LUTHERAN CHURCH–CANADA
ÉGLISE LUTHÉRIENNE du CANADA

Guidelines for Rostered Pastoral and Diaconal Personnel (2027)

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Note: Congregations should consult the relevant Provincial Labour Standards Legislation for guidance should questions arise concerning compliance with labour standards.

Introduction and Purpose

Martin Luther counselled pastors and congregations on the matter of compensation:

- Pastors must glorify God and preach the Good News of salvation through Christ. The pastor will fail if he worries over his salary and benefits.
- Luther also explained that congregations must hold their pastors in special regard. They must meet the physical and financial needs of the pastor without complaint.

It is important to note that the following guidelines are not the "Official Salary Scale" of Lutheran Church–Canada (LCC). These guidelines are advisory and are not binding upon any congregation. However, they are based on careful review and analysis. Congregations should consider appointing a "Compensation Review Committee" to make compensation recommendations to voters in advance of establishing the annual congregational budget. Where a Professional Church Worker serves more than one congregation, a single committee including representation from each congregation could perform this function.

When a Pastor or Deacon (a rostered, Professional Church Worker) accepts a Divine Call to serve a congregation or parish, he or she accepts the responsibility to perform the obligations stated in the Call Documents. The congregation accepts the obligation to care for and support the Professional Church Worker in the performance of his or her duties. St. Paul reminds us, “The labourer deserves his wages” (1 Tim. 5:18). This mutual care and support are the basis for the partnership approach of these guidelines. Thus, they should be interpreted in a positive and co-operative spirit.

Key Terms

Key terms used in these guidelines include:

- **Professional Church Worker**: includes rostered Pastors and Deacons called and employed by a congregation or parish within Lutheran Church–Canada. In this document, where specific compensation and benefit distinctions are made, the text will explain the differentiation.
- **Pastor**: means a rostered, ordained minister of the Word, educated at a seminary recognized by Lutheran Church–Canada, through the Pastors with Alternate Training Program or accepted through colloquy, and licensed to perform Christian services.
- **Vicar:** means a seminarian/student enrolled at a seminary recognized/accredited and in partnership with Lutheran Church–Canada.
- **Deacon:** means a rostered member of the diaconate educated at a school accredited and recognized by Lutheran Church–Canada. While Directors of Parish Services (DPS) and teachers at Lutheran schools may be on the diaconate roster, these guidelines are applicable to Directors of Parish Services only.

Annual Cost of Living Increase

The Annual Cost of Living increase effective January 1, 2027, is 2.6 %. This reflects the average increase in the Canadian cost of living as of June 30, 2026. Refer to the CPI-Common column in the chart on the following link: https://www.bankofcanada.ca/rates/price-indexes/cpi/

2027 Base Salary Guidelines for Pastors and Deacons

Pastor and Deacon Annual Salaries

Years of Service	Pastor	Salary Range	Deacon	Salary Range
<1	$ 49,003	$ 53,919	$ 39,203	$ 43,136
1	$ 50,134	$ 55,145	$ 40,107	$ 44,116
2	$ 51,248	$ 56,374	$ 40,999	$ 45,099
3	$ 52,357	$ 57,576	$ 41,886	$ 46,061
4	$ 53,470	$ 58,817	$ 42,776	$ 47,054
5	$ 54,580	$ 60,043	$ 43,664	$ 48,034
6	$ 55,431	$ 60,964	$ 44,344	$ 48,771
7	$ 56,276	$ 61,912	$ 45,021	$ 49,529
8	$ 57,128	$ 62,837	$ 45,702	$ 50,269
9	$ 58,004	$ 63,780	$ 46,404	$ 51,024
10	$ 58,817	$ 64,701	$ 47,054	$ 51,761
11	$ 59,649	$ 65,626	$ 47,719	$ 52,500
12	$ 60,497	$ 66,567	$ 48,397	$ 53,254
13	$ 61,345	$ 67,492	$ 49,076	$ 53,993
14	$ 62,194	$ 68,423	$ 49,755	$ 54,739
15	$ 63,046	$ 69,356	$ 50,437	$ 55,485
16	$ 63,583	$ 69,892	$ 50,866	$ 55,913
17	$ 64,118	$ 70,428	$ 51,294	$ 56,342
18	$ 64,653	$ 70,963	$ 51,723	$ 56,770
19	$ 65,192	$ 71,498	$ 52,154	$ 57,198
20	$ 65,727	$ 72,035	$ 52,581	$ 57,628

Note:

- Pastors should receive a salary increase of $400 for each year after 20 years of ministry. The $400 increase would be in addition to annual cost of living increases.
- Deacons should receive a salary increase of $320 for each year after 20 years of service in addition to the annual cost of living increase.
- For part-time service, salaries would be pro-rated. For example, if part time service is ¾ time, the salary is 75 percent of the full-time salary.

Congregations should determine where in the salary range, they want to pay their Professional Church Worker by taking into account additional credentials and responsibilities as noted in the **Considerations for Setting Salaries** section**.**

Associate/Assistant Pastors

These guidelines apply to multiple pastors within a congregation. The compensation level of the senior (lead) pastor should be established first before applying them to associates/assistants. An acceptable differential which reflects differing levels of responsibility should be taken into account in establishing the compensation of the senior pastor and associates/assistants.

Calculating Years of Service

Each year of employment of a Professional Church Worker by a congregation since ordination or graduation from an accredited seminary or school for lay ministry will be considered in calculating the years of service of a Professional Church Worker.

Considerations in Setting Salaries

The 2027 Synodical Compensation Guidelines continue to recommend that no Professional Church Worker's overall compensation (salary plus housing) be reduced by implementation of, or adherence to these Guidelines.

Policies adopted by LCC Board of Directors establish guidelines for annual salaries and reimbursements for Professional Church Workers who provide paid accountable leadership in pastoral care, missions, and other assignments. Although base salaries are in place, consideration should be given to the worker's credentials (i.e., specialized skills, experience, and further education) and responsibilities (i.e., size and number of congregations, leadership, and supervision).

Church workers ordained under the Pastors with Alternate Training (PAT) program have unique skills and roles in congregations. If you require guidance regarding this or other unique situations, please contact LCC's Chief Administrative Officer (administratorlcc@lutheranchurch.ca) or Human Resource & Administration Manager (officemanager@lutheranchurch.ca).

In the congregation's care of their Professional Church Worker, it is beneficial to be more generous as it gives a material expression of appreciation, makes a confession to the whole church about the value the congregation places on the office of the ministry, and provides the means to allow the Professional Church Worker to provide an example of a generous spirit in return.

The pension benefit earned by the Professional Church Worker is based on their salary and housing allowance. In setting the Professional Church Workers salary, consideration should be given to the impact of their salary on the eventual pension that they will receive.

Housing

Housing is an essential component of Professional Church Workers' compensation and congregations are to provide adequate housing for their Pastor. Lutheran Church–Canada continues to study a common approach to deriving a housing allowance for Professional Church Workers. As a step in this direction, we are recommending all regions use the fair market value calculation described below.

All congregations should lovingly consider these housing guidelines when the cost of housing is high and/or during the early years of a Professional Church Worker's ministry when their salary is low.

1. **Parsonage Provided**
   When a Parsonage is provided, it should also include utilities (hydro, water and heat), repairs, property taxes and insurance on the building and property. Consideration should also be given to providing heavy appliances, carpets and drapes, as these are not always transferable from one parsonage to another. The parsonage, if possible, should be in reasonable proximity to the church.

2. **Housing Allowance**
   It is recommended that congregations provide for the housing of their Professional Church Workers using an estimate of fair market value. This can be determined using the services of a local realtor or by using such websites as Rent board www.rentboard.ca, and Rent Faster www.rentfaster.ca. Calculate an appropriate housing allowance by basing it on the average rental cost of a 1400 sq. ft. three-bedroom home in the congregation/parish's community, plus the cost of utilities. For a Professional Church Worker with a larger than average family, the rental costs should be based on an appropriately sized house.

The following is an **example** of the Fair Rental Market Value of a house in Winnipeg:

Suggested Housing Allowance Calculation accommodation used in example = 3-bedroom home, approximately 1,400 sq. ft.		
	Winnipeg, MB	**Calculation Space**
Avg. Rental	$2,500	
Utilities Monthly	$315	

Monthly Housing Allowance	$2,815	
Annual Housing Allowance	$33,780	

ADDITIONAL NOTE: According to the *Canadian Council of Christian Charities*, the preceding method of calculating a church worker's "housing allowance" is appropriate for a congregation's internal budgeting process (that is, as a means of determining a fair compensation package for a church worker). However, congregations and workers alike should note that this type of calculation has nothing to do with the determination of an eligible church worker's "clergy residence deduction amount," which is a parallel but separate calculation that takes place when that worker files his or her income-tax return with the Canada Revenue Agency. The Income Tax Act (ITA), in section 8(1)(c)(iv), places the right of determining this amount in the hands of the employee taxpayer, as does CRA in the formula provided in sub-part (B) of Part C of its T1223 form (entitled "Calculation of deduction - *to be determined by employee*").

