Teacher
Compensation Guidelines
Minnesota South District
The Lutheran Church—Missouri Synod

Current Rate
Effective July 1, 2012—June 30, 2013

Base Rate: $35,349
IRS Rate Per Mile: $.565

Revised
July 2012

This guide will remain in effect until superseded. It is designed for use over a period of years. If you are not sure this is the most current issue, call the District Office at 952-223-2156.

Introduction

All full time teachers and principals are included in this guideline. This guideline is for use by congregations and their salary committees. Copies should be made for the committee responsible for setting salaries, and originals filed for future years. It should not be construed as a mandatory set of rules, rather as recommendations to assist congregations in deciding issues which are common to all teachers and congregations.

Preparation

Communication is vital. A salary review committee appointed by the congregation should annually discuss compensation issues with all its workers. The goal is to discover feelings and issues that need addressing and to assure that needs are being properly met.

Scripture has clear words of instruction for us in matters pertaining to the compensation of church workers (I Thessalonians 5:12-13; I Timothy 5:17; Galatians 6:6). The review committee and the congregation should know and understand this counsel. From these passages it is evident that we must treat those who labor in our midst with loving care and respect. Also it is evident that good work deserves good pay. Therefore the matter of merit should receive serious attention. Talk pieces to discuss finances and job satisfaction are included in this mailing.

General

The Guidelines update the base numbers for the 2012-2013 period.

Congregations are encouraged not to reduce other benefits such as the Concordia Worker Benefit Plans. While these plans are a significant expense to the congregation, they do provide to your worker the utmost for health care and provide a retirement plan that is supplemental to what Social Security offers.

How to Use This Guide

This document is linked with two other compensation guidelines, one for DCE/DCO/Deaconess and another for pastors. All three share a Common Base Rate for determining salary. This number is used in connection with a multiplier table to arrive at the desired compensation. Usually only two numbers will change each year, the Compensation Base Rate and the mileage rate as set by the IRS. These numbers will be published each year in a Compensation Advisory Letter. It is suggested you write the current numbers on a copy of this sheet, in the space at the lower left.

This guide divides the compensation into four groupings.

Base Compensation Group:
- Salary
- Housing & Utilities

Supplemental Income:
- FICA (Social Security) reimbursement
- TSA (Tax Sheltered Annuities & IRAs)
- Home Equity Support

Supplemental Benefits:
- Health, Survivor and Retirement Plans
- Vacations
- Sick Leave

Professional Expenses:
- Car Allowance
- Books
- Continuing Ed, Conferences

Multiplier Table

YEARS	Non–Synodically Trained BA	Level 1 Teacher BA	Level 2 Teacher BA + 18 hrs	Level 3 Teacher MA	PRINCIPAL
0	0.900	1.000	1.042	1.134	1.220
1	0.929	1.032	1.074	1.168	1.255
2	0.958	1.065	1.106	1.202	1.29
3	0.987	1.097	1.138	1.236	1.325
4	1.016	1.129	1.170	1.270	1.359
5	1.046	1.162	1.204	1.340	1.394
6	1.075	1.194	1.239	1.373	1.429
7	1.104	1.226	1.275	1.407	1.464
8	1.133	1.259	1.311	1.441	1.499
9	1.162	1.291	1.348	1.475	1.534
10	1.191	1.323	1.385	1.509	1.569
11	1.214	1.349	1.414	1.543	1.604
12	1.238	1.375	1.441	1.572	1.635
13	1.258	1.398	1.466	1.602	1.666
14	1.277	1.419	1.490	1.631	1.696
15	1.296	1.440	1.514	1.661	1.728
16	1.303	1.448	1.528	1.688	1.756
17	1.310	1.455	1.538	1.704	1.772
18	1.317	1.463	1.547	1.716	1.784
19	1.324	1.471	1.556	1.726	1.795
20	1.331	1.479	1.564	1.735	1.804
21	1.332	1.480	1.567	1.741	1.811
22	1.333	1.481	1.570	1.746	1.816
23	1.334	1.483	1.571	1.748	1.818
24	1.335	1.484	1.572	1.749	1.819
25	1.336	1.485	1.573	1.750	1.820
26	1.337	1.486	1.574	1.751	1.821
27	1.338	1.487	1.575	1.752	1.822
28	1.339	1.488	1.576	1.753	1.823
29	1.340	1.489	1.577	1.754	1.824
30	1.341	1.490	1.578	1.755	1.825
31	1.342	1.491	1.579	1.756	1.826
32	1.343	1.492	1.580	1.757	1.827
33	1.344	1.493	1.581	1.758	1.828
34	1.345	1.494	1.582	1.759	1.829
35	1.346	1.495	1.583	1.760	1.830
36	1.347	1.496	1.584	1.761	1.831
37	1.348	1.497	1.585	1.762	1.832
38	1.349	1.498	1.586	1.763	1.833
39	1.350	1.499	1.587	1.764	1.834
40	1.351	1.500	1.588	1.765	1.835

Base Compensation

A. Table

The table above recognizes two factors: years of experience and degree. Multiply the appropriate number above by the Base Rate issued by the District Office each year.

