The Episcopal Diocese of Spokane
Clergy Compensation and Benefits Policy

About these Guidelines

These guidelines took effect when passed by Diocesan Convention 2009. The guidelines have several important underlying beliefs that are necessary to name.

Numerous dioceses use some form of criteria in which they group congregations for the purposes of determining compensation. Many dioceses base their clergy compensation plan upon congregational type, in which compensation ranges are determined by a combination of years of ordained service and congregational size. In this diocese, however, we do not believe it is appropriate to base compensation on factors such as the number of years of ordained life and the size and budget of a congregation. There is debate among the clergy community about the relative ease or difficulty of serving small versus larger congregations. We do not believe it is true that serving larger congregations requires more work; in some of these congregations, more resources exist to share the workload. This diocese is blessed by many beautiful communities, situated long distances from one another, which isolates clergy from peers. Many of our clergy, who faithfully serve part time, fully participate in the life of their faith community every Sunday. We also have clergy who bring years of experience in other secular fields that greatly contribute to their ministry. *For these reasons, in the Diocese of Spokane these compensation guidelines apply to all clergy who serve our congregations.*

We desire to differentiate between the various forms of compensation, such as salary and housing, from benefits, such as pension and health insurance, and clearly delineate these in our guidelines. In addition, we seek to increase our congregations' awareness and understanding regarding the "costs of ministry" that are always present regardless of a cleric's stipend.

We hope to express the following values in this policy:

Transparency – Transparency within the Church is a key value and will support the goals of the compensation policy. It is very important that clergy and congregations alike have clear and transparent guidelines and expectations regarding compensation and financial policies. All congregations are reminded that financial records are to be open and audited on a yearly basis.

Fairness – the compensation policy strives to be responsive to the realities of the work of the cleric, taking into account the need for regular cost of living raises, the differences among various congregations, the need for adequate compensation regardless of congregational size and the other variables.

Growth of clergy and congregations – the compensation policy will support the growth of all members. The best interest of our diocesan family requires that we do our utmost to

establish a healthy relationship between the clergy and lay leadership of each congregation.

The establishment of fair, adequate and competitive compensation for clergy, together with a strong model for setting of goal and mission priorities and strengthening standards of accountability in our congregations will enhance the future of ministry in the Diocese of Spokane.

Compensation Guidelines

I. The following applies to all priests serving full time.

The clergy compensation package consists of four distinct components of compensation: Cash Stipend, Housing, Social Security and Housing Equity Allowance.

In addition, there are Benefits, which include pension, and insurance.

Further are reimbursable expenses including continuing education and professional expenses.

In addition, each congregation is expected to consider in their budget such items as supply clergy, discretionary funds and sabbatical funding.

Each of these areas is explained below.

Compensation

1. Cash Stipend:

The minimum Cash Stipend is set for 2026 at $42,465

The cash stipend minimum is regardless of size of congregation or number of years of ordained service.

2. Housing:

The "Housing" component for clergy compensation is explained here. Please feel free to contact the Canon to the Ordinary for assistance.

A. Clergy Housing Provided:
If the clergy person lives in church provided housing, the "cash value" of that housing must be established for Self-Employment tax calculations. This value is defined as the fair rental value of the housing (furnished) along with the utilities

cost for the residence (utilities are usually paid for by the congregation), plus the amount paid as a "housing equity allowance" if paid directly to the clergy person.

In addition, it is possible to designate a portion of the cash stipend as an IRS Housing Allowance to clergy residing in church provided housing, to the extent they pay for costs associated with maintaining the residence out of their own funds. This allowance must be designated in writing prior to the issuance of first paycheck, and be noted in the Vestry or Bishop Committee minutes. The Vestry or Bishop's Committee must renew the designation yearly in December.

B. Clergy Housing Not Provided:

If there is no church provided housing, the clergy person receives a cash "housing allowance."

For 2026, the minimum cash housing allowance for a cleric not living in church provided housing is $12,739.

Please note, there are important tax considerations for clergy in differentiating what portion of their cash compensation is "cash stipend" and what is "housing allowance." An individual cleric may request that more of the cash stipend be designated as an IRS housing allowance, but the minimum actual cash paid by the congregation is the same and must equal $55,204 ($42,465 for those living in church provided housing).