Therefore, a "housing allowance" figure should not be put in Box 30 of an employee's T4 slip, unless housing is provided directly to the employee (for example, in the case of a parsonage). Making an entry in Box 30 removes the employee's right under the Income Tax Act (ITA) to determine the deduction amount in sub-part (B) in Part C of the T1223 form. If an entry is made in Box 30, the form's wording would oblige the employee to erroneously follow the instructions in sub-part (A) rather than sub-part (B). This forced mismatch would nearly always lead to an inaccurate deduction figure. Employees forced into this situation are likely to find that their deduction amount is below what the ITA would otherwise allow, had they been able to complete the proper portion of the T1223 Form. This inappropriate entry in Box 30 also, arguably, forces the taxpayer into non-compliance with the ITA, because an inappropriate entry on a T4 slip will lead to an incorrect T1223 claim amount, in the sense that it was made under the wrong section of the ITA. *Thus, congregations should ensure that no amount is entered in Box 30 of their church workers' T4 slips, unless a parsonage is provided.*

Home Equity Allowance

When a parsonage is provided, a Professional Church Worker has no way of building equity should he (or she) need to purchase a home later in life. For this reason, where a parsonage is provided, an equity allowance should also be arranged. It is recommended that this allowance should be no less than $4,527.00 annually.

Vicar and DPS (deacons) Intern Salaries

Seminaries recognized by Lutheran Church–Canada encourage a year of full-time field education in a congregation of Lutheran Church–Canada and partner churches as an important and integral part of preparing men and women for pastoral and diaconal ministry. This

contextual learning experience, which normally falls in the third year of the seminary curriculum or the second year of the Director of Parish Services (DPS) certification, is called vicarage or internship and provides credit hours toward the Master of Divinity Degree or the DPS certificate. A Vicar/Intern is under the direct supervision of an experienced Pastor or DPS of Lutheran Church–Canada during this year, the seminarian remains enrolled at the seminary and continues under its general supervision.

Vicars and Deacon Interns are not rostered and are not eligible for Worker Benefits. This places a different responsibility on the congregation to ensure for the care of these workers to cover accommodation and specific administrative fees.

- Vicar: $30,748 per year, plus housing and mileage. The salary includes the vicarage fee (tuition) to the seminary.
- DPS Intern: $27,676 per year, plus housing and mileage.

Moving expenses for Vicars/DPS Interns are to be paid by the congregation at the beginning and conclusion of vicarage/internship. Congregations who participate in the Synod Moving Assistance Fund can apply for funds to assist with moving costs from the seminary to the congregation. More information can be found at this link: https://www.lutheranchurchcanada.ca/wp-content/uploads/sites/11/2024/12/MAF-Policy-2025.pdf

Supply (Guest) Pastors

When congregations require the services of a Guest Pastor, he should be paid $200 for each worship service ($250 if two services are conducted on a Sunday) plus mileage. An additional $25 to $50, depending on preparation time, should be added if the pastor is expected to lead a bible study along with the service. It should be noted, however, that all gifts, honoraria, etc., are taxable and must be recorded and reported to Canada Revenue Agency (CRA) by the worker.

Vacancy Pastors

Payments to Vacancy Pastors should be based on these Salary Guidelines, multiplied by the appropriate percentage of a full-time, called pastor's function that the Vacancy Pastor is providing. For example, if he is assuming 25% of the congregation's regular pastoral duties, he should receive 25% of the salary suggested by these guidelines.

In addition, for a Vacancy Pastor providing vacancy pastoral support, while still actively serving a call in another congregation or parish, it is advised that a suitable collaborative solution be found. Ordinarily, however, no housing allowance needs to be provided for Vacancy Pastors already actively serving a congregation or parish.

Transition to a New Call

When a Professional Church Worker accepts a Call to a new congregation, the "former" and "new" congregations should discuss and work together to ensure an appropriate level of income continuity, specifically to ensure:

- There is no interruption in the church worker's Worker Benefits Coverage, and
- The church worker receives adequate paid time-off (potentially at both congregations) to move and transition to the new Call.

Continuing Education

It is strongly recommended that both the Professional Church Worker and the congregation be enrolled in the Synodical Continuing Education Program. Workers are encouraged to enroll in Continuing Education Programs and congregations should provide the worker, after 5 years of service, an allotment up to 2 weeks per 3-year period for professional development at accredited Lutheran theological learning institutions or synod-approved training. Congregations should budget to provide for attendance at training courses (including travel and accommodation costs) by pastoral staff to improve areas of ministry. It is also recommended that a $600 annual resource (book) allowance be included. For details on the synodical program administered by Lutheran Church–Canada, see the LCC website.
https://www.lutheranchurchcanada.ca/wp-content/uploads/sites/11/2019/09/Continuing_Education.pdf

Parish Related Travel

Vehicle related expenses should be borne by the congregation but should not be viewed as an addition to a Professional Church Worker's compensation package. The Professional Church Worker and the congregation should determine a mutually acceptable form of travel compensation. Professional Church Workers are required to maintain a logbook of travel kilometers for parish work in order to receive a non-taxable allowance. It is recommended that reimbursement for vehicular expenses should be based on the number of kilometers driven at the rate suggested below. If distances over 200 km need to be travelled within a short period, it may be advantageous to rent a car and pay for its fuel, rather than paying base "mileage."

