EPISCOPAL CHURCH IN CONNECTICUT

PARTICIPATING IN GOD'S MISSION

The Commons Companion

Resource for Parish Leaders

2026

EPISCOPAL CHURCH IN CONNECTICUT
PARTICIPATING IN GOD'S MISSION

To the leaders of the Episcopal Church in Connecticut:

The Commons Companion resource for parish leaders is designed to ensure the long-term sustainability and continuity of our common life. The multiple resources are filled with hyperlinks for your convenience.

These best practices will serve to guide parishes in the stewardship of transparency and accountability of its human and financial resources and real property.

This companion also highlights our canonical responsibilities in support of our efforts to enhance, manage and maintain our commitments. Integrating these tools will continue to serve and strengthen the church as a faithful witness to the world.

We welcome your observations. This guidance will be updated periodically with the latest relevant data, trends, and practices.

Faithfully,

Rosanna Rosado

Rosanna Rosado
Canon for Mission Finance and Operations

Finance and Operations Team

Canon for Mission Finance & Operations, Rosanna Rosado

Controller, Derrick DaSilva
Internal Controls, Annual Auditing, Arrears, Common Mission Support, Property & Casualty

Data Analyst Manager, Gigi Leackfeldt
Parochial Reports, Audits/Reviews, Joining Jesus in a Missional Age, Parish Financial Analysis

Director of Operations for Donations & Bequests, Inc. Theresa Dupont
Spending Plan, Investment Management, Accumulative Investment Draw

Staff Accountant, Kathy O'Hearn
Grants Processing, Revolving Loan Funds Servicing, Internal Expense Compliances

Accounts Manager, Candace Naudé
Invoices, Billings, Accounts Payables, Accounts Receivables

Property Manager, Jon Heflin
Parish Property Guidance, Missionary Society's Property Maintenance, Encumbrance & Alienations

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The Episcopal Church (TEC)

Constitution and Canons of The Episcopal Church

TEC Business Methods

Manual of Business Methods in Church Affairs (English y Español)

Good Standing Policy

Good Standing Criteria

The Mission Council reports to the Annual Convention of the Episcopal Church in Connecticut on the parishes in good standing. These parishes ardently strived to fulfill the administrative, financial, and canonical expectations that are fundamental to our common life in participating in God's mission.

The criteria below afford parishes to ensure transparency, accountability, and long-term sustainability.

The following criterion must be fulfilled on an annual basis to be recognized as a parish in good standing.

- Canon I.11. A Common Mission Support (10% of Operating Income)
- Canon I.11. B Endowment Draw (< 25% 3-year Accumulative Draw)
- Canon II.2 Parochial Reports (due March 1st)
- Canon IV.2. A Parish Investment Management
- Canon IV.2. D Annual Audits/Financial Reviews (due September 1st)
- Surveys
    - Creation Care Survey
    - Annual Parish Update
- *Arrears > 60 Days:*
    - Common Mission Support,
    - Property & Casualty Insurance,
    - Group Life, Medical & Dental Insurance,
    - Church Pension Group on Clergy or Lay Retirement Plans.

The Canon for Mission Finance and Operations will send bi-annual notices to the Rector or Priest-In-Charge, Wardens and Treasurer notifying them of the parish's status.

Parochial Report Orientation Sessions

Parochial Report Orientation Sessions are held each January and early February. Please check the ECCT News & Events Calendar to register.

Donations and Bequests for Church Purposes, Inc. (D&B)

Donations and Bequests for Church Purposes, Inc. "D&B" was established in 1863 by act of Connecticut's legislature. The purpose of D&B is to manage endowments, bequests, and assets of the parishes, institutions, and Missionary Society of the Episcopal Church in Connecticut by investing sustainably and providing prudent oversight of the funds in its care to participate in God's mission more faithfully.

