

## Calculating Minimum and Total Salary – Sr. Pastor

The minimum represents employment earnings. It is the pastor's responsibility to identify how much is to be allocated for housing (Clergy Residence Exclusion based on IRS rules).

Step 1 Recommended Minimum Salary for 2026 (including Housing) **\$61,575.00**

Step 2 Calculate adjustment based on Church's Annual Budget  
Use the current year's total budget (2025) to determine the figure to be used. (See Note on page 2.)

### Calculation based on Church Budget

If the Church's Budget is . . .	% of Minimum Salary to be added:	Our Percentage is:
\$0 and \$80,000	0%	
\$81,000 and \$130,000	add 3%	
\$131,000 and \$200,000	add 7.5%	
\$201,000 and \$260,000	add 10%	
\$261,000 and \$360,000	add 15%	
\$361,000 and \$460,000	add 20%	
\$461,000 and \$560,000	add 25%	
\$561,000 and above	add 30%	

Step 3 **Adjustment to Minimum Salary** **\$**

Step 4 **Calculate adjustment for length of service**

Total number of years of accumulated service

### Calculation for Length of Service

Number of Years of <b>Accumulated Service</b> (Total of previous / current years)	% of Minimum Salary to be added:	Our Percentage is:
1 to 2 years	add 5%	
3 to 4 years	add 7.5%	
5 to 7 years	add 10%	
8 to 10 years	add 12.5%	
11 to 14 years	add 15%	
15 to 19 years	add 20%	
20 to 24 years	add 25%	
25+ years	add 30%	

\*Additional compensation should be considered in a multi-staff Church.

Step 5: **Adjustment to Minimum Salary** **\$**

Step 6: **Total Adjusted Minimum Salary: ADD Steps 1+3+5** **\$**

Step 7: **Increase for Merit** **\$**

Step 8: **Pension Contribution** **\$**

Step 9: **Recommended Salary\*: ADD Steps 6+7+8** **\$**

### Cost of Benefits and Ministry Expenses

Medical Insurance		
Professional Development		
Hospitality Allowance		
Book Allowance		
Car Allowance @ 68¢/mile		
Other		
Other		
Other		
Other		

\*The 2026 IRS allowable reimbursement rate is 68¢/mile.

**Benefits and Expenses Sub-Total** \$

**Step 10: Total Salary plus Benefits and Expenses** \$