



unified • radiant • transforming

2026

Pastoral Leaders

Minimum Compensation

Guidelines Handbook

Hawaiʻi Conference United Church of Christ
700 Bishop Street, Suite 825
Honolulu, HI 96813

Note: Typically, the increase from year to year is based on The Social Security Cost of Living Adjustment (COLA). However, it has been noted by many across the Conference that the guidelines do not reflect adequate livable wages for Hawai'i. In years past the rule of thumb was to understand pastoral salaries as on par with teachers salary. Using this rule the 2026 Minimum Guidelines increase represent not a COLA increase but a move to bring pastor salaries into line with the historical benchmark of pastors being compensated on par with educators in the community.

Quick Start: How to Use These Guidelines

Use this checklist to build a fair and complete compensation package.

1. Determine the role: full-time, part-time, associate, interim, or supply.
2. Use the Compensation Grid to find the minimum Base Salary for your membership size, education level, and years of experience.
3. Add housing (parsonage + furnishings allowance + equity plan) OR housing allowance, as applicable.
4. Add Social Security offset (recommended allowance equal to ~6.2% of cash salary; see details below).
5. Add benefits (pension, medical/dental, life & disability, malpractice, tenant's insurance).
6. Add professional expenses (mileage, books, conferences, background check, other ministry costs).
7. Confirm leave policies (vacation, sabbatical days, sick, parental, bereavement).
8. Review the Total Compensation Worksheet and compare against your church budget.

Key Terms at a Glance

Cash Compensation: The portion of pay provided in cash (or monetized cash equivalent for non-cash items such as housekeeping or gifts).

Monetized Cash Equivalent: The market value of non-cash compensation converted to dollars (e.g., housekeeping valued at local rates).

Base Salary: Cash Compensation + Furnishings/Housing Allowance + Social Security Offset.

Housing Allowance: Allowance paid when a pastor rents or owns their home; should reflect local fair rental value (furnished) plus utilities/maintenance; minimum recommended is not less than 30% of cash salary.

Parsonage: Church-provided housing; value, maintenance, and utilities should be treated as monetized cash equivalents when understanding total compensation.

Furnishings Allowance: For pastors living in a parsonage, a designated portion of salary (typically up to 10%) for parsonage-related expenses; not subject to income tax when used for eligible costs.

Parsonage Equity Plan: Annual contribution (\$3,500–\$5,500 recommended) to help pastors build home equity when living in a parsonage or renting; paid upon departure.

Social Security Offset: Pastors are considered self-employed for Social Security (12.4% SE tax up to the wage base). Congregations are urged to provide an allowance of 6.2% to share this burden; pastors report it as income.

Salary Base (Pension): Used for calculating UCC annuity contributions; see Pension section for formulas.

Introduction – Pastoral Covenant

Calling a pastoral leader is a shared ministry. As part of this covenant, the church provides fair, adequate financial support for the pastor and their family. These guidelines help churches: (1) compare compensation to standardized recommendations, (2) determine full vs. part-time compensation, and (3) understand the role of ministerial compensation in overall congregational health. Focus on the total cost of funding the pastoral position; begin with the minimum needed to adequately fund the role, then allocate resources to meet your pastor's needs. The Conference recognizes budget challenges – especially for small and immigrant congregations – and will partner with you to apply these guidelines faithfully.

Compensation Philosophy

Churches should aim to provide pastors with a standard of living relatively free of financial stress and comparable to other professions with similar education and experience. These guidelines represent a minimum expectation and are not to be construed as meeting a level of financial security for the context of your congregation.

Total Pastoral Leadership Compensation has three components: Base Salary, Insurance Benefits, and Professional Expenses. Adequate paid leave is also essential.

Base Salary

Base Salary = Cash Compensation + Furnishings or Housing Allowance + Social Security Offset.

Cash Compensation

Cash compensation includes salary and any monetized cash equivalents. For non-cash compensation (housekeeping, gifts, etc.), use local market rates multiplied by frequency to compute a dollar value. Example: In Honolulu, if housekeeping for a two-bedroom home averages \$200 per cleaning and occurs monthly, annual monetized cash equivalent = $\$200 \times 12 = \$2,400$.

Housing Provided (Parsonage)

When a church provides a parsonage, convert the home's value, maintenance, and utilities to monetized cash equivalents to understand total compensation. Parsonages should be well-maintained, adequately sized, and include modern appliances. Utilities (heating/cooling, light, water, garbage collection, yard maintenance, basic telephone) should be provided. The parsonage is regarded as the pastor's private home. Pastors in parsonages may designate a furnishings allowance (typically up to 10% of salary) for parsonage-related expenses, which can be excluded from income taxes when used for eligible costs.

