

**January 10, 2017**

**About the CNH District Salary Guidelines...**

The CNH District Salary Guidelines are supporting tools for congregations to determine the fair compensation for their called workers. Salary Guidelines are reviewed for the cost-of-living adjustment (COLA) annually. COLA is based on the four factors: US Inflation Calculator, CPI for US City (less food and energy), CPI for West Urban and CPI for San Francisco-Oakland-San Jose, CA. All CPI data is from the Bureau of Labor Statistics. Congregations may choose a different COLA if that is more appropriate.

Wage laws may vary in different cities and counties within California. Each congregation should maintain a local policy document, which should contain additional guidance in setting salaries and comply with the local laws. The rule of thumb is the more generous rules apply.

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**2017 Salary Guidelines**

**Cost of Living Adjustment (COLA) for 2017**

The Board of Directors approved 2% as the COLA for 2017. Below is the summary of the adjustment for Pastor (Sole/Associate, with staff and with school), DCE/DCO/DFM, and Principals.

Monthly Base Salary for Level	2016 Monthly Base Salary	2017 COLA	2017 Monthly Base Salary	2017 Annual Salary
Extra Low	3,795	76	<b>3,871</b>	<b>46,452</b>
Low	4,127	83	<b>4,210</b>	<b>50,520</b>
Medium	4,593	92	<b>4,685</b>	<b>56,220</b>
High	5,061	101	<b>5,162</b>	<b>61,944</b>

**Teacher salaries adjustment (Not included in the table above):**

The District Salary Guidelines for teacher salaries are based on California’s wage and hour laws. In September, 2016, the California governor approved changes to the overtime law. New rules on overtime exemption for private school teachers are expected to be effective July 1, 2017. Therefore, the salaries for teachers, ECE Directors and Preschool teachers are not updated in these guidelines.

Please add 2% to your current rate if it is equal to or higher than the rates stated (pages 7-10) in these guidelines. Our education department is monitoring the changes closely. We will update the teachers’ salaries when changes are final. If you have any questions, please email Joel Koerschen at joel@cnh-lcms.org.

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**Housing Allowance**

Compensation in the District Salary Guidelines includes salary and housing allowance if housing allowance is applicable. For example, a pastor with an annual salary of \$90,000 requests \$40,000 as his housing allowance. Therefore, the annual earning allocation for this pastor is \$40,000 as housing allowance and \$50,000 as salary for a total of \$90,000. If this pastor requests \$30,000 as housing allowance, his salary will be \$60,000. The total does not change.

Details for housing allowance can be found in Congregational Treasurer’s Manual, Chapter 2 at [www.lcms.org/resources/churchadministration](http://www.lcms.org/resources/churchadministration)

**New housing cost comparison report:**

New housing cost comparison is available. The data came from [www.bestplaces.net/cost-of-living/](http://www.bestplaces.net/cost-of-living/)

The assumption is based on a worker working and living in the same city. We regret for not being able to include all cities where our congregations are located. Congregations may choose a different cost-of-living level if that is more appropriate.

Existing workers' salaries should not be reduced due to the lower ranking in the new housing cost comparison report.

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**Guidelines for Vacation**

1-5 service years: 2 weeks of vacation per year  
6-10 service years: 3 weeks of vacation per year  
10+ service years: 4 weeks of vacation per year

- Service years for the same position with any LCMS affiliated organization should be honored in the determination of vacation.

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**Note for Sick Leave Policy-California (AB1522)**

Churches and Parochial schools are not exempt from the Paid Sick Leave.

“An employee who, on or after July 1, 2015, works in California for 30 or more days within a year from the beginning of employment, is entitled to paid sick leave. Employees, including part-time and temporary employees, will earn at least one hour of paid sick leave for every 30 hours worked. Accrual begins on the first day of employment or July 1, 2015, whichever is later.”

An employer may limit the amount of paid sick leave an employee can use in one year to 24 hours or three days. Accrued paid sick leave may be carried over to the next year, but it may be capped at 48 hours or six days.”

For more information, visit the website for State of California-Department of Industrial Relations. Or click this link: <https://www.dir.ca.gov/DLSE/ab1522.html>

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**Concordia Worker's Benefits:**

Concordia Plan Services provides Concordia Health Plans (CHP), Concordia Retirement Plan (CRP), Concordia Disability and Survivor Plan (CDSP), and Accident Insurance Plan (AIP).