The base rate reflects a full-time salary for a teacher (male/female) providing service to the congregation/school for a full school year. Congregations also are encouraged to consider the base salary for public school teachers in their community as they set salaries. The Lutheran teacher merits the same base pay as the local public school teacher.

Three scales cover the rostered teacher (Level 1, Level 2, and Level 3). The rostered teacher begins at Level 1 and may progress to Levels 2 and 3.

Level 1: Teacher
Requirements: On the teacher roster of Synod and a Bachelor's Degree.

Level 2: Teacher
Requirements: Has a Bachelor's Degree plus 18 or more credits toward a Master's Degree in Education.

Level 3: Teacher
Requirements: Has a Master's Degree in Education.

Non-synodically trained teachers have received their training at a public or private university and are not eligible for the roster of Synod as a "Minister of Religion, Commissioned." Such teachers should be encouraged to enter the teacher colloquy program. For further information go to www.cuenet.edu.

When calculating the salary for a Lutheran teacher who is eligible for the roster of Synod, but has chosen not to be on the roster of Synod, you should use Level 1, 2, or 3, rather than the Non-synodically BA level.

Most principals serve also as classroom teachers. However, the scale to use is the Principal Scale. When calculating the principal's experience years, his or her teaching experience should be included.

Housing and utilities are included in the multiplier. If a teacherage is provided an adjustment can be made in accordance with section B.

B. Adjustments

To the number arrived with the multiplier, add or subtract the following:

1. *Housing and Utilities:* The base salary includes housing and utilities. If a teacherage is provided, subtract 28.5% (or multiply the number by 0.715).
2. *Additional Duties:* If the teacher has additional duties such as responsibilities in music, youth, athletics, or as an assistant to the principal, add 5% to 15% depending on the nature of the added work.
3. *Regional Economic Adjuster:* To allow for cost of living variances around the state, multiply the base salary by a number between 0.9 and 1.1 depending on the per capita income in your county. Look up your county in the table below and use the index number given as your multiplier.

CTY	IDX	CTY	IDX
Anoka	1.06	Mower	1.02
Blue Earth	1.04	Murray	0.94
Brown	1.02	Nicollet	1.02
Carver	1.10	Nobles	1.00
Cottonwood	0.98	Olmsted	1.10
Dakota	1.10	Pipestone	0.94
Dodge	1.00	Ramsey	1.10
Faribault	0.96	Redwood	1.00
Fillmore	0.96	Renville	0.98
Freeborn	0.96	Rice	0.98
Goodhue	1.06	Rock	0.98
Hennepin	1.10	Scott	1.10
Houston	1.02	Sibley	0.92
Jackson	0.96	Steele	1.08
LeSueur	1.02	Wabasha	1.02
Lincoln	0.90	Waseca	0.98
Lyon	1.06	Washington	1.10
McLeod	1.04	Watonwan	0.96
Martin	1.00	Winona	1.00
Meeker	0.96	Wright	1.02

4. *Example:* Teacher Mary has 10 years experience, is not furnished housing, serves a congregation located in an area with a per capita income of $19,000, and she is a Level 2 teacher:

Step 1: (Base salary): [1] $35,349 × 1.385 (10 yrs) = $48958
Step 2: (Regional Economic Adj): $49958× 1.04 = $50917

The numerical salary recommendation is $50917. Proceed now to section C for additional guidance.

[1] This number is the "Base Rate" number. It changes each year with inflation—this particular number is used for illustration purposes only.

C. Recommended Procedure

These are the recommended steps to determine teacher's salary for the next term:

1. The principal and the school board reviews the performance of the teacher in accordance with standard expectations and determines that performance has been:
   a. Exceptional
   b. Above average
   c. What is expected
   d. In need of improvement
   e. Less than satisfactory

2. The principal with the school board determines if a level change has been earned and, if so, decides to include this status change in the proposal package.

3. The principal with the school board examines the present salary of the teacher compared with the salary given by the multiplier table and recommends an appropriate increase.

A "Standard" increase: Where the teacher is situated near the scale figure corresponding to his or her experience level, the normal increase would consist of an inflation factor (built into the scale because it is moved up annually) plus one year's experience increment. The combination of these factors results in a higher percentage increase for the younger teachers because they are working in a period of more rapid personal growth and development.

A "Non-standard" increase: An example of this would occur when the teacher has been promoted to a higher level. Here the teacher not only moves down on the scale for an additional year of experience, but also moves to the right from one Level to another Level on the Multiplier Table. The result is an above average increase. Another example would occur when the teacher's present pay is considerably below where the table indicates it should be and performance has been good. This should result in an above average increase, although in extreme cases it could take several years to "catch up".