Over its 156-year history, D&B has acted as a fiduciary agent for Episcopal parishes in Connecticut ("ECCT") and as a trustee for donors making bequests to support specific aspects of the mission of God in Connecticut and beyond. Today the D&B has 131 participants consisting of 120 parishes and 11 diocesan related organizations hold over 400 separate accounts in the fund with a combined market value of approximately $140 million. In addition to the Balanced Fund, we offer the opportunity for the participants to invest in Values Investing Funds, ESG Environmental, Social and Governance.

D&B provides personalized services to each of its participants, providing high-quality client service that is responsive, timely, and wherever possible, proactive. The Director of Operations for D&B will work with participants in the on-boarding process to facilitate a seamless transition and serves as a liaison between the participants, board of Trustees and Investment Advisors. In addition, we provide archival serves for the preservation of historic documents.

D&B's policies are determined by its Board of Trustees, consisting of a minimum of six members plus the ECCT's Bishops, Treasurer, Chancellor and Director of Operations for D&B. The trustees manage D&B's assets in good faith and with "prudent person" care, including oversight of custody of assets and record keeping, investment manager selection, performance monitoring and asset allocation strategies and risk management.

Additions, Changes and Withdrawals

2025 Request Form

Did you know ACH deposit is the preferred method for additions to D&B?
Contact Theresa Dupont *Director of Operations for instructions.*

Additional Information

- Assets Under Management
- Governance
- Investment Strategies
- Performance Update
- Management Fees

Best Practice Resources

Stewardship

Mission Matter$: Resource Management for Parish Leadership
by Rosanna Rosado, Canon for Mission Finance & Operations, ECCT
Diana DeJesus-Medina, Chief Development Officer, LatinoJustice PRLDEF
Gigi Leackfeldt, Data Analyst Manager, ECCT

Stewardship, Parish Finances, and a Pandemic: Our ongoing participation in God's mission
by The Very Rev. Miguelina Howell, Cathedral Dean

The Episcopal Network for Stewardship (TENS)
For membership login information, please contact Jaylynn Foreman

Conflict of Interest Policy

Sample Conflict of Interest Policy

Discretionary Funds

Please refer to Chapter V: Clergy Discretionary Funds V-1
Manual of Business Methods in Church Affairs (in English y Español)

Retention Schedule

The Episcopal Church offers a comprehensive guide for parishes titled.

Records Management for Congregations: An Archives Manual for Episcopal Parishes and Missions

For specific questions on retentions schedules please reach out to Gregory Farr, Archivist and Records Manager or 203-639-3501 ext. 135.

Financial Resources

Grants

Guidelines, administration, and deadlines vary by grants.

Care for Creation

CMPC (Companions in Mission for Publishing & Communication)

Continuing Education (Lay or Clergy)

Technology, Security, and Fire Safety Grant

Mission Development Fund

Mission Travel

Property Improvement Grant

Retired Clergy Grant

Scholarships for Young People (Clergy and ECCT employees)

Sustainability Development Fund

United Thank Offering (Episcopal Church)

Revolving Loan Fund

For information on eligibility and guidelines, as well as the application for Revolving Loans, please visit the Missionary Society Revolving Loan Fund webpage.

Human Resources

Note: This section includes just a summary of some of the human Resources (HR) topics that parish leaders should be aware of. ECCT's website includes articles on HR topics, ECCT's handbook, and various templates, forms, and checklists. These can be found in the ECCT Human Resources folder. Parishes are encouraged to review these resources.

Equal Employment Opportunity

The Episcopal Church in Connecticut provides equal employment opportunities to all employees and applicants for employment without regard to race (including ethnic traits characteristically associated with race, such as natural or protective hairstyles), ethnicity, color, age, sex (including pregnancy), national origin, sexual orientation, gender identity or expression, past or present history of physical or mental disability, HIV/AIDS status, veteran status, marital status, familial status, genetic information, status as a victim of domestic violence, or any other category protected by law. ECCT provides equal employment opportunities without regard to religion except with respect to those bona fide instances that require active Episcopal Church membership. Further, ECCT provides equal employment opportunities to all employees and applicants for employment without regard to weight, size, or height.