If Congregations choose to participate with Concordia Worker's Benefits, all workers who are employed more than 20 hours per week and more than five months per year are required to sign up for CRP and CDSP.

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*Submitted by Denise C. Lo, Business Administrator, CNH District-LCMS*

**CNH District Salary Scale Pastor (Sole/Associate)**

Variance from these levels should be uniform for all workers.

Monthly Base for levels-includes the 2.0% cost of living adjustment in 2017

Extra-Low	3,871
Low	4,210
Medium	4,685
High	5,162

Additional Annual Compensation for Education

Master's Degree (STM, MFCC) \$1,000

Doctorate (PhD, D. Min, etc.) \$2,000

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

**Computation Table**

Base Multiplier	<u>1.30</u>
Add 0.025 for each year of the first five years of church work experience	<u>          </u>
Add 0.020 for each year of the second five years of church work experience	<u>          </u>
Add 0.015 for each additional year (after 10) of church work experience	<u>          </u>
Add 0.010 for each year of non-church work experience	<u>          </u>
Total multipliers	<u>          </u>
Monthly base salary	<u>          </u>
Total multipliers times monthly base salary	<u>          </u>
Then multiply by the number of months worked for annual compensation	<u>          </u>
Add compensation for additional education	<u>          </u>
Total annual compensation (incl. housing if applicable)	<u><u>          </u></u>

**EXAMPLE**

A sole pastor working in Sacramento with 25 years of church experience, a master's degree (STM).  
 Pastor requested and was approved \$40,000 for housing allowance

Base Multiplier	<u>1.300</u>
Add 0.025 for each year of the first five years of church work experience	<u>0.125</u>
Add 0.020 for each year of the second five years of church work experience	<u>0.100</u>
Add 0.015 for each additional year (after 10) of church work experience	<u>0.225</u>
Add 0.010 for each year of non-church work experience	<u>0.000</u>
Total multipliers	<u>1.750</u>
Monthly base salary	<u>4,210</u>
Total multipliers times monthly base salary	<u>7,368</u>
Then multiply by the number of months worked for annual compensation	<u>\$ 88,410</u>
Add compensation for additional education	<u>1,000</u>
Total annual compensation (incl. housing if applicable)	<u><u>\$ 89,410</u></u>

**CNH District Salary Scale Pastor (with staff)**

Variance from these levels should be uniform for all workers. Staff is defined as a professional church worker supervised by the Pastor

Monthly Base for levels-includes the 2.0% cost of living adjustment in 2017

Extra-Low	3,871
Low	4,210
Medium	4,685
High	5,162

**Additional Annual Compensation for Education**

Master's Degree (STM, MFCC) \$1,000

Doctorate (PhD, D. Min, etc.) \$2,000

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

**Computation Table**

Base Multiplier	1.40
Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation (incl. housing if applicable)	=====

**EXAMPLE**

A sole pastor with staff working in Sacramento with 25 years of church experience, a master's degree (STM). Pastor requested and was approved \$40,000 for housing allowance

Base Multiplier	1.400
Add 0.025 for each year of the first five years of church work experience	0.125
Add 0.020 for each year of the second five years of church work experience	0.100
Add 0.015 for each additional year (after 10) of church work experience	0.225
Add 0.010 for each year of non-church work experience	0.000
Total multipliers	1.850
Monthly base salary	4,210
Total multipliers times monthly base salary	7,789
Then multiply by the number of months worked for annual compensation	\$ 93,462
Add compensation for additional education	1,000
Total annual compensation (incl. housing if applicable)	\$ 94,462

**CNH District Salary Scale Pastor (with School)**

Variance from these levels should be uniform for all workers. Staff is defined as a professional church worker supervised by the Pastor

Monthly Base for levels-includes the 2.0% cost of living adjustment in 2017

Extra-Low	3,871
Low	4,210
Medium	4,685
High	5,162

**Additional Annual Compensation for Education**

Master's Degree (STM, MFCC) \$1,000

Doctorate (PhD, D. Min, etc.) \$2,000

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

**Computation Table**

Base Multiplier	1.60
Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation (incl. housing if applicable)	=====

**EXAMPLE**

A sole pastor with school working in Sacramento with 25 years of church experience, a master's degree (STM). Pastor requested and was approved \$40,000 for housing allowance

Base Multiplier	1.600
Add 0.025 for each year of the first five years of church work experience	0.125
Add 0.020 for each year of the second five years of church work experience	0.100
Add 0.015 for each additional year (after 10) of church work experience	0.225
Add 0.010 for each year of non-church work experience	0.000
Total multipliers	2.050
Monthly base salary	4,210
Total multipliers times monthly base salary	8,631
Then multiply by the number of months worked for annual compensation	\$ 103,566
Add compensation for additional education	1,000
Total annual compensation (incl. housing if applicable)	\$ 104,566

**CNH District Salary Scale DCE/DCO/DFM**

Variance from these levels should be uniform for all workers. Any additional duties (i.e. Sport coach, Choir Director) should be added to the salary in accordance with congregational policies.

Monthly Base for levels-includes the 2.0% cost of living adjustment in 2017

Extra-Low	3,871
Low	4,210
Medium	4,685
High	5,162

Additional Annual Compensation for Education

LCMS DCE Certification \$600

Master's Degree \$1,000

Doctorate \$2,000

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

**Computation**

Base Multiplier	1.00
Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation (incl. housing if applicable)	=====

**EXAMPLE**

A DCE working in Sacramento with 25 years of church experience, with a LCMS DCE Certificate. DCE requested and was approved \$40,000 for housing allowance

Base Multiplier	1.000
Add 0.025 for each year of the first five years of church work experience	0.125
Add 0.020 for each year of the second five years of church work experience	0.100
Add 0.015 for each additional year (after 10) of church work experience	0.225
Add 0.010 for each year of non-church work experience	0.000
Total multipliers	1.450
Monthly base salary	4,210
Total multipliers times monthly base salary	6,105
Then multiply by the number of months worked for annual compensation	\$ 73,254
Add compensation for additional education	600
Total annual compensation (incl. housing if applicable)	\$ 73,854

**CNH District Salary Scale Principal**

Variance from these levels should be uniform for all workers. Staff is defined as a professional church worker supervised by the Pastor.

Monthly Base for levels-includes the 2.0% cost of living adjustment in 2017

Extra-Low	3,871
Low	4,210
Medium	4,685
High	5,162

Additional Annual Compensation for Education

State Teaching Credential \$600	Education Specialist \$1,500
Lutheran Teacher's Diploma \$600	Doctorate \$2,000
Master's Degree \$1,000	

Note: Any Compensation for additional education should be added only if the additional education is needed for the job performed.

**Computation Table**

Base Multiplier (choose one of the following):

- 1.4 if enrollment is less than 200
- 1.6 if enrollment is between 201 and 350
- 1.8 if enrollment is larger than 350

Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation (incl. housing if applicable)	=====

EXAMPLE

A principal working in Sacramento with 25 years of church experience, a master's degree, a Lutheran Teacher's Diploma. School enrollment is 195. Compensated on 12 months basis. Principal requested and was approved \$40,000 for housing allowance

Base Multiplier	_____	1.400
Add 0.025 for each year of the first five years of church work experience	_____	0.125
Add 0.020 for each year of the second five years of church work experience	_____	0.100
Add 0.015 for each additional year (after 10) of church work experience	_____	0.225
Add 0.010 for each year of non-church work experience	_____	0.000
Total multipliers	_____	1.850
Monthly base salary	_____	4,210
Total multipliers times monthly base salary	_____	7,789
Then multiply by the number of months worked for annual compensation	\$	93,462
Add compensation for additional education	_____	1,600
Total annual compensation (incl. housing if applicable)	\$	95,062

**CNH District Salary Scale: K-12 Teacher**

Monthly Base for levels\*

Extra-Low	3,467	* Please see page 1 for additional information
Low	3,822	
Medium	4,253	
High	4,687	

Compensation for additional education

State Teaching Credential \$600	Education Specialist \$1,500
Lutheran Teacher's Diploma \$600	Doctorate \$2,000
Master's Degree \$1,000	

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

**Computation Table**

Base Multiplier	<u>1.00</u>
Add 0.025 for each year of the first five years of church work experience	<u>          </u>
Add 0.020 for each year of the second five years of church work experience	<u>          </u>
Add 0.015 for each additional year (after 10) of church work experience	<u>          </u>
Add 0.010 for each year of non-church work experience	<u>          </u>
Total multipliers	<u>          </u>
Monthly base salary	<u>          </u>
Total multipliers times monthly base salary	<u>          </u>
Then multiply by the number of months	<u>          </u>
Add compensation for additional education	<u>          </u>
Total annual compensation (incl. housing if applicable)	<u><u>          </u></u>

