

Diocese of the Midwest

Orthodox Church in America

Clergy Compensation Policy

September 18, 2025 | Effective January 1, 2026



This policy covers all incoming and existing Priests within the Diocese of the Midwest. While based on and informed by the Clergy Compensation policy of the Orthodox Church in America, this policy supersedes that document as it is specifically for the Diocese of the Midwest.

It is understood that not all Parishes or Missions may be able to meet this policy for Priest compensation, while some parishes are capable of exceeding these minimum guidelines. The Parish or Mission shall work with the Dean/Chancellor, with the blessing of the Bishop, to establish an affordable compensation package. They shall also establish a plan so the Parish or Mission can work towards the minimum guidelines set forth in this Policy if they do not currently meet these minimum guidelines.

To keep Priest compensation in line with current market rates, Parishes may use these guidelines to review their Priest's salary periodically (approx. every 3-5 years).

Salary

The starting salary (cash salary + housing allowance) for a full time Priest in the OCA, Diocese of the Midwest, should be at least an average of the following:

1. the most current Median Household Income (MHI) of the county in which the Parish resides.
2. the most current Median Household Income of the Zip code in which the Parish resides.
3. the most current Median Household Income of the State in which the Parish resides.

Starting salaries should also consider the parish size and the priest's experience (*see "Factoring Membership" below*)

Factoring Membership

Based on Parish membership the following scale may be used for adding to the starting figure:

- 0 - 120 add 0%
- 121 - 160 add 2%
- 161 - 200 add 2.5%
- 201 - 300 add 3%
- 300+ add 3.5%

Factoring experience

- Understanding that experienced priests can typically offer a parish more than a new priest, consideration should be given to a priest's overall years of service as a priest when being assigned to a parish.
 - At each 5th year anniversary of a priest's ordination to the priesthood, the average of the 3 above metrics should increase by 3% towards the higher metric but not to exceed it.

- 0-5 years: 0%
- 6-10 years: 3%
- 11-15 years: 6%
- 16-20 years: 9%
- 21-25 years: 12%
- 26-30 years: 15%
- 31+ years: 18%

- Beginning with the 5th year of service IN THE PARISH, and every 5 years thereafter, the priest should be awarded a minimum 5% salary increase in addition to the COLA.
- The parish is responsible for keeping track of the priest's ordination date and date they were assigned to the parish for use in the above compensation adjustments.

Cost of Living Adjustment (COLA)

Each year the Priest shall receive a COLA based on the published rate established by the Social Security Administration. The COLA is intended to help curb the negative effects of inflation and increasing prices by also increasing the priest's wages. The Diocese shall publish the Social Security Administration COLA every November as the government agency posts it.

Housing

If the Parish does not provide a home for the priest, a portion of his compensation should be designated as 'housing allowance' providing an IRS allowed tax benefit for the priest. The amount designated as housing allowance should come from the priest but *must* be stated by the parish in an official manner (e.g. budget, official letter by Parish Council, Parish Council minutes, etc.) prospectively. There cannot be a retroactively stated housing allowance, per IRS regulations.

Priests can include the cost of utilities, internet and certain reimbursable expenses in their housing allowance. If the Parish provides housing, utility costs shall be paid by the Parish.

All Parishes that provide housing are encouraged to establish an Equity Allowance Fund.

Equity Allowance Fund:

An equity allowance fund is NOT a housing allowance. In fairness, there is a need to enable Priests using the Parish house or rectory to accumulate some equity that can eventually be used to provide housing, either owned or rented. After a lifetime spent in a Parish house the family may have no assets with which to provide housing. In other words, at death, disability or retirement the Priest's family is on its own without a house or the means to obtain one.

The Parish and Dean shall negotiate an amount not less than 10% of the fair rental value of the rectory for equity allowance. All funds are to be placed into a tax deferred account belonging to the priest. The Equity Allowance should be paid into the account monthly, so the priest gains the benefit of compounding earnings. In the event the Priest is moved to another Parish, the equity allowance account shall move with him. The new Parish shall contribute their negotiated amount into the account if a rectory is provided. It is recommended that the priest contact a Tax Advisor for assistance in selection of a suitable account and in drafting the paperwork.

Pension

The Parish shall pay into the Priest's pension (retirement) fund annually an amount equal to the published percentage as stated in the most current version of the OCA Pension Plan. As of 2025, this amount is equal to 14% of Total Salary (salary + housing allowance) the Parish must pay into the pension plan, and the Priest must contribute 6% of his Total Salary (salary + housing allowance). The frequency of these payments must be made on a monthly basis.

Life Insurance

The Parish should pay the premium in full for a \$50,000 Term Life Insurance policy.

Social Security & Medicare (FICA/SECA)

The Parish shall pay half of the Priest's SECA tax (SECA is the self-employed version of FICA, and the rates are the same: 7.65% of the Priest's salary + housing allowance compensation).

Health Care

The Parish is responsible for payment of 100% of the costs for health care for the Priest and his family. This includes medical, dental and vision.

Disability Insurance

The Parish should also provide long term Disability Insurance for their priest.

Vacation

The Priest shall receive vacation time each year. Vacation shall include Sundays.

Number of weeks of vacation are based on years of priestly service

- 0 - 5 years – 2 weeks
- 5 -10 Years – 3 weeks
- 10 – 20 years – 4 weeks
- 20 – 30 years – 5 weeks
- 30 + years – 6 weeks

The Priest is responsible for finding a fill-in Priest to serve during his absence. The Parish is responsible for paying the fill-in Priest at the established rate of pay. The priest may opt to not use his vacation in a given year, but he is highly encouraged to do so for clergy health reasons. Unused vacation is not banked away for future use. (*Substitute priest coverage is dependent on the location and availability of supply priests. Currently they generally range from \$250-\$300 per Sunday.*)

Moving Expenses

The Parish is responsible for all (100%) of the moving expenses for incoming Priests.

Reasonable Auto Allowance or Mileage (IRS business allowance)

Auto expenses may be paid by one of the following methods:

- The priest records and submits mileage records and gets reimbursed at the current IRS Business rate (*recommended method*)
- The priest is paid a reasonable monthly rate
- The parish provides a parish owned vehicle and maintains all expenses for the vehicle

Continuing Education

Parishes are encouraged to provide time and financial reimbursement in their budget for study and continuing education for their Priest. A minimum annual budget line of \$800 is recommended.

Assemblies, Conferences, etc

The Parish is responsible for all expenses including registration, lodging, travel and meals when the Priest attends:

- All American Council
- Clergy Convocation
- Diocesan Assembly

Please Note that all Clergy Compensation Packages for parishes must be approved by the Diocesan Bishop