Parsonage Equity Plan

To offset the inability to build home equity while living in a parsonage or renting, churches should establish a home equity fund. Recommended contribution: \$3,500–\$5,500 per year, held in trust and provided to the pastor upon departure from the congregation.

Housing Allowance

For pastors who own or rent, provide a housing allowance reflecting local market conditions. Minimum recommended allowance: fair rental value (furnished) of suitable properties in the local market plus utilities and maintenance, and not less than 30% of cash salary. For tax purposes, the usable housing allowance equals the smallest of: (1) the amount designated in advance, (2) actual housing expenditures, or (3) fair rental value of the furnished home.

NOTE: Housing is a problematic issue for pastors due to the cost of housing in Hawai'i. In churches without parsonages, the Conference Office strongly urges congregation to lease property that can then be provided for the pastor. The lease remains in the church's name which continues to pay rent while the pastor utilizes the property as they would a parsonage. In this scenario the rental funds would appear in the base salary as housing.

Social Security Offset

Pastors are classified as self-employed for Social Security. The 2025 SE tax rate for Social Security is 12.4% up to the wage base. Congregations are urged to provide an allowance of approximately one-half (about 6.2%) of the pastor's Social Security tax. Pastors must report this allowance as taxable income.

Using the Compensation Grid

1) Identify your church membership size. 2) Select the pastor's education level. 3) Choose the appropriate years of experience. The table shows the minimum full-time Base Salary. For part-time roles, apply the percentage reduction (see Part-Time Compensation). For over 20 years of experience, add 1% per additional year to the 20-year figure.

No. of Church Members	Education Level	Entry	5 Years	10 Years	15 Years
<75	Undergraduate or less	\$45,012	\$47,445	\$49,878	\$52,312
	Master	\$51,095	\$53,528	\$55,961	\$58,394
	Doctorate	\$57,178	\$59,611	\$62,044	\$64,477
75-149	Undergraduate or less	\$48,662	\$51,095	\$53,528	\$55,961
	Master	\$54,745	\$57,178	\$59,611	\$62,044
	Doctorate	\$60,827	\$63,261	\$65,694	\$68,127
150-249	Undergraduate or less	\$52,312	\$54,745	\$57,178	\$59,611
	Master	\$60,827	\$63,261	\$65,694	\$68,127
	Doctorate	\$66,910	\$69,343	\$71,776	\$74,209
250-349	Undergraduate or less	\$55,961	\$58,394	\$60,827	\$63,261
	Master	\$66,910	\$69,343	\$71,776	\$74,209
	Doctorate	\$72,993	\$75,426	\$77,859	\$80,292
350-449	Undergraduate or less	\$59,611	\$62,044	\$64,477	\$66,910
	Master	\$72,993	\$75,426	\$77,859	\$80,292
	Doctorate	\$79,076	\$81,509	\$83,942	\$86,375
450-549	Undergraduate or less	\$63,261	\$65,694	\$68,127	\$70,560
	Master	\$79,076	\$81,509	\$83,942	\$86,375
	Doctorate	\$85,158	\$87,591	\$90,025	\$92,458
>550	Undergraduate or less	\$66,910	\$69,343	\$71,776	\$74,209
	Master	\$85,158	\$87,591	\$90,025	\$92,458
	Doctorate	\$91,241	\$93,674	\$96,107	\$98,540

Part-Time Compensation

If your congregation cannot fund a full-time role, reduce the full-time minimum by the compensated fraction of time.

- 3/4-time: reduce by 25%
- 1/2-time: reduce by 50%
- 1/4-time: reduce by 75%

Scope guidance:

- 3/4-time typically includes worship, pastoral care, and one missional item
- 1/2-time includes worship and pastoral care
- 1/4-time includes worship OR pastoral care only

Associate, Interim, and Supply Pastors

- *Associate Pastor*: recommended salary is 85% of the senior pastor's compensation for comparable education and experience.
- *Interim Pastor*: full-time interim ministers are paid on the same scale as full-time pastors; part-time compensation is proportional to time served, with benefits and expenses consistent with UCC guidelines.
- *Supply Pastor*: recommended occasional pulpit supply is a minimum of \$200 plus mileage per worship service.

Benefits

Pension (UCC Annuity Fund)

Recommended participation level: 14% of the salary base.

If a parsonage is used:

- 1) Social Security offset = $12.4\% \times \text{cash salary}$
- 2) Salary base = cash salary + Social Security offset
- 3) Pension salary base = salary base $\times 130\%$
- 4) Annual pension = pension salary base $\times 14\%$

Example (cash salary = \$65,000):

- Social Security offset: $12.4\% \times \$65,000 = \$8,060$
- Salary base: $\$65,000 + \$8,060 = \$73,060$
- Pension salary base: $\$73,060 \times 130\% = \$94,978$
- Annual pension: $\$94,978 \times 14\% = \$13,296.92$

If a housing allowance is used: pension salary base equals Cash Compensation + Housing Allowance + Social Security Offset.

