bishop Suffragan or the Standing Committee may become the Ecclesiastical Authority, depending on the circumstances.

**Executive Council:** Beyond the Bishop, Standing Committee, and Title IV Committees, national canons do not specify further representative bodies within a diocese, and dioceses handle these

governance roles in different ways. Established under Article XIV of the diocesan constitution, the Executive Council's duties are set initially under Diocesan Canon 7 and expanded elsewhere. The main function of the Council is to "Exercise all powers of the Diocesan Convention between meetings thereof other than those specifically delegated to the Standing Committee." The membership of the Council is specified in Diocesan Canon 7 section 3. At-large members include six lay and six clergy members elected to three-year terms by the Diocesan Convention.

**Interim Priest:** An ordained leader of a parish; appointed by and reporting directly to the bishop. The interim priest has the specific vocation to work with parish leadership in preparation for calling new clergy leadership. The time of service is mutually agreed upon by the bishop, interim priest, and vestry or bishop's committee.

**Inquiry:** The investigative step of a procedure under the proposed canon 8. During an inquiry, the Ecclesiastical Authority and any designees examine possible at-risk conditions in a parish. It is possible, in fact desirable, that during the initial inquiry process those presenting conditions may be ameliorated. Thus, the process could be ended before moving to the next step of a vote by the bishop and Standing Committee to determine whether to declare the parish at-risk and the application of formal remedies.

**Mission:** A new ministry initiative, approved by the bishop and Standing Committee and overseen by the bishop, who shall appoint its officers, bishop's committee, and a vicar or priest-in-charge. For canonical purposes missions shall be treated and governed as assisted parishes.

**Priest-in-Charge:** Ordained leader of a parish or mission; elected by the vestry for a specific period of time. At a future date as mutually agreed upon a decision will be made about extending a call as Rector to the Priest-in-Charge. The Priest-in-Charge is the chief sacramental and liturgical leader of a parish and the ecclesiastical authority of the parish. The priest-in-charge serves a self-supporting parish. He/she has authority and responsibility for worship and the spiritual jurisdiction of the parish, subject to the doctrine and discipline of the Episcopal Church, and the pastoral direction of the bishop. The use of the church and parish buildings and furnishings are under the control of the priest-in-charge. The priest-in-charge or a designated member of the vestry presides at all vestry meetings.

**Rector:** Ordained leader of a parish; elected by the vestry; having tenure in their position from the time of their election. A rector is the chief sacramental and liturgical leader of a parish; the ecclesiastical authority. A rector serves a self-supporting parish. The rector has authority and responsibility for worship and the spiritual jurisdiction of the parish, subject to the doctrine and discipline of the Episcopal Church, and the pastoral direction of the bishop. The rector is responsible for selection and supervision of all assistant clergy and lay staff, who serve at the discretion of the rector. The use of the church and parish buildings and furnishings are under the rector's control. The rector or a member of the vestry designated by the rector presides at all vestry meetings.

**Self-supporting Parish:** It is the policy of the Diocese that all Parishes should be "Self-Supporting." A Parish which is "Self-Supporting" is defined as a Parish or parish ministry initiative that exhibits these characteristics:

- (a) It is able to maintain a place of worship.
- (b) It provides or exceeds the minimum clergy compensation approved by convention.
- (c) It remains current in payment of its diocesan assessment and pays its own operating expenses.
- (d) It relies mainly on the freewill offering of its members and its own resources for its core financial support.
- (e) It does not endanger its future well-being by depleting its capital assets.

A self-supporting parish will also display the following hallmarks of health and vitality, which are identified as attributes to ascribe to, rather than as benchmarks of performance or success:

- (a) It is mission-focused and able to come into alignment with Diocesan strategic priorities.
- (b) It is outward-looking and seeks to make an impact on its surrounding community.
- (c) It has clergy (full or part-time) and active lay leadership with the skills to manage the programs and property of the parish ministry to meet its own sense of mission.
- (d) It has the energy and resources to engage the challenges of the community it serves and to provide for the future well-being of parish life.

**Supply Priest:** A priest supplying pastoral and/or sacramental ministry in the absence of a rector, priest-in-charge or vicar. A list of approved supply priests is maintained by the Diocese.

**Vestry:** The elected lay-leaders of the parish, including the Senior and Junior Wardens, who, in concert with the Rector or Priest-in-Charge has responsibility for the direct oversight, fiduciary responsibility, and leadership of the self-supporting parish.

**Vicar:** An ordained leader of a parish; appointed by and reporting directly to the bishop with an annual Letter of Agreement. The vicar is the chief sacramental and liturgical leader, and the ecclesiastical authority of the parish. The vicar serves an assisted parish. He/she has authority and responsibility for worship and the spiritual jurisdiction of the parish, subject to the doctrine and discipline of the Episcopal Church, and the pastoral direction of the bishop. The use of the church and parish buildings and furnishings are under the control of the vicar. The vicar or a designated member of the bishop's committee presides at all vestry meetings.