4. The recommendation formed above should now be coordinated with the congregation salary review committee which is also responsible for the salaries of the other church workers. In the case of all church workers, whether a pastor, DCE, or teacher, the congregation should be told how the salaries compare with the guideline and the reason(s) for any variance, be it above or below the guideline.

D. FICA (Social Security)

Teachers are required to enroll. Rostered teachers as "self employed" people are accountable for the entire cost. If the teacher is on the regular (off-set) basis of the Concordia Retirement Plan, **the congregation is required to reimburse** the teachers the difference between the Regular Basis and the Full Basis. Teachers on the Full Basis, do not receive this additional payment since the congregation is contributing a larger amount to the retirement plan on the Full Basis. When either of these reimbursements is made, that amount is considered taxable.

E. Home Equity Support

In prior years the MNS District encouraged congregations to provide a Home Equity Plan (HEP) when a home was provided for the worker. This provided a way to have the worker save for a house on a tax-deferred basis. However, significant changes in the federal law now make this illegal and all congregations had to stop this practice as of December 31, 2004. Previously deferred HEP funds (on or before December 31, 2004) and earnings on these funds are unaffected.

The congregation can still provide to the worker additional annual compensation which the worker can deposit in a tax-sheltered annuity, a traditional IRA, or a Roth IRA.

Another option would be for the congregation to increase the salary of the worker by an amount equal to the former home equity contribution.

Supplemental Benefits

A. Concordia Plan Services

The LCMS Concordia Plan Services consist of the:

1. Concordia Health Plan (Medical/Dental) (CHP)
2. Concordia Disability and Survivors Plan (CDSP)
3. Concordia Retirement Plan (CRP) or
4. The Church's Plan

The congregation is responsible for all payments to the Retirement and Disability and Survivors Plans.

When the worker is enrolled in the Concordia Retirement Plan on the Regular (off-set) Basis the congregation is required to pay the worker the difference between the Regular Basis and the Full Basis, so that this amount can be applied by the worker to his FICA payments. If the congregation is already helping the worker with the FICA payments, this reimbursement should not be made.

Examples:

Married worker with Housing Allowance
(Salary + Housing Allowance) × 3.0%* = Offset

Married worker in Parsonage/Teacherage
(Salary + Furnishing/Utility allowance + 25% of Salary) × 3.0%* = Offset

Single worker with Housing Allowance
(Salary + Housing Allowance) × 2.3%* = Offset

Single worker in Parsonage/Teacherage
(Salary + Furnishing/Utility allowance + 25% of Salary) × 2.3%* = Offset

* 2006 rates. Any change in rates will be found in the annual Compensation & Benefit Guidelines of the Concordia Retirement Plans sent annually to the congregation treasurer.

It is recommended that the congregation pay for health care coverage for the entire family.

Detailed information on the Concordia Plan Services can be obtained by calling the Concordia Plan Services Office in St. Louis: 1-888-927-7526.

B. Vacation

The congregation should have a documented policy covering all workers. The following schedule of vacation time is recommended for teachers on a 12-month work schedule:

Total Years of Church Service	Weeks of Vacation
1-10	3
11-25	4
Over 25	5

C. Sick Leave (Short Term)

While it is not the purpose of the Salary Compensation Guidelines to set the congregation's Personnel Policies, it should be acknowledged that providing for time-off due to illness is in the best interest of the congregation by protecting the health of your workers. Without such days, there is a risk of having your worker attempting to carry out responsibilities while seriously ill. It is suggested that sick leave be granted in accordance with the Concordia Disability and Survivor Plan, that is, fourteen (14) days per year. After fourteen days of illness, the Concordia Disability Plan provides wage replacement.

Professional Expenses

A. Automobile

When the teacher or principal is required to use his or her personal auto for church or school related work he/she should be compensated for at the currently allowed IRS rate. The IRS rate is provided to you at the top of the first page of this document. Should you not have the current number you may obtain it by calling the IRS at 1-800-829-1040 or the District Office at (952) 223-2156.

The IRS rate is quoted in "cents per mile". When multiplied by the miles actually driven the resulting amount may be deducted from income. This amount covers all costs to replace, repair, insure and operate an automobile.

If an auto allowance is granted by the congregation, in lieu of a reimbursement plan based on actual miles driven, the worker is required by law to report the mileage accrued for "business" related travel. If the actual mileage experienced is below the granted auto allowance, the excess must be reported as regular income.

B. Continuing Education

The teacher or principal should be encouraged to pursue a self improvement program. This could include course work he or she determines will improve classroom effectiveness, whether or not this course work is credit related. The teacher or principal should be encouraged to attend workshops and conferences programmed by the District. A minimum of $300 should be budgeted annually for each teacher or principal to be utilized for expenses in this category.

NOTES: