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DNE Clergy Compensation Committee
2025 Assembly Approved Plus
Diocesan Council Recommended Policy Revisions of May 11, 2026
Changes in green recommended to DA by DC

Diocese of New England Clergy Compensation Policy

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Introduction

This document provides the standard for creating and assessing the package of compensation and benefits offered by parishes to clergy within the Diocese of New England.

As required by the Orthodox Church in America (OCA):

> *Clergy who work full-time within a parish shall be paid a salary which would permit a pastor and family to live at the same general level-of-living as families of the community as a whole. The amount is determined by the Median Family Income for the area in which the parish community is located (Clergy Compensation Guidelines, 2020, page 1).*

The Median Family Income (MFI) is a value reported periodically by the Office of Policy Development and Research of the Department of Housing and Urban Development.[1] Note that MFI is not the same as Median Household Income (MHI). In general, a location's MFI is larger than its MHI.

However, MFI is sometimes reported for counties or urban areas in which the "general level-of-living" might vary substantially from community to community. When the Diocese judges that the regional MFI does not accurately reflect the parish community's general level-of-living, the Diocese allows the following adjustment:

> **MFI Adjustment.** When the parish community's general level-of-living is significantly below the regional MFI, the parish may replace the MFI with an amount equal to 125% of the parish community's MHI.[2] This is not an immediate allowance to use the lower value, but requires a rationale for the substitution and Diocesan approval.

This adjustment helps parishes achieve the OCA's vision of permitting a pastor and his family to live at the standards that are common in the parish community.

The Diocesan Guidelines that follow seek to provide standards that (1) are clear, (2) promote cooperation among clergy, the parish, the deanery, and the diocese, and (3) can be adapted to parish financial conditions in a way that honors the spirit of the governing OCA Guidelines and the well-being of both the priest and the parish.

Particular attention is given to cases where a parish desires to provide generously for the priest, but where that parish cannot meet the full-time standard outlined by the OCA Guidelines above.

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[1] At the Annual Assembly parishes will be provided the MFI and MHIs (inflation adjusted) that can be used until the next Assembly.

[2] The parish may use as its "community MHI" either the MHI of the parish's county, or the MHI of the parish's ZIP code or town, when the data is available. The choice is subject to approval by the Diocesan authority.

These Diocesan Guidelines are provided as a tool to assist in conversation between Parish Councils and the Diocesan Authority in setting clergy compensation. Any variation providing less compensation than the standards set in these guidelines is at the discretion of, and requires the blessing of, the Diocesan Authority, who makes the final decision regarding clergy compensation.

Part 1
Annual Compensation Requirements
Full Compensation Package Clergy

In the Diocese of New England, each parish will offer the following Annual Compensation Package to its full-time clergy:

I. Minimum Compensation (REQUIRED)
II. Benefits Required by the OCA (REQUIRED)
III. Additional Benefits Required by the Diocese (REQUIRED)
IV. Recommended Benefits (NOT-REQUIRED)
V. Vacation (REQUIRED)

Each part of the Annual Compensation Package is described in this section. In addition to the Annual Compensation Package, additional requirements for the parish are set forth in the final section of Part 1:

VI. Other Parish Obligations (NOT BENEFITS) (Required and Recommended)

I. MINIMUM COMPENSATION

The annual minimum compensation paid to the priest by the parish must equal or exceed the parish community's MFI, as described in the Introduction.

The annual compensation is the sum of four parts: (1) Base Cash Salary, (2) Housing Benefit, (3) SECA offset, and (4) Employee Pension Paid by parish.

1) **Base Cash Salary.** A priest's salary is the annual cash compensation he receives from the parish as rector, as described in the parish's annual budget.

2) **Housing Benefit.** A priest's housing compensation is the annual value of either:

   a) The housing allowance paid to the priest, as described in the parish's annual budget
   b) The fair-market rental value of any residence provided by the parish to the priest.

3) **SECA Offset.** The Diocese expects a parish to reimburse clergy for 50% of the clergy's SECA contribution. Because the IRS considers this to be salary, it is included in the calculation of minimum compensation. If the parish chooses to reimburse more than 50%, the full amount of the reimbursement is calculated with the minimum compensation.

4) **Employee Portion of the OCA Pension Plan Contributions**. This is a recommended, but not required benefit. See Section IV for details.

Annual cost-of-living adjustments in clergy compensation are required of all parishes. The amount of the cost-of-living adjustment shall be announced at the annual Diocesan Assembly. The COLA is calculated by examining two July Consumer Price Indices issued by the US Bureau of Labor Statistics. They are the Northeast Region CPI and the US city average CPI and by approved resolution from the 2007 Diocesan Assembly the highest percent increase from among those two indices will be used. Merit increases are at the discretion of each parish.