## **A THEOLOGICAL/CANONICAL RATIONALE FOR CANON 8**

The Church is the Body of Christ; Jesus Christ is the Head and all the baptized are members. The Body finds expression at a number of levels, with the Diocese, made up of the parishes, constituting the local Church. Parishes thus express the Church in a given place. The Body is made up, then, of interconnected and interdependent parts. For the Body to be effective in its mission it must be healthy. The traditional theological and canon law understanding of Church order is built upon the foregoing premise, which extends to every aspect of the life of the Body. To put it into practical terms, in the Episcopal Church the national Church, corporately known as

the Domestic and Foreign Missionary Society of the Protestant Episcopal Church, is the owner of all property (real or otherwise). The Diocese then functions as the steward of the assets of the national Church as a particular local Church. A parish, the smallest constitutive part of the Church, then functions as the local agent, holding its property (real or otherwise) for the benefit of Church as a whole. Additionally, within the stewardship responsibilities of the Diocese, the Trustees (and Executive Council) are charged with maintaining "Temporal Value," the Standing Committee is charged with maintaining "Ministerial Efficacy," and the Bishop is charged with maintaining the "Spiritual Virtue." As such, any of the above may, from time to time, require the authority to amend and adjust the work of the parish (local agent) to ensure that their particular charge is being met; with the understanding that, as steward of that particular aspect of Diocesan ministry, it is their Canonical Obligation to maintain the quality and quantity of the same. Thus, when a part of the Body is not functioning optimally action must be taken to heal and restore it, spiritually or fiscally. It is the role of the Diocese, as steward, to undertake caring for a parish when its condition is unsound for the good of all concerned. This canon provides the means for providing such care, with the ultimate goal of restoring a part of the Body to full health.

The Very Rev. Steven A. Peay, Ph.D.

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**BE IT FURTHER RESOLVED**, that Canon 28, relating to congregations and parish property, be amended, recreated and adopted to read in its entirety as follows:

**CANON 28.**

Of Congregations and Parish Property.

SECTION 1. All regularly-organized congregations within the Diocese shall be known as "Parishes". Parishes may be incorporated and admitted into union with the Council of the Diocese as hereinafter provided.

SECTION 2. No new parish shall be formed within the Diocese without the written consent of the Bishop and of the Standing Committee. Parishes may be admitted into union with the Convention of the Diocese upon its vote, the Convention being satisfied by an appropriate committee that the necessary consents have been received and that the parish to be admitted has been properly incorporated as provided below.

SECTION 3. If a parish seeking to be admitted into union with the Convention of the Diocese has no corporate character, those persons intending to be members thereof shall, upon receipt of the consents specified above, meet, subsequent to due notice, for the purposes of (A) electing Wardens and Vestry members as provided in Canon 15, and (B) adopting such By-Laws as shall distinctly accede to the constitution and Canons and the Doctrine, Discipline and Worship of the Diocese of Milwaukee, and which shall otherwise serve to govern the parish. The Wardens and Vestry members, when elected, shall proceed to incorporate the parish.



SECTION 4. In the event of the dissolution of any parish, all property, real and otherwise, owned by or held for the use of such parish shall be conveyed to and transferred to the custody of "The Episcopal Diocese of Milwaukee, Inc." and the parish corporation, if any, dissolved in the manner provided by law.

SECTION 5. Title to any real estate given to or purchased by any parish not yet admitted into union with the Convention of the Diocese as provided above shall be vested in "The Episcopal Diocese of Milwaukee, Inc." until such time as the parish shall be so admitted as provided above, whereupon title to such real estate shall be conveyed to the parish by the Diocese, as trustee.

## **EXPLANATION**

Existing Canon 28 has been amended to remove unnecessary and archaic verbiage, and to delete section 2, relating to parish status and oversight, which are now governed by new Canon 8. Canon 28 is otherwise unchanged.

Submitted by Task Force on Canon 28 "Of Congregations"

Bill Robison (Trinity, Wauwatosa)  
Kathryn Farseth (St. Peter's, West Allis)  
Mary Washbush (St. James, Milwaukee)  
Ron Johnson (St. Francis, Menomonee Falls)  
Janet Finn (Holy Trinity, Prairie du Chein)  
Stuart Parsons (Chancellor)  
Scott Leannah (St. Mary's, Dousman)  
Andrew Jones (St. Andrew's, Madison)  
Martha Berger (St. Francis, Menominee Falls)  
Miranda Hassett (St. Dunstan's, Madison)  
Joel Prather (Christ Church, Delavan)  
David Simmons, Standing Committee President (St. Matthias, Waukesha)  
The Rev. Dr. Steven Peay (Associate Dean, All Saints Cathedral)

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## **2019 CLERGY MINIMUM COMPENSATION**

**BE IT RESOLVED**, that the clergy compensation levels for 2019 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 2.355% whichever is greater. This calculated percent is derived from a blended formula consisting of four economic indicators (see explanation).