Insurance

- *Health Insurance*: churches are recommended to pay 100% of premiums for the most comprehensive medical and dental plans offered.
- *Life & Disability (Family Protection Plan)*: recommended premium is 1.5% of Cash Compensation and Housing Allowance; continue salary for three months in case of disability or death until plan coverage begins.
- *Professional Malpractice (Liability) Insurance*: recommended for all churches to protect pastors in counseling-related claims.
- *Tenant's Insurance*: recommended for pastors living in a parsonage.

Leave Time

Type of Leave	Duration	Paid?	Notes
Vacation	At least 4 weeks annually	Yes	Plus two sabbatical days per week (8 days/month) for rest and renewal.
Sick Leave	Coverage during temporary illness	Yes	Short-/Long-term disability after 1 and 6 months per Pension Boards plan.
Family Medical Leave	As needed per FMLA (1993)	Varies	Comply with FMLA for childbirth, adoption, elder care, etc.
Parental Leave	Up to 8 weeks	Yes	May extend to 3 months total; final month via accrued vacation or unpaid leave.
Bereavement Leave	7 days recommended	Yes	Additional time by arrangement or use of vacation.

Continuing Education

Provide at least two weeks of annual leave and an allowance of \$1,400 for continuing education. Report learning outcomes to appropriate leadership. Allowances should accrue year to year.

Professional Expenses

Professional expenses are operating costs of the church and should be reimbursed or paid directly. They are not additional tax-free salary. To prevent adverse tax outcomes, churches should reimburse all ministry-related costs.

- Automobile: consider leasing or reimburse mileage at least equal to the IRS per-mile rate; submit detailed records.
- Books & Periodicals: provide a minimum allowance of \$345 annually; submit detailed records.
- Conference/Association Expenses: pay non-reimbursed costs for required attendance and service on committees; participation is not vacation or personal leave.
- Background Check: reimburse required criminal background check upon call.
- Other Professional Expenses: stationery, telephone, computer maintenance, postage, professional dues, and official hospitality.

Reimbursement Plans

Written reimbursement plans or Flexible Spending Accounts can cover additional expenses not paid by health/dental plans. Plan rules: (1) set a specific amount at the beginning of the year, (2) pay according to submitted expenses, (3) unused money remains in the church account. If salary set-asides are used, estimate conservatively to avoid unused funds.

Housing Decision Aid

- If the church provides a parsonage: include furnishings allowance and establish a parsonage equity plan.
- If the church does not provide a parsonage: set a housing allowance at fair rental value (furnished) plus utilities/maintenance, not less than 30% of cash salary.
- For tax purposes: designate the housing allowance in writing before the start of the year; the usable amount is limited to actual expenses or fair rental value.

A Note on Moving Expenses

- The church is responsible for covering the cost of moving their minister between islands or from outside Hawai'i.
- From outside Hawai'i the church should consider a moving range from \$35,000 to \$45,000 for a five-year commitment.
- If the minister should leave the church before the fulfillment of the commitment, then the minister should reimburse on a prorated scale for the number of years not fulfilled. For example, if the move costs \$45,000, prorated over five years = \$9,000 per year. If the minister makes the

choice to leave at year three, then church is entitled for a refund of \$18,000 for the outstanding two years of the call agreement.

- However, should the church terminate the relationship, then the minister would not be obligated as the decision was made by the church.
- Should the church seek to engage this plan, then the plan needs to appear in the call agreement in order to form a legal obligation.

[SEE NEXT PAGE FOR THE TOTAL PASTORAL LEADER COMPENSATION PACKAGE WORKSHEET](#)

Total Pastoral Leader Compensation Package Worksheet

Category	Amount (\$)	Notes
Base Salary		
• Cash Compensation		
• Housing Provided (Parsonage)		
• Parsonage Equity Plan (if parsonage or renting)		
• Housing Allowance (if no parsonage)		
• Social Security Offset		
Total Base Salary (at or above Minimum Grid)		
Pension & Insurance Benefits		
• Pension (UCC Annuity Fund)		
• Medical & Dental		
• Family Protection Plan (Life & Disability)		
• Professional Malpractice (Liability) Insurance		
• Tenant's Insurance (if parsonage)		
Total Benefits		
Professional Expenses		
• Continuing Education & Sabbatical		
• Mileage Reimbursement/Automobile		
• Books & Periodicals		
• Association/Conference/National Meetings		
• Background Check Reimbursement		
• Other Professional Expenses		
Total Professional Expenses		
TOTAL PASTOR COMPENSATION PACKAGE		