This policy applies to all terms and conditions of employment, including recruiting, hiring, training, compensation, placement, promotion, transfer, leave of absence, layoff, termination, and retirement. This policy applies, as appropriate, to all volunteer service opportunities, including internships and appointments to all Boards and Commissions. The Episcopal Church in Connecticut urges each of its Parishes, Worshipping Communities, and Intentional Episcopal Communities to adopt a similar policy.

Payroll

Each parish reporting employment taxes must have their own Employer Identification Number (EIN) also known as the Federal Tax Identification Number and should register their EIN when setting up their payroll services. Parishes are encouraged to use either ADP or Paychex. Whichever payroll service used, the service provider needs to understand the intricacies and complexities of clergy compensation packages and taxes.

The Church Pension Group, which offers benefit options for The Episcopal Church, has affiliated themselves with ADP. To learn more about their offerings visit CPG's Payroll Services.

Timesheets

All non-exempt employees need to keep timely and accurate records of their hours worked, including meal breaks. Non-exempt employees, who are typically paid on an hourly basis, should receive renumeration for all hours worked. Non-exempt employees who work more than 40 hours in a workweek are eligible for overtime at a rate of time and a half (one and a half times their regular rate) for all hours worked beyond 40 hours. Hours for which an employee may be compensated but are not actually worked (such as paid vacation, sick time, or holiday time, if offered) need not be counted as "hours worked" for purposes of calculating eligibility for overtime.

Also, employees who work 7-1/2 consecutive hours or more on a workday must be provided with a half-hour unpaid meal break.

For more information regarding whether an employee is non-exempt or exempt, please see Job Classifications, below.

Connecticut Minimum Wage

Connecticut's current minimum wage is $16.94 an hour effective January 1, 2026. The state minimum wage typically changes as of January 1st each year. The state determines and announces any change in October for the following calendar year.

Clergy have minimum pay requirements listed out in Clergy and Lay Compensation.

Federal Employment Taxes

Federal tax deposits must be made by electronic funds transfer. For tax reporting information see Publication 15 – Circular E, Employer's Tax Guide. Section 11 is titled "Depositing Taxes".

State Employment Taxes

Beginning on September 21, 2020, the Department of Revenue Services began a multi-phase project to update the Taxpayer Service Center (TSC) and transitioned to myconneCT. For more information, see Filing and Paying Connecticut Taxes Electronically.

Employer/Lay Employee FICA Rate for 2026 (Estimated)

15.3% - (Lay Employee=7.65%, Employer=7.65%) on the first $184,500
2.9% - (Lay Employee=1.45%, Employer=1.45%) on the amount over $184,500

Parishes must withhold for all lay (non-clergy) employees who earn over $200.00 weekly. Penalties for parishes who avoid such deductions are very heavy. For more information, see the IRS's Withholding Rates.

Unemployment Tax

Parishes, as religious non-profit organizations, have the option to participate in the government-funded unemployment tax program (FUTA) and Connecticut state unemployment tax program (SUTA) or to be exempt from these programs and taxes. If parishes wish to remain exempt from these programs, they should be mindful of the expectation that the parish will not participate in "activities of which is carrying out propaganda or attempting to influence legislation and which does not attempt to participate or intervene in any political campaign." ECCT itself does not participate in the unemployment tax programs and our employees are not eligible to receive unemployment compensation benefits. If a parish decides to participate it may be difficult to reverse the exemption. Parishes who are not participating in the unemployment tax programs should educate employees at the time of hire that they will not be eligible for unemployment benefits.

Connecticut Family & Medical Leave (CT FMLA) and Paid Leave Program

The Connecticut Family and Medical Leave (CT FMLA) and Connecticut Paid Leave (CTPL) program, established by state law, are meant to help eligible workers who need to take leave from their job due to their own serious health condition, to care for a family member with a serious health condition, or for certain other circumstances. The CT FMLA provides eligible employees with job-protected leave, and the CTPL program provides eligible workers with income replacement.