The suggested reimbursement rate is the CRA's automobile allowance rate. The current rate is $0.73/km. The CRA allowable rate for each given year is usually available at the beginning of the year.

Canada Revenue Agency automobile allowance rates

73¢ per kilometer for the first 5,000 kilometers driven, and 67¢ per kilometer thereafter. In the Northwest Territories, Yukon, and Nunavut, the rate is 4¢ per kilometer higher in each case. **Mileage rates are updated in January each year**. Check the "official" mileage rate at: **https://www.canada.ca/en/department-finance/news/2026/01/government-announces-the-2026-automobile-deduction-limits-and-expense-benefit-rates-for-businesses.html**

Benefit Programs

Congregations are required to pay the employer's cost of the LCC Worker Benefits Program for their workers, as well as the employer portion of their Canada Pension Plan contribution and Employment Insurance premiums. Particulars regarding the LCC Worker Benefits Program can be found at http://www.lccbenefits.ca.

Please note that after the age of 71, CPP and LCC pension plan contributions no longer apply as benefits are not earned after this age. It is recommended that the salary of a full-time Church Worker over age 71 includes a long service bonus equal in value to what would be paid into CPP and LCC pension contribution. The LCC pension plan contribution is 6% of salary. A worker is considered full-time if working 24 hours or more per week on average.

We encourage congregations to enroll in the Federal Government's "Supplementary Unemployment Benefits" (SUB) plan that allows them to increase their employees' weekly earnings when they are unemployed due to an illness or injury. For information about this plan, visit Service Canada's web site: https://www.canada.ca/en/employment-social-development/programs/ei/ei-list/ei-employers-supplemental-unemployment-benefit.html

Vacation Leave

A vacation is a time of rest, and God set the example in Genesis 2:2–3 when he rested after creating the world. A Congregation is an employer that is required by law to provide paid vacation to employees.

The minimum vacation leave allocations vary by province. The following vacation schedule is suggested:

- 0 to 5 years of service = 3 weeks paid vacation
- 6-15 years of service = 4 weeks paid vacation
- 16 years of service and more = 5 weeks paid vacation

A week is understood to mean seven (7) consecutive days.

Professional Church Workers should use all their vacation time in the calendar year. Congregations should insist that their Professional Church Worker take time off from regular duties to enjoy a period of relaxation and restoration. The rising incidence of "professional burnout" indicates the need to take time off in addition to their weekly time off.

Unused Vacation time should not be carried into the next calendar year.

Statutory Holidays

Employees in every province are entitled to holidays as determined by provincial legislation. It is recommended that congregations give Professional Church Workers time off after Christmas and Easter, as well as extra time off in lieu of statutory holidays that are “missed” due to ministry responsibilities.

Other Forms of Direct Compensation for Pastors

Payments to Pastors by members of their congregations on occasions such as baptisms, weddings, and funerals, are not encouraged. These services should be considered part of his normal pastoral responsibility, for which extra pay is neither necessary nor appropriate. It should be noted, however, that all gifts, honoraria, etc., are taxable and must be recorded and reported to Canada Revenue Agency (CRA) by the worker.

Compensation for Personal Devices (technology allowance):

If the Professional Church Worker is not provided with a computer, cell phone or other electronic devices for on-the job use, then they should be compensated for the estimated proportion of the total expense of these devices allocated to church work as estimated and agreed upon by the Professional Church Worker and congregation. Congregations should ensure compensation includes data plans and other equipment used for electronic/remote ministry and/or online worship and Bible study.

Appendix 1 – Changes

Changes for 2027

1. The COLA rate for 2027 is 2.6%
2. Applied the COLA to the salary grids, home equity allowance, Vicar and Deacon Intern Salaries.
3. Updated mileage rate to .73 per kilometer based on CRA's Current recommendation.

Changes for 2026

4. Updated the COLA to 2.6%
5. Applied the COLA to the salary grids, home equity allowance, Vicar and Deacon Intern Salaries.
6. Updated mileage rate to .72 per kilometer based on CRA's Current recommendation.

Changes for 2025

1. Updated the COLA to 2.3%
2. Applied the COLA to the salary grids, home equity allowance, Vicar and Deacon Intern Salaries.
3. Added a note to clarify that congregations who participate in the Synod Moving Assistance Fund can apply for assistance for moving costs for Vicars and Deacon Interns.
4. Increased the recommended amounts for supply pastors. This has not been updated since prior to restructuring. The suggestion to review this came from one of our emeritus pastors.
   One service from $150 to $200
   Two services from $200 to $250
   Additional prep time for Bible study $25 - $50 remains the same.
5. Updated mileage rate to .70 per kilometer based on CRA's Current recommendation.