Once a parish meets the minimum compensation guidelines, the rector's annual base Total Compensation shall be increased by at least the COLA announced at the most recent Diocesan Assembly.

A new rector's Total Compensation is not to be less than that of the previous rector, until a parish reaches 100% of Compensation Guideline. After a parish reaches 100%, it may pay a new rector Total Compensation less than the prior rector, but not less than 100% of the Compensation Guideline.

II. BENEFITS REQUIRED BY THE OCA

In addition to the annual minimum compensation, the parish must also pay for the following, as required by the 2020 OCA Compensation Guidelines**:**

1) **Medical Insurance.**
   a) The parish will reimburse the priest for premiums that cover the medical, dental, and vision costs for his personal or family insurance plan. This includes coverage from other sources, such as a spouse's employer.
   b) If the priest is not covered by a personal or family insurance plan, the parish will pay the entire cost of the personal/family plan for which the priest is eligible through the Orthodox Church in America or any other mutually agreeable plan.
   c) An Exception is granted if the rector and/or his family have Medical Insurance that is NOT required to be paid for by either the rector or his spouse.

2) **Employer Portion of the OCA Pension Plan Contribution.** The parish is required to pay the employer contribution as required by the OCA Pension Plan. This contribution is calculated by applying the required rate to the Salary, SECA Benefit, and Housing Benefit as defined above.

3) **Vehicle.** The parish must either:
   a) Pay the priest a fixed amount each year for expenses associated with parish-related driving, or
   b) Reimburse the priest for parish-related driving according to the IRS mileage reimbursement rate. The priest must keep a driving log for this purpose. Requests for reimbursement will include appropriate information from this log.

4) **Continuing Education.** Rectors shall be encouraged to pursue ongoing education by attending workshops, seminars, and appropriate trainings in ministry and service to the Church. Such training days are not vacation days. The parish should pay for these trainings when possible and if approved in advance.

III. ADDITIONAL BENEFITS REQUIRED BY THE DIOCESE

In addition to the OCA-required benefits just listed, the Diocese also requires the parish to pay for the following:

1) **SECA Offset.** Clergy are required to pay self-employment taxes into the Social Security and Medicare tax funds according to the federal Self-Employment Contributions Act (SECA). A parish is expected to reimburse the priest for one-half (50%) of the SECA tax obligation created by his annual salary and housing benefit.

2) **Life Insurance.** The parish is expected to provide a life insurance policy with a minimum value of $50,000. Parishes are recommended to provide a life insurance policy whose value is equal to the annual compensation of the priest. Parishes are also encouraged to provide a life insurance policy for the priest's wife that would at least cover funeral expenses.

IV. RECOMMENDED BENEFITS

In addition to the required forms of compensation described above, the Diocese recommends that a parish consider adding what follows to the priest's annual compensation package.

1) **Employee Portion of the OCA Pension Plan Contributions.** The parish might pay the employee contribution required each year by the OCA Pension Plan.

2) **Housing Equity Benefit.** A priest who lives in parish-provided housing will not build up housing equity. To provide value to the priest for lost housing equity, the parish might establish and contribute annually to an appropriate investment instrument, such as a 403(b) plan.

3) **Disability Insurance.** Parishes are encouraged to provide disability insurance for their assigned priest. This can take the form of a short- and/or long-term disability insurance policy. A generally recommended amount is 60% of the amounts outlined in Parts 1.I and 1.III of this document.

V. VACATION

Parishes must grant vacation time that meets or exceeds the following minimums:

1) 15 days (2 Sundays) for a priest ordained 1 to 5 years ago
2) 21 days (3 Sundays) for a priest ordained 6 to 12 years ago
3) After that, 28 days (4 Sundays)

The parish pays the priest his normal salary during vacation time.

VI. OTHER PARISH OBLIGATIONS (NOT BENEFITS)

The following are additional requirements set forth by the OCA:

1) **Upkeep of Parish-Owned Property.** The parish is responsible for the up-keep of a parish-owned residence, including insurance and utilities.

2) **Moving Expenses.** When a new priest is assigned, the receiving community pays all reasonable moving expenses.

3) **State Worker's Compensation Insurance.** The parish is responsible for paying worker compensation for all employees.

4) **Church-Related Activities and Travel.** For Deanery, Diocesan, and Church-wide meetings, clergy retreats, and the like, the parish pays all reasonable expenses for travel, meals and lodging.

The following are additional recommendations, not requirements, set forth by the DNE:

5) Cell phone. Because of the importance of a cell phone in parish ministry, parishes are encouraged to either provide a cellular plan and phone to the priest for use in parish ministry or to reimburse him for the monthly cost of his personal cellular plan.