Depending on the situation, one or both may apply. That means that an employee may be eligible for job-protected leave under CT FMLA and also eligible for monetary benefits under CTPL, or that an employee may be eligible for one but not the other.

For details and eligibility for these programs, please visit the Human Resources folder on the ECCT website. There is an article about these programs in the "Articles" subfolder, with links to additional resources from the state.

Connecticut Paid Sick Leave

Connecticut has significantly revised its Paid Sick Leave law so that, by 2027, even the smallest employers (those with one employee or more) will have to provide up to 40 hours of paid sick leave to their employees. The law will be phased in gradually: in 2025, it applies to those with 25 or more employees; in 2026, it applies to those with 11 or more employees; and in 2027, it applies to those with 1 or more employees. The employee count is based on employer's payroll for the week containing January 1st, annually.

Under the revised law, full- and part-time employees accrue paid sick leave at a rate of one hour of paid sick leave for each thirty hours worked by an employee, up to a maximum of forty hours per year. However, employees who work fewer than 120 days per year are not covered. For new employees, accrual of paid sick leave begins at the date of hire, but parishes can have new employees wait a period of up to 120 days before they can use accrued time. Each employee shall be entitled to carry over up to forty accrued but unused hours of paid sick leave from the current calendar year to the following year, but no employee is entitled to use more than forty hours in any year. Parishes must meet the minimum requirements of the law but can be more generous if they wish.

Employees are entitled to use their paid sick leave for a number of reasons, including the illness or injury of the employee or a family member, to seek diagnosis, care or treatment of their own mental or physical illness or health condition or that of a family member, to seek preventative medical care for themselves or a family member, for a mental health wellness day, or reasons related to a public health emergency, exposure to a communicable disease, or certain reasons related to family violence.

More information regarding Paid Sick Leave, including a poster that parishes are required to post, can be found on the state Department of Labor's website, here.

Job Classifications

Many parishes have questions on how to classify their personnel. This section includes brief overviews of the different job classifications. Because classification issues can be complicated and penalties for misclassifying employees can be significant, parishes are well advised to consult with a qualified legal or tax professional if they have any questions or concerns about whether an employee is exempt or non-exempt, or whether an individual is an independent contractor or an employee.

Exempt Status means those employees whose job duties make them exempt from the overtime pay and minimum wage provisions of Connecticut and federal wage and hour laws. Exempt employees must be paid on a salary basis (though certain professionals may be paid on a fee basis) and make the same amount each workweek. With few exceptions, deductions from their pay may not be made, even if they are absent for part of a workweek.

However, simply paying someone on a salary basis or giving them a particular title does not automatically make them exempt; their primary job duties must fall within those recognized under the executive, administrative, or professional exemptions of the wage and hour laws. The U.S. Department of Labor offers guidance on the federal wage and hour laws on their website, including a Fact Sheet on the exemptions.,

Non-Exempt Status means that an employee is not exempt from overtime pay. These employees are typically paid on an hourly basis. Non-Exempt employees must keep accurate track of hours worked and submit timesheets (or enter their time on a payroll system) for supervisor approval. Non-Exempt employees are only paid for hours actually worked. While a non-exempt employee may be permitted to flex time within a single workweek (for example, an employee who is out for two hours of their regular workday on a Monday could, with their supervisor's permission, work an additional two hours during the course of the rest of the workweek to make up the time missed) they cannot flex time between workweeks in lieu of being paid overtime.

Independent Contractor vs. Employee: The distinction between an independent contractor or an employee can be blurred, and different state and federal agencies may have different criteria. Guidance is available from the IRS, which offers guidance on classification of workers for tax purposes on their website. Note that simply calling someone or treating them as an independent contractor—even if they agree—does not necessarily mean they are one. Some of the factors to be considered include the following: Behaviorally, who has the right to direct the work? Financially, who has made a financial investment in the work and stands to make a profit or loss? In terms of the relationship, what is the type of relationship? How are the terms of the agreement set up?