3. Social Security Allowance

Because clergy are considered "self-employed" for Social Security purposes, the organizations for which they work do not pay "Social Security Tax" as they would for a non-clergy employee. To offset this situation, congregations in the Diocese of Spokane are asked to pay 50% of the clergy person's Social Security tax calculated as follows:

A. When Housing is provided:
7.65% of cash stipend, the Fair Rental Value (furnished, w/utilities) of the housing and any Housing Equity Allowance paid directly to the clergy person.

B. When Housing is NOT provided:
7.65% of the combined amount of the cash stipend and the housing allowance.

4. Housing Equity Allowance

Since clergy who live in church provided housing would not benefit from the equity of owning that residence, the diocese recommends that Vestries or Bishop's Committees and clergy living in church provided housing negotiate a Housing Equity Allowance. The

Housing Equity Allowance should be paid into a retirement instrument, not given as additional cash to the clergy person. Please feel free to call the Canon to the Ordinary for assistance in determining a housing equity allowance.

When payments are made directly to a clergy person's tax sheltered account, the payments are considered supplemental pension, not income. If, however, the payments are made directly to the clergy person, the payments are considered taxable income.

Benefits

1. Pension Assessments

The Church Pension Fund assessment is 18% of the Clergy person's total compensation of Cash Stipend, Social Security Allowance (SECA), Utilities and Housing Value.

The Church Pension Fund's method for determining housing value differs from the method used for income tax and social security allowance purposes, it is as follows:

A. With Church Provided Housing:
30% of the total of the clergy person's cash stipend, Social Security allowance and utilities; plus 100% of any Housing Equity Allowance (whether cash or supplemental pension payments to a tax sheltered retirement account).

B. With Cash Housing Allowance:
The greater of: the actual cash housing allowance or 30% of the total cash stipend, Social Security Allowance and utilities.

If you have questions or a special situation, please feel free to contact the Canon to the Ordinary.

2. Health Insurance

Congregations are required to offer health insurance through the approved diocesan plan. Individual clerics may, and are encouraged to, negotiate the health insurance coverage they believe is required for their own life situation.

It is not permissible to convert the money designated for the benefit of health insurance to cash stipend.

Reimbursable Expenses

Reimbursable expenses are not considered taxable compensation and must have documentation to substantiate the expense. The congregation will reimburse clergy for expenses incurred on behalf of the congregation during the discharge of church responsibilities, otherwise it could become an unfair burden to the clergy. Expense reimbursement is NOT compensation, but a congregational expense for ministry.

1. **Professional Expense Allowance**
   Included in this allowance can be such items as auto/travel expenses, work related expenses, books, vestments, professional meals, the cost of diocesan convention etc. The auto allowance is expected to be at the current applicable IRS rate per mile. This allowance should be a set budgeted amount agreed upon by the cleric and Vestry or Bishop's Committee. Minimum professional expense per year is $750.00.

2. **Continuing Education**
   The reimbursable amount for continuing education should be negotiated and included in the Letter of Agreement. A suggested minimum is $750.00 per year, which may upon agreement with the Vestry or Bishop's Committee accumulate to a specified amount of time.[1] Regardless of the amount compensated, all clergy are required to undertake continuing education and are allowed two weeks of continuing education per year. Any unused continuing Education money may not be taken as compensation by the cleric.

Additional Ministry Expenses and Considerations

1. **Supply and Sabbatical**:
   Supply provides Sunday coverage for four weeks of vacation (see below), two weeks of Continuing Education, and an annual reserve of $500 put in a dedicated "sabbatical fund" to provide supply coverage (supply clergy stipends and travel) for the Cleric's Sabbatical of three months allowed at the end of each five-year period of service. Any unused sabbatical and supply funds belong to the congregation and not the cleric.

2. **Discretionary Funds:**
   Discretionary funds are "almoner funds" and not to be used for unfunded annual budget items or random clergy expenses. These funds are governed by the same audit rules that all other Church funds are.[2] Whether the discretionary funds are dispersed by the cleric or by the Vestry or Bishop's Committee or a group within the congregation, it is mandated that there be some way of designating funds for this use. While clergy normally administer discretionary funds, the funds are owned by the congregation or funding organization. It is important to note that there should

[1] Note that a $750 continuing education fund will not cover, in most cases, the fees for most one-week conferences, and is considered to be inadequate. However, a suggested minimum is needed.

