

Salary and Benefits Committee Report

Expected Clergy Compensation and Benefits for 2027

Convention 2026

Committee Members

Mr. Christopher Cassidy
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Mrs. Kelly Dalton-Trotter
The Rev. Gregory Hodgson
The Rev. Canon Neal Longe, Chair

The guidelines here are the minimum expected stipend for 2027 for clergy serving parishes in the Diocese of Albany. **There is nothing to prevent congregations from providing compensation and benefits higher than those indicated.** Indeed, the salary and benefits committee is aware that in some circumstances, the minimum expected amount may not be adequate. Every congregation is urged to encourage active stewardship as the norm within their parish.

If a Vestry, or Vestries of a group of congregations served by one cleric, is unable to meet the following minimum expected compensation they shall consult with the Bishop or his designee (Canon Neal Longe).

1) Expected Stipend for Priests

During the twelve months, April 2025 through April 2026, the Northeast Region Consumer Price Index (Unadjusted) rose approximately 4.4%. The 2026 Social Security and Supplement Security Income Cost of Living Adjustment is 2.8%. The estimated 2027 Social Security and Supplemental Security Income (SSI) Cost-of-Living Adjustment (COLA) is projected to be 3.9%, according to the latest estimates from The Senior Citizens League.

Considering the economic indicators and regional compensation figures within The Episcopal Church, the Committee recommends that Vestries increase their priest's stipend by at least 5% for 2027. The following table shows the expected minimum stipends.

It is important to note that the diocesan-expected stipends represent only the cash stipend paid to priests. Housing, Self-Employment Contributions Act (SECA), health insurance, Church Pension payments, and travel expense reimbursement are not included. The minimum expected stipend for full-time Curates and other full-time assisting priests is two thirds of the Rector's stipend. The stipend for part-time priests should be proportionate to the time they spend working for the parish.

2027 STIPEND SCHEDULE						
CATEGORIES:	1	2	3	4	5	6
Minimum Cash Stipend	\$45,125	\$49,204	\$56,021	\$62,334	\$69,704	\$75,939

The categories for the chart above are as follows:

Category 1: Parochial report revenue lines 3 & 5 under \$89,999

Category 2: Parochial report revenue lines 3 & 5 \$90,000 - \$109,999

Category 3: Parochial report revenue lines 3 & 5 \$110,000 - \$149,999

Category 4: Parochial report revenue lines 3 & 5 \$150,000 - \$189,999

Category 5: Parochial report revenue lines 3 & 5 \$190,000- \$249,999

Category 6: Parochial report revenue lines 3 & 5 Greater than \$250,000

2) Church Provided Housing for Priests / Housing Allowance

Congregations shall (a) provide housing or (b) pay a housing allowance which shall not be less than 30% of the priest's annual stipend.

If housing is provided, there are four figures to work with.

- 1) the fair market rental value of the housing **unfurnished with utilities**
- 2) the fair market rental value of the housing with utilities furnished as the cleric has it **furnished**
- 3) **the Section 107 furnishings allowance**, which cannot exceed the difference of 2) minus 1)
- 4) the amount assumed for housing by the Pension Fund for pension purposes

The congregation needs to provide an estimate of

- (1) the fair market rental value of the housing **unfurnished with utilities**; and
- (2) the fair market rental value of the housing **with utilities furnished** as the cleric has it furnished.

The priest must pay self-employment tax on the fair market rental value of the housing unfurnished. The Vestry must include in its calculation of the self-employment tax reimbursement the fair rental value of the house.

The priest shall have full and exclusive use of church provided housing. Church provided housing is to be inspected annually by the Wardens.

By law the Section 107 furnishings allowance that the Vestry designates in its annual resolution cannot exceed the difference between the two figures (i.e., the value furnished less the value unfurnished). In order to exclude that amount from taxes the priest must spend at least that amount on housing-related expenses. You report the following figures to the Pension Fund: (1) the cash stipend; (2) the Social Security reimbursement; and (3) the actual cost of utilities for the provided housing. The Pension Fund adds 30% of the sum of these three figures as the value of the priest's housing for pension assessment purposes. **This 30% figure is *entirely unrelated* to the furnishings allowance or the fair market rental value on which the priest must pay self-employment tax.** As a rule, the fair market rental value will be much higher than 30%, while the furnishings allowance that can be excluded from income tax will be much lower than 30%.

If housing is not provided, there are two figures to work with. They are not the same; they are calculated differently and have different purposes.