The following chart illustrates some of the typical differences between independent contractors and employees:

Independent Contractor	Employee
Completes Form W9, does not have taxes withheld but must pay the full share of self-employment taxes	Completes Form W4 (and CT W4) for Tax Withholdings., specifying at what level taxes are withheld; employer pays the employer portion of employment taxes
Reports to a parish contact or point person for the project; parish has the right to control or direct only the result of the work and not what will be done and how it will be done.	Reports to a supervisor/parish leader; supervisor directs the employee regarding the work to be done and how it is to be done.
Generally, does not require a background check	Requires a public records background check
Provides own materials to complete the project they were hired to do	Materials and supplies are provided by, and owned by, the parish
Does not have training requirements	Must participate in Safe Church Training and Sexual Harassment Prevention Training
Must be provided a 1099 Misc. Income Form for tax purposes, showing the amount they were paid for their work	Must be provided a W2 Form for tax purposes, showing their compensation, withholdings, and deductions for the year

Background Checks

The Episcopal Church in Connecticut has contracted with a company called Protect My Ministry (also known as Active Screening Faith) to conduct background checks. Every parish who does not yet have an account with this service should open one as soon as possible. *Note that this applies to any new staff or volunteers for summer camp or Vacation Bible School who have not already had their public records background check.*

Employee Handbook

ECCT offers an annotated Employee Handbook Template for Parishes to help parishes in crafting their own handbook and policies. It cannot be used simply "as is" since there are many places where information specific to a parish must be added and places where parishes will need to make decisions regarding policies and procedures, including whether to include policies that are optional. However, the annotations provide information to assist parishes in making those decisions. It is recommended that parishes consult with a human resources specialist before finalizing their handbook, particularly as certain policies are based on employment law requirements and should not be modified without input from a qualified employment professional.

ECCT's handbook for its own staff remains available on the website for reference, but as many of the policies are specific to life at The Commons and include policies that are optional or include benefits beyond what a parish may be able to provide, it is highly recommended that parishes use the handbook template for parishes as a starting point.

ECCT also offers a Guide to Parish Employee Benefits, which summarizes the different types of benefits (including which benefits parishes are required to provide and which are optional) and basic eligibility requirements. It can be used in conjunction with the handbook template as a reference when drafting handbook policies regarding time off and benefits.

New Hire Documentation

Hiring a new employee can be daunting when it comes to new hire paperwork. This list with links should help get parishes started with the correct forms.

Form Name	**Description**	**Links**
Job Description	Employees should have a list of duties and responsibilities for the job position they are hired to do. This document should be reviewed annually and updated.	Job Description
Letter of Employment (Offer letter)	This document, created by parish leaders, is an offer letter that outlines the specifics of the job offer. The document is not generally updated unless there are new terms.	Letter of Employment
Background Check	All parishes are required to conduct a public records background checks on their employees. Each parish should set up an account with Active Screening. For all clergy hires, ECCT conducts the public records background check and an Oxford Background check.	Active Screening Faith
State and Federal Tax Documentation	These documents explain to the employer what tax withholding the employee would like to elect. The employee can change this election at any time. They can also request to have additional taxes withheld.	W-4 Federal W-4 State
Employment Eligibility Form (I-9)	All U.S. employers are required to verify identity and employment authorization for individuals hired for employment. This form should be completed within three days of the hire date and requires employees to bring in original documents to establish identity and their ability to work in the United States, such as a U.S. passport (which establishes both) or both a state driver's license and social security card. A full list of acceptable documents is included on the I-9 form itself.	I-9
Medical, Dental, Life Insurance Enrollment Forms (If applicable)	All employees who regularly work 1,000 hours or more per year (which equates to an average of about 20 or more hours per week) are eligible to enroll in these benefit plans.	Insurance Medical-Dental-Life Form
Lay Pension Enrollment Form	All lay employees who regularly work at least 1,000 hours or more per year (which equates to about 20 hours or more per week) should be enrolled in a CPG pension fund. Lay employees are enrolled in a Defined Contribution Plan, which is different from clergy who are enrolled in a Defined Benefit Plan.	Lay Pension Form

Safe Church Policies and Resources

ECCT Model Policies for the Protection of Children, Youth and Vulnerable Adults

ECCT's Model Policies are in accordance with those required of all dioceses within The Episcopal Church. While there are separate policies for the protection of vulnerable adults, and children and youth, the format and many provisions are identical. Appendix A to both policies is the same. It is a chart that depicts who needs public record checks and safe church training.