<b>YEARS EXPERIENCE</b>	<b>MINIMUM TOTAL CASH COMPENSATION*</b>
0 – 2 YEARS	\$56,525
3 – 7 YEARS	\$61,559
8 – 12 YEARS	\$69,950
13 – 18 YEARS	\$78,340

\* The Total Cash Compensation (TCC) package is defined as the sum of salary (stipend), housing and utilities allowance, and self-employment tax (SECA); 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**

The Professional Standards Committee surveyed the other dioceses in our province (Province V) as well as many others around the country. The committee recommended the change in groupings and number of indices used beginning in 2016, as it is in keeping with our philosophy, simplifies the process and it is in keeping with the method used by many other dioceses in The Episcopal Church. The amounts in the groupings were derived from taking the median amount in that range from the 2015 compensation levels.

A parish should also 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 164<sup>th</sup> 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 2019

Economic Indicator	Rate	Weight	Net
Current Inflation Rate <a href="http://www.Inflationdata.com">http://www.Inflationdata.com</a>	1.9%	0.20	0.38%
Federal Cost of Living Adjustment (COLA) estimate 2018 <b>Sources:</b> <a href="http://www.federalretirement.com">http://www.federalretirement.com</a> <a href="http://federalretirement.net/cola.htm">http://federalretirement.net/cola.htm</a>	2.0%	0.30	0.60%
Consumer Price Index (CPI) estimate from Office of Management and Budget <b>Sources:</b> <a href="https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf">https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/budget/fy2018/budget.pdf</a> (Table S-9, Economic Assumptions)	2.7%	0.25	0.675%
U.S. Dept. of Labor – Private Industry Compensation (average of last four quarters, September 2016-June 2017) <b>Sources:</b> <i>Employment Cost Index – June 2017</i> , Press Release, July 2017, Bureau of Labor Statistics, U.S. Department of Labor, p. 3 <a href="http://www.bls.gov/news.release/pdf/eci.pdf">http://www.bls.gov/news.release/pdf/eci.pdf</a> <a href="http://www.dol.gov">http://www.dol.gov</a> <a href="http://data.bls.gov/timeseries/CIU2010000000000A">http://data.bls.gov/timeseries/CIU2010000000000A</a>	2.8%	0.25	0.70%
<b>Total</b>		<b>1.00</b>	<b>2.355%</b>

### **Other considerations:**

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 2019 must be completed no later than December 31, 2018.
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 SECA is still used to compute pension fund payments and self-employment tax.

### **The Clergy Compensation Philosophy for the Episcopal Diocese of Milwaukee is as follows:**

In the Episcopal Diocese of Milwaukee, compensation of clergy is to be a faithful expression of the ministry, responsibility and professional education and training that are requisite for ordained ministry in this Church. Establishing fair compensation for clergy persons takes into account that clergy are both employees and spiritual leaders. We recognize that a healthy Christian relationship does not relegate compensation of clergy or lay employees to whatever is left over after other expenses have been met. Our churches are neither healthy nor well-served by not paying for the services they are receiving. In the past, at the end of the tenure of a priest who was “flexible” or “understanding” about accepting below-market compensation, a congregation could unexpectedly find that it did not have the financial resources needed to call another priest. No one was served well in this dynamic and so we have worked as a diocesan community to ensure that all clergy are compensated fairly and at a minimally acceptable level.

Congregations need to be sure that they are offering a competitive wage that will continue to bring clergy to serve the needs of the congregation and community. Clergy ought to be compensated at a level that recognizes their professional training and experience as well as the demands of the position. Determining a fair level of clergy compensation is the responsibility of parish leadership. Diocesan minimum compensation amounts are to be understood as just what the name signifies – a minimum. We certainly don't expect a minimum of effort from our clergy and so there should be discussion about how increases in salary are to be calculated and on what basis they may be offered. Parishes and clergy are encouraged to enter into faithful dialogue so that all can come to an agreement that is deemed fair and appropriate. This will require prayer and discernment as well as frank and open dialogue. To aid in such a discussion, a parish may request input from the Office of the Bishop to assist the wardens, treasurer and other appropriate people to help the congregation accurately understand its current financial situation and compensation practices and the true cost of employing a clergy person. Such a financial review is essential for looking at issues of vitality, mission and ministry. It is the responsibility of parish leadership to represent an accurate parish profile that includes an objective assessment of a parish's ability to afford full-time or part-time clergy ministry based on diocesan-established minimum compensation amounts.