[2] See *The Manual of Business Methods in Church Affairs* for the rules of audit. It should be remembered that almoner funds are traditionally considered confidential**.**

always be at least one member of the congregation also listed on the discretionary fund to allow for smooth transfer of signers on the account when there is a transition in clergy.

3. **Vacation**:
   All full time clerics receive at a minimum 4 weeks of compensated vacation, plus four Sundays (the four Sundays not to include Sundays away from the congregation owing to diocesan duties such as convention or serving at Camp Cross; also, not to include Sundays away on approved continuing education).

4. **Holidays**:
   All clergy are allowed to observe normal Federal Holidays as long as doing so does not interfere with normal church duties. Federal Holidays which conflict with normal Church duties or which fall on a cleric's "day off" may be transferred to another day.

5. **Work Week**:
   The normal work week is defined as a 40 hour, five day work week.

Compensation Increases

Minimum mandated increases: All congregations are required to give at a minimum the Social Security Cost of Living (COLA) increase every year.

Merit increases:
Congregations should consider merit increases.[3] Since clergy often have difficulty advocating for compensation increases during the budgeting process, the Vestry or Bishop's Committee must be willing to take an open and honest look at the state of the congregation and the compensation provided to the cleric. While the diocese has chosen not to recommend a policy with mandated increases for years of ordained service, we strongly encourage congregations to take seriously the reality that years of service with no compensation increases can lead to dissatisfaction. In addition, a congregation with a flat compensation policy will find it difficult to be competitive when it comes time to call their next Rector, Vicar or Priest in Charge.

II. The following applies to part-time clerics.

The clergy compensation package should reflect a percentage of the information provided above for full time clergy. A fair cash housing allowance or church provided housing should be included. The benefits noted above apply to part time clergy. Again, please contact the Canon to the Ordinary to help with these situations.

When priests serve a congregation part time and are present in the congregation every Sunday, the vacation and sabbatical standards for full time priests apply.

[3] See the Appendix for a discussion of standard ways of providing for compensation increases.

III. The following applies to Deacons

Deacons traditionally are non-stipendiary, yet they too have ministry expenses that are to be taken into consideration and should be included in the congregation's budget. Deacons are also allowed to be compensated, the tradition of non-stipendiary is not a rule. If a congregation compensates the deacon pension rules will apply. This allows the deacon to be part of Clergy Pension Group and be eligible for other benefits offered by the Church Pension Group. Contact the Canon to the Ordinary for help with this.

1. Reimbursable Expenses

Reimbursable expenses are not considered taxable compensation and must have documentation to substantiate the expense. The congregation will reimburse clergy for expenses incurred on behalf of the congregation during the discharge of church responsibilities, otherwise it could become an unfair burden to the clergy. Expense reimbursement is NOT compensation, but a congregational expense for ministry. Congregations are encouraged to allow for church expense reimbursement for all who incurred them, lay and cleric alike.

2. Professional Expense Allowance

Included in this allowance can be such items as auto/travel expenses, work related expenses, books, vestments, professional meals, the cost of diocesan convention etc. The auto allowance is expected to be at the current applicable IRS rate per mile. This allowance should be a set budgeted amount agreed upon by the cleric and Vestry or Bishop's Committee.

3. Continuing Education

Continuing education is required for all clergy, regardless of stipendiary status. In addition, many continuing education opportunities exist which would be of benefit for all members of the congregation. It is recommended that all congregations have a continuing education account, which could be used as a reimbursable account for all members of the congregation who undertake approved continuing education. It is required that all congregations offer some form of continuing education reimbursable account to the cleric.