ECCT's Model Policy for the Protection of Children and Youth

ECCT's Model Policy for the Protection of Vulnerable Adults

Additional Safe Church Resources

Public Record Background Checks

Public record background checks consist of criminal convictions, credit history and/or motor vehicle reports. They are required of those serving in parish leadership and specific ministries as specified in Appendix A of ECCT's Model Policies. Each parish is required to conduct these public record searches using Protect My Ministry (Active Screening Faith), the vendor designated by ECCT. Public record checks must be updated every five years. While there is no fee to establish a parish account with Active Screening Faith, there is a modest fee for a basic criminal background check which can have additional charges depending on the state and county records that need to be searched. A site visit is required before a parish can conduct credit checks. This site visit is required by federal law and there is a one-time $85 fee. Credit history searches do not include reporting credit scores. This is a very highly regulated activity by federal law.

Screening and Training Protocols

How to Create an Account with Active Screening Faith

Safe Church Training

Attendance at ECCT's Safe Church Training (SCT) is required of all those serving in parish leadership and specific ministries as specified in Appendix A of ECCT's Model Policies. Each parish is required to track attendance. Certification of SCT shall be **renewed every three years**. ECCT's Safe Church Training consists of online courses followed by a live or zoom session to apply the online learnings. There are also live training events for those who prefer to learn in person rather than online. All SCT events in ECCT are free of charge.

Screening and Training Protocols

ECCT's Safe Church Training Registration

Additional Safe Church Resources

Links to:

- Sample Application form to Participate in Ministry as a Volunteer (In Accordance with Appendix A of the Model Policies)
- Recommended Practices and Guidelines for Social Media and Electronic Communications for Children and Youth: Appendix B (Children & Youth)
- Recommended Practices and Guidelines for Social Media and Electronic Communications for Vulnerable Adults: Appendix B (Vulnerable Adults)
- Best Practices for a Safe Church Online (Diocese of Michigan, March 30, 2020)
- When to Apply Safe Church Protocols
- Parishes and Boy Scout Troops
- Model Alcohol Policy

Waivers, Releases & Permission Forms

Waivers, releases, and permission forms are required for many church-related events that involve children, youth, or vulnerable adults. (As vulnerable adults include anyone 60 years of age or older, most church events involve vulnerable adults.) Moreover, all off-site programs and events need prior approval by the governing body of the entity sponsoring the program or event. Off-site parish events need prior approval by the vestry. Part of approving an event requires that the governing body ensure that all permissions and documentation is in order.

Links to:

- Ministry Network Event Sponsorship Form
- Permission Form: Youth Off-Site, Single Day Event with Parent/Guardian Present
- Permission Form: Youth Off-Site Overnight Event
- Release Form: Adult Off-Site, Single Day Event
- Release Form: Adult Off-Site Overnight Event
- Volunteer Driver Form

Safe Church Self-Audit

Pursuant to ECCT's Model Policies, each parish, worshipping community and organization is required to conduct an **annual** Safe Church Self-Audit.

- Self-Audit Form

Clergy and Lay Compensation

The following clergy salary schedules were approved by Convention on October 24, 2025 and should be reflected in parish budgets. 2026 clergy salaries incorporate a cost-of-living adjustment (COLA) of 3.25% and is the minimum that parishes are required to offer.

ECCT Cost-of-Living Adjustment 2025: Offering a cost-of-living adjustment to your employees afford them the sustainability in keeping up with the rising cost of living so that the individual's purchasing power is not diminished. In an inflationary environment, unevenly rising prices inevitably reduce the purchasing power of some consumers, and this erosion of real income is the single biggest cost of inflation.