**EXAMPLE**

A teacher works in Sacramento with 25 years of church experience, a credential, a master's degree in education in a school where that additional education would be important, and is compensated on a 10 month basis

Base Multiplier	<u>1.000</u>
Add 0.025 for each year of the first five years of church work experience	<u>0.125</u>
Add 0.020 for each year of the second five years of church work experience	<u>0.100</u>
Add 0.015 for each additional year (after 10) of church work experience	<u>0.225</u>
Add 0.010 for each year of non-church work experience	<u>0.000</u>
Total multipliers	<u>1.450</u>
Monthly base salary	<u>3,822</u>
Total multipliers times monthly base salary	<u>5,542</u>
Then multiply by the number of months	<u>\$ 55,419</u>
Add compensation for additional education	<u>1,600</u>
Total compensation-10 months	<u><u>\$ 57,019</u></u>



**ECE Director Salary Scale**

The overtime exemption does not apply to ECE Directors, therefore, they should received overtime when it's earned.

	<u>Hourly Rate</u>	<u>Monthly</u>
Extra-Low	18.27	3,167
Low	18.89	3,274
Medium	21.02	3,644
High	23.16	4,014

Additional Annual Salary for Education

	<u>Hourly Rate</u>	<u>Monthly</u>	<u>Yearly</u>
B.A. Degree	\$ 0.29	50.00	600.00
Lutheran Teacher's Diploma	\$ 0.29	50.00	600.00
Master's Degree	\$ 0.48	83.33	1,000.00

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

\* Please see page 1 for additional information

**Computation Table**

Base Multiplier	<u>1.00</u>
Add 0.025 for each year of the first five years of church work experience	<u>          </u>
Add 0.020 for each year of the second five years of church work experience	<u>          </u>
Add 0.015 for each additional year (after 10) of church work experience	<u>          </u>
Add 0.010 for each year of non-church work experience	<u>          </u>
Total multipliers (for hourly and monthly rate)	
Monthly/hourly base salary	<u>          </u>
Total multipliers times monthly/hourly base salary	<u>          </u>
Add compensation for additional education	<u>          </u>
Total monthly/hourly rate	<u>          </u>
Annual Compensation (Multiply # of months/hours in the Year)	<u>          </u>

**Example**

An ECE Director working in Sacramento with 25 years of church experience, a credential, a master's degree in education in a school where that additional education would be important.

**Calculating-hourly rate method**

Base Multiplier for hourly rate:	<u>1.000</u>
Add 0.025 for each year of the first five years of church work experience	<u>0.125</u>
Add 0.020 for each year of the second five years of church work experience	<u>0.100</u>
Add 0.015 for each additional year (after 10) of church work experience	<u>0.225</u>
Add 0.010 for each year of non-church work experience	<u>0.000</u>
Total multipliers	<u>1.450</u>
Base hourly rate	<u>18.89</u>
Total multipliers times base hourly rate	<u>27.39</u>
Add compensation for additional education (\$0.29 + \$0.48)	<u>0.77</u>
Total hourly rate	<u>28.16</u>
Annual Compensation (Est. 2,080 hours)	<u>58,575</u>

**CNH District Salary Scale: Preschool Teachers**

Hourly Bases - California minimum 2017

Employer with 25 employees or less:           \$10.00  
Employer with more than 25 employees :       \$10.50

Each City, County and State may have different minimum hourly rates law. The highest rate should be used

If the current rate is equal or high than the rate above, please add 2% to the current rate.

**Additional Annual Compensation for Education**

A.A. Degree - Per hour                           0.144  
ECE Certificate - Per hour                      0.096

**Computation Table**

Base Multiplier	1.000
Add 0.025 for each year of the first six years of teaching experience*	_____
Total multiplier	_____
Enter hourly basis - see above	_____
Multiply "Total multiplier" by the hourly basis	_____
Total hourly rate	=====

\*We do not recommend that workers with ECE certificates or A.A. degrees receive additional compensation for experience past six years.

Overtime regulation applies when a preschool teacher works more than 8 hours per day or 40 hours per week.