IV. Supply Clergy

Minimum Compensation Schedule for Supply Clergy, 2026

One Service with a sermon	$ 200.00 plus mileage, plus out of pocket expenses
One Service without a sermon	$ 125.00 plus mileage, plus out of pocket expenses
Additional Services	$ 75.00 plus mileage, plus out of pocket expenses
Weddings/Funerals	$ 200.00 suggested, including planning
Formation teaching	$ 100.00 suggested, per hour long session

The Cliff-Notes version, updated 2026 compensation

For full time priests:

Cash stipend	minimum of $42,465
Housing	provided, or minimum cash allowance of $12,739
Social security	7.65% of above
Housing equity allowance	negotiated
Benefits	pension and health insurance required, no benefits may be converted into cash stipend
Reimbursable expenses	provided, amount negotiated, and substantiated

Appendix – compensation comparisons and standard compensation increase

It is important for congregations to know what some comparison compensation levels are both nationwide and for dioceses comparable to ours. In addition, while the diocese does not specify benchmark compensation levels, many dioceses do mandate such levels, and we believe it necessary to offer what these criteria are in other diocese as a way of helping congregations consider what appropriate compensation benchmarks might be.

The compensation comparison data are from the 2022, 2023 and 2024 Church Compensation Reports compiled by the Church Pension Group. Compensation for this report is defined as the assessable payment made to or for a cleric that is reported to The Church Pension Fund and includes, but is not limited to, the following: base salary (excluding housing) and scheduled taxable cash payments (SECA); cash housing allowance and/or utilities; employer-provided housing; employer contributions to a qualified or non-qualified plan; one-time payments.[4]

Median[5] compensation for all FT clergy		*Median compensation for all PT clergy*	
2022: $81,897	*2022 Province 8*: $ 83,000		
2023: $85,806	*2023 Province 8*: $ 88,010		
2024: $94,639	*2024 Province 8:* $100,000	*2024:* $33,349	*2024 Province 8:* $ 25,640

[4] https://www.cpg.org/global/research/clergy-compensation-report#/start

[5] The "median" is derived from arranging the values in order, then selecting the one in the middle. This is a type of average with is quite useful in cases where the distribution has extreme values which might otherwise skew the data.

Overall average compensation by church size

Ave. Sunday Attendance (ASA)	All FT clergy 2022	All FT clergy 2023	All FT clergy 2024
0-75	$ 69,861	$ 73,090	$ 74,520
76-140	$ 93,428	$ 96,388	$ 98,599
141-225	$ 93,425	$ 101,957	$ 105,516
225+	$ 108,000	$ 96,496	$ 99,216

Median clergy compensation by Gender Identity

2024 Female Clergy	$ 89,880
2024 Male Clergy	$ 98,324
2024 Multiple Genders	$ 72,803
2024 Non-Binary	$ 83,137

Median clergy compensation by position

2024 Senior Clergy	$ 125,592
2024 Solo Clergy	$ 83,624
2024 Assistant Clergy	$ 79,661

Median clergy compensation by years of experience

	2022	2023	2024
1-5 years	$ 60,000	$ 67,000	$ 70,000
5-9 years	$ 74,519	$ 79,058	$ 81,903
10-19 years	$ 92,207	$ 93,820	$ 96,010
20 plus years	$ 104,203	$ 108,930	$ 113,388

Diocese of Spokane 2024 median compensation:	$72,199	
Diocese of Spokane 2023 median compensation:	$69,452	
Diocese of Spokane 2021 median compensation:	$54,239	
Diocese of Spokane 2020 median compensation:	$55,250	*Decile*[6]: 10
Diocese of Spokane 2018 median compensation:	$58,405	*Decile*[7]: 10
Diocese of Spokane 2006 median compensation:	$58,159	*Decile*[8]: 7

[6] Decile rank nationwide, from 1-10, where 1 is the highest compensated and 10 is the lowest.
[7] Decile rank nationwide, from 1-10, where 1 is the highest compensated and 10 is the lowest.
[8] Decile rank nationwide, from 1-10, where 1 is the highest compensated and 10 is the lowest.

Standard benchmarks often used by dioceses in calculated clergy compensation often include years of service and size of the congregation. While not mandated, such benchmarks are legitimate ways of understanding how compensation is calculated. We would point out that many clerics are second career, and come to ordained ministry with experience in other fields; this experience is not somehow less valid than ordained ministry experience.

It should be noted that the minimum clergy compensation required in the Diocese of Spokane is significantly lower than the median compensation. This is the minimum compensation allowed, *not the recommended level*.