What does this mean for ECCT parishes and its employees? It means that people and organizations are spending an average of 3.25% more on goods, services, food, and fuel. To ensure that ordained and lay employees can continue to afford their own living expenses, ECCT recommends the minimum a parish must compensate its clergy and laity.

Each year, ECCT determines a Cost-of-Living Adjustment (COLA) based on the U. S. Bureau of Labor Statistics' Consumer Price Index (CPI). We determine the COLA by considering how much the CPI has changed from July of the previous year to July in the current year. We factor in both Boston and New York and average the two. For example, over the past year in Boston, prices rose by 3% and in New York they rose by 3.5%, giving us our recommended average COLA of 3.25%. ECCT's 2022 – 2026 recommended annual COLAs average 4.23%.

Parishes who meet or exceed the minimum required clergy compensation are encouraged to negotiate employees COLAs based on capacity. Parishes are encouraged to consider all factors when determining compensation adjustments. Such factors should include the local cost of living, the parish financial health, and the employees experience and contributions to the community.

Less than Half-time Clergy: Clergy employed at less than half time carry out the duties of a Rector/Priest in Charge as listed in church canons. The range of hours to be worked per week is determined by what the parish can afford and negotiations between the vestry and priest and is spelled out in the Letter of Agreement.

First Year of Ordination: First full year rate is for the first year following ordination to the Diaconate. Beyond that first year, the rate used should be under the category of full-time assistant or Priest-in-Charge as appropriate.

Incremental Increase: An incremental step in minimum salary for each year of ordination applies to all clergy except for Transitional Deacons and Priests during the first year of ordination. Rather than prorating the increase for the exact date of ordination, it is recommended that the incremental step be paid as of January 1st for the entire calendar year after the year of ordination. For example, if someone is ordained to the diaconate in 2025, the higher salary rate applies beginning January 1, 2026.

Compensation Components

Cash Salary: Compensation including bonuses and the Social Security Allowance (SSA) and excluding any reimbursement allowances and other professional fees. If your priest has participated in a tax-sheltered annuity/salary (403b/401k) deferment plan, for pension purposes, assessments are still based on the original, unreduced cash salary.

Housing and Utilities: Compensation packages for clergy working half-time (20 hours) or more should include housing and utilities (i.e., church-owned housing or suitable housing allowance for clergy owned or rented housing). A housing allowance will be determined in conjunction with diocesan staff based upon housing costs in the parish community and the clergy's full-time equivalent status. If the parish provides housing, the parish must pay 100% of utilities, which include oil/gas, electric, sewer/water, garbage/recycling, and basic cable, telephone, and internet.

Social Security Allowance (SSA): 2026 Estimated SE and Medicare tax rate is 15.3% on the first $184,500 and 2.9% on earnings beyond that threshold.

For Clergy Who Receive	Factor
Church-provided Housing with no HEA	.1355 (Cash Salary + Utilities)
Pay Housing allowance	.1011 (Cash Salary + Housing + Utilities)
Church- provided Housing and HEA	.1415 (Cash Salary + Utilities)

To determine the Medicare tax obligation for total compensation packages over $176,100, multiply the amount of compensation over $184,500 by 1.74% (again, 60% of 2.9% as described above) to compute the amount that should be added to the calculation from the factors above to determine the total Social Security Allowance.

Housing Equity Allowance: Clergy who have completed five full years of ministry following ordination (Diaconate) and who live in church provided housing are eligible for a Housing Equity Allowance (HEA). HEA should be included in the cash salary portion of compensation when reporting to the Pension Fund. The standard allowance factors are a minimum requirement – there is no prohibition of an enhancement to the minimum allowances.

- Clergy who are provided housing by the church or employing agency are entitled to a Housing Equity Allowance (HEA) equal to 3.9% of their compensation.
- For parishes that provide housing, HEA = 0.039 x [Cash Salary+ SSA + Utilities]
- Clergy who have not completed five years of ministry following ordination are not eligible for Housing Equity Allowance.