- 1) the **cash housing allowance** paid by the parish
- 2) **the Section 107 parsonage allowance** that is excludable from Federal and NY income taxes

The congregation pays **cash in lieu of housing** as part of the Total Cash Compensation. A priest's entire cash compensation, including housing allowance and Social Security reimbursement, is subject to self-employment tax.

The Section 107 parsonage allowance is the amount a priest may exclude from Federal and NY income taxes. The parsonage allowance is determined by determining the fair market rental value of the furnished housing occupied by the priest. The priest may exclude this amount, plus the cost of utilities, from income tax provided (1) that the Vestry has designated this amount in a particular resolution before any of it is paid; and (2) that the priest spent at least that amount on housing related expenses.

3) Expected Compensation for Deacons

The Deacon has historically served the congregation without stipend or fee. However, congregations are expected to pay a monthly stipend of \$25, plus the necessary Church Pension Group (CPG) assessment so that they have access to CPG programming such as CREDO for Deacons under the age of 72.

4) SECA Payments

The IRS classifies clergy as Self-Employed for Social Security purposes and the cleric is responsible for paying their total Social Security assessments (SECA). The Diocesan expected standard for parishes is that a minimum of one half of the Self Employment Contributions Act (SECA) payment be paid to the priest by the parish.

All clergy should receive a W2.

5) Minimum expected compensation for supply clergy

\$160 for a service on Sunday/Saturday, Principal Feast, Holy Day, or Day of Special Devotion (BCP 15-17, categories 1-4), or other special occasion.

\$60 for each additional service on the same occasion and of the same type on the same occasion as (1) above.

\$100 for a regular midweek liturgical service.

\$150 for a Pastoral Office, including funerals, gravesite committals, memorial services, and the like, except as otherwise agreed.

\$80 per unit for pastoral or other assigned responsibilities such as prayers at time of death, hospital visits, etc. A unit is a morning, an afternoon or an evening.

Priests are to receive the supply fee directly.

When utilizing a **Deacon** for supply, the mileage reimbursement is to be paid to the Deacon personally and the supply rate paid to the Diocese to be added to the Deacon's Fund, or at the request of the Deacon, to the discretionary fund of the parish where the Deacon is assigned. Mileage may be included in the payment to the Deacon's Fund or the discretionary fund of the parish where the Deacon is assigned at the request of the Deacon.

Checks for the Deacon's Fund should be payable to the Episcopal Diocese of Albany with For Deacon's Fund in the memo line and mailed to Episcopal Diocese of Albany, 580 Burton Rd, Greenwich, NY 12834. Checks for the discretionary fund at the parish where the Deacon is assigned should be payable to the name of the Parish with For Deacon's Discretionary Fund in the memo line and mailed to the parish or given to the Deacon.

For both priests and deacons: Expenses are reimbursed at cost for meals, lodging, parking, etc and at the IRS maximum approved rate for mileage. The mileage rate changes every six months. Please go to this address to find the latest rate: <https://www.irs.gov/> Search for mileage rates

6) Church Pension Group

Church Pension Group participation is mandatory for all clergy, including supply and deacons, “if you are regularly employed for five or more consecutive months by the same employer and are compensated by your employer”. If you would otherwise meet the criteria for mandatory participation except that you are expected to be employed for less than five consecutive months, you and your employer may choose to participate in the Clergy Pension Plan if you have a letter of agreement (or other contract of employment) that provides for the payment of pension assessments on your behalf by your employer.

Laypersons scheduled to work more than 20 hours a week, or 1000 hours a year, for a church are to be enrolled with the Church Pension Fund.

7) Health Insurance

For priests who are scheduled to work 30 hours a week, or 1500 hours a year, full family coverage is expected to be provided through one of the Denominational Health Plans offered by Church Insurance. It is expected that family dental insurance be provided as well.

Laypersons scheduled to work more than 30 hours a week, or 1500 hours a year, are to be enrolled on parity with the clergy.

Priests or laypersons scheduled to work more than 20 hours a week, or 1000 hours a year, for a church are *eligible but not mandated* to be enrolled in one of the Denominational Health Plans offered by Church Insurance. This enrollment may be at the sole cost of the individual or a shared cost negotiated between the individual and the Vestry. The cost sharing model under this provision must be the same for priests and laypersons receiving benefits under this provision.

8) Vacation

Vacation time for clergy in the Episcopal Diocese of Albany is a total of four weeks, to include five Sundays, for all full and part-time priests regardless of how long they have served.