6) **Cable, and Internet reimbursement.** Because of the importance of email and Internet use in parish ministry, parishes are encouraged to reimburse the priest for the cost of his home Internet plan. When bundled with cable or phone services, the parish may choose whether to reimburse only the Internet portion or the entire amount.

Part 2
Annual Compensation Requirements
Other Compensation Package Clergy

[New section. green highlights what is different from a Full Compensation Package.]
In the Diocese of New England, each parish will offer the following Annual Compensation Package to its Other Compensation Package Clergy:

VII. Minimum Compensation (REQUIRED)
VIII. Benefits Required by the OCA (REQUIRED)
IX. Additional Benefits Required by the Diocese (REQUIRED)
X. Recommended Benefits (NOT-REQUIRED)
XI. Vacation (REQUIRED)

Each part of the Annual Compensation Package is described in Part 1. In addition to the Annual Compensation Package, additional requirements for the parish are set forth in the final section of Part 1.

XII. Other Parish Obligations (NOT BENEFITS) (Required and Recommended)

Clergy compensated under Other Compensation Packages, have Diocesan Authority approved secular employment or retirement. Second career rectors may be compensated with a Full Compensation Package.

Since most parts of the Other Compensation Package are the same as the Full Compensation Package, ONLY DIFFERENCES are addressed here.

I. MINIMUM COMPENSATION

The annual minimum compensation paid to the priest by the parish must equal or exceed the parish community's MFI, as described in the Introduction, multiplied by the Percentage of Employment.

The Percentage of Employment is determined by dividing:
a) The number of hours worked in an average week, as agreed to by the parish and rector,
b) By the average number of hours worked by Full Compensation Package rectors in the Diocese.

The annual compensation is the sum of four parts: (1) Base Cash Salary, (2) Housing Benefit, (3) SECA offset, and (4) Employee Pension Paid.

II. BENEFITS REQUIRED BY THE OCA

See Part I.

III. ADDITIONAL BENEFITS REQUIRED BY THE DIOCESE

See Part I.

IV. RECOMMENDED BENEFITS

See Part I.

V. VACATION

See Part I.

VI. OTHER PARISH OBLIGATIONS (NOT BENEFITS)

See Part I.

Part 3
Special Situations

A. Substitute Priests

In instances where a parish is required to have a substitute priest present for any part of its liturgical cycle, it is required to provide the following compensation:

1) A stipend that meets or exceeds the Diocesan minimum,
2) Reimbursement of travel expenses at the IRS standard rate, and
3) A hotel room if the priest is required to stay overnight.

A substitute priest may choose to forego any of the above at his discretion, with the blessing of the Diocesan Authority. Any deviation from this on the part of the parish requiring the substitute requires approval from the Diocesan Authority.

B. Priests Serving Multiple Parishes

In instances where a priest serves multiple parishes on a prolonged basis, the number of communicants for all parishes are added together. The cost of the compensation package is then split proportionally between the parishes. Each parish will pay its portion of salary, pension, and travel expenses. Medical insurance should be provided by the parish in the state in which the priest lives and is closest to the residence of the priest. Other parishes should reimburse the parish providing the medical insurance for their proportionate share of the cost.

The expectation in this section covers instances of a single priest assigned as rector to more than one parish and splitting his time evenly between them. Instances of a rector of one parish being assigned as the administrator of another, while the liturgical needs of the parish are largely provided by other clergy, is covered by an administrator stipend.

C. Transfer of Priests

When a priest is transferred from one parish to another, the new parish is encouraged to provide a compensation package that meets or exceeds that which he received at his previous assignment.

Part 4
Annual Compliance Procedures

In this section we describe how the parish, deanery, and diocese will create a partnership to ensure that clergy compensation is on track, and that clergy compensation is a strong contributor to parish health.

Once a parish has begun to provide a given level of compensation as outlined above, the parish may not downgrade its compensation package during the tenure of an assigned rector without approval by the Diocesan Authority. Prior to submitting the petition to downgrade the compensation package, the parish is expected to meet with the Diocesan Authority. The goal of these meetings is to find ways to continue to meet the parish's current compensatory obligations prior to petitioning to have its level of compensation downgraded.

In such cases, the parish must provide to the Diocese a letter petitioning to have its compensation lowered. As documentation, this letter must include with it:

1) The parish's annual budget for the immediately previous five years, as approved at its parish meeting;
2) Statements detailing the current status of parish bank accounts and investment instruments; and
3) A statement detailing the parish's stewardship program, as well as other fundraising activities.

The decision to approve the downgrade of compensation tier lies solely with the Diocesan Authority.