Several parishes in this diocese employ part-time clergy. The Office of the Bishop and the Canon for Congregations will assist with compensation agreements for part-time clergy.

The Diocese has adopted a policy regarding paid sabbatical leaves for full-time stipendiary clergy. The congregation and the clergy member will agree on how long the clergy member must serve to receive paid sabbatical leave. This is not time to engage in a job search but rather is for rest, renewal, continuing education and spiritual enrichment. Sabbatical leave must be used to be paid. Sabbatical leave is not a vested benefit. Unused sabbatical will not be paid out, in whole or in part, when the service of the clergy member to the congregation ends. Part-time clergy may wish to pursue a sabbatical. Those who wish to do so are encouraged to contact the Office of the Bishop to discuss this possibility.

It is expected that all congregations will review clergy compensation annually. Letters of Agreement between the ordained leader and the congregation provide a great opportunity for an annual discussion and review of the entire mission and ministry of the congregation and about the ministry of the ordained leader in particular. This review also provides an advantageous time to establish goals for the coming year, and to deal with any areas of conflict or disappointment that have not received adequate attention and may adversely affect their mutual ministry. Mutual ministry reviews are understood to be separate from but integral to clergy performance, evaluation and compensation considerations. The mutual ministry review, clergy evaluation and compensation review are all essential parts of strengthening this ongoing, collaborative relationship. Please contact Canon Peggy Bean, Canon for Congregations, at [bean@diomil.org](mailto:bean@diomil.org) or 414.272.3028 for assistance with this aspect of parish life.

**Submitted by:**

Mr. Clyde Bachand, Diocesan Treasurer

## CLERGY COMPENSATION FAQs

**Q: Can a clergy contract effective date be changed to January for easier calendar year budgeting?**

**A:** *Yes, you can have a partial year contract and then one with a January effective date if the clergy and congregation agree. Letters of Agreement should always be reviewed on an annual basis. Many congregations find it best to do so during their budget process to address any compensation or benefit changes.*

**Q: Should congregations pay a housing equity allowance?**

**A:** *Although once a common practice, this is no longer recommended given the changes in the housing market.*

**Q: What is the minimum HSA contribution amount? What is the maximum?**

**A:** *The minimum contribution for 2019 is \$2,500, for single and \$4,950 for family. The maximum contribution for 2019 is \$3,500 for single, \$4,500 for single age 55+, \$7,000 for family and \$8,000 for family age 55+. This information can also be found on the diocesan website and will change annually. Medicare recipients may not have an HSA account. If a clergy person or spouse enrolls in Medicare during the year, some of the HSA money may be considered to be taxable income. Please consult with your accountant or contact Diocesan staff for further information.*

**Q: The minimum compensation resolution shows a COLA increase plus ranges based on years of service. Should clergy receive both increases if he or she moves to a higher range?**

**A:** *No. The raise should be either the COLA percentage or the range increase, whichever is larger.*

**Q: What if our congregation cannot afford to pay the increase?**

**A:** *We understand that there may be extenuating circumstances, and exceptions may be made. Any exceptions must be approved by the Office of the Bishop.*

**Q: When calculating years of service to determine the appropriate compensation range, do years of service in another diocese count? What about with another denomination?**

**A:** *Years of service in another Episcopal diocese certainly count. Years of service as ordained clergy in another denomination may well be factored in. We suggest a conversation with the Office of the Bishop to help make that determination.*

**Q: Does the amount a congregation pays clergy towards SECA need to be a separate calculation/line item or can the amount just be included in the cash compensation total?**

**A:** *It does not have to be a separate line item. If you aren't going to identify it separately, CPG recommends that this is clearly spelled out in your Letters of Agreement. CPG lists all reported SECA amounts on the Personal Information Summary they supply to clergy. They apparently get a lot of inquiries from clergy when the value on the SECA line is zero. Some congregations list it separately as information for their members. Many lay people don't know that clergy are considered to be self-employed and must pay SECA themselves.*

**Q: Can we use a fixed amount (that includes utilities) for the FMRV (fair market rental value) for church-provided housing or do we have to use CPG's 30% calculation?**

**A:** *CPG said that using the fixed dollar amount for FMRV and utilities is the proper way for parishes to calculate housing for IRS reporting purposes. For pension purposes, CPG will use the 30% to calculate the housing allowance.*

**Q: How do we determine FMRV (fair market rental value)?**

**A:** *We recommend having a realtor provide a letter stating the FMRV of the house furnished. This would need to be updated periodically.*