Professional Expenses: Parishes should provide an annual professional expense allowance for reimbursement of documented expenses according to a Vestry-approved accountable plan. Travel in support of church business should be reimbursed at the IRS mileage rate, which is $0.76 per mile for 2025. Updated mileage rates can be found on the IRS Standard Mileage.

Continuing Education: The Continuing Education amount for 2026 is $1,850.00 as reimbursement for clergy working half-time or more for continuing education and for a contribution toward the expense of the annual clergy conference. A week of continuing education time away from the parish (not counting a Sunday) is part of this allowance for full-time clergy.

Group Life, Medical & Dental (GLMD) Insurance: Health plan selection and specification of coverage (e.g., single person, two persons, family) is left to the sole discretion of the employee. Parishes must contribute at least 85% of the cost of medical insurance premium for clergy or lay employees regularly scheduled to work 1,500 hours or more per year. If parishes have been paying 100%, they are encouraged to phase in employee contributions. Premiums for dental coverage for clergy or lay employees working half-time or more and who elect either the Basic or Comprehensive dental plan option must be paid 100% by the employer. For those who elect the Premium dental plan, the employee is responsible for the portion of the premium that exceeds what the employer would pay for the Comprehensive coverage. Premiums for life insurance for clergy or lay employees working half-time or more must be paid 100% by the employer. Minimum medical insurance contributions for part-time clergy are based upon the part-time guidelines.

If lay employees regularly scheduled to work 1,000 hours per year wish to purchase medical coverage for themselves, they are eligible to do so at their own expense. Non-exempt lay employees regularly scheduled to work less than 1,000 hours annually are not eligible to purchase coverage through CPG, (full eligibility guidelines can be found below.

Annual Enrollment typically begins in mid to late October of each year.

Further eligibility guidelines for the Episcopal Health Plan (EHP) can be found on page 13 of CPG's Administrative Policy Manual.

GLMD Cost Matrix

Life, Medical, and Dental Plan Summaries & Enrollment Forms

ECCT also offers a Guide to Parish Employee Benefits, which summarizes the different types of benefits (including which benefits parishes are required to provide and which are optional) and basic eligibility requirements. It can be used in conjunction with the handbook template as a reference when drafting handbook policies regarding time off and benefits.

Pension Fund Contributions: Every church unit must pay a pension assessment on behalf of its clergy based on the compensation package. This applies to clergy scheduled to be "regularly employed" for 5+ consecutive months. The formula for calculating the pension assessment follows:

- Clergy Living in Church-Provided Housing:
  - Pension Assessment = (Cash Salary + Utilities + SSA + HEA if paid) X 130% X 18%
- Clergy Not Living in Church-Provided Housing:
  - Pension Assessment = (Cash Salary + Housing and Utility Allowance + SSA + HEA if paid) X 18%

Church Pension *contribution errors can only be corrected for the two prior years*. Pension assessments that are in arrears severely curtail the benefits of the potential pension recipient. Please make sure that all payments are current.

Please visit Church Pension Group for further details and instructions and the helpful booklet that outlines the Church Pension Fund Clergy Benefits Guide.

Full-Time Clergy – Minimum Cash Salary Schedule

		2023	**2024**	**2025**	**2026**
% Increase		7.10%	3.05%	4.1%	**3.25%**
Transitional Deacons/ Priests first full year		$41,926.00	$43,205.00	$44,976.00	**$46,438.00**
Full-time Assistants ordained ≥ one year		$44,922.00	$46,294.00	$48,192.00	**$49,758.00**
Rector / Priest-in-charge		$50,879.00	$52,431.00	$54,581.00	**$56,354.00**
Increment for each year of ordination up to 20 years		$900.00	$927.00	$965.00	**$996.00**
Minimum for 20 years of ordination		$68,937.00	$71,040.00	$73,953.00	**$76,356.00**
Continuing Education		$1,850.00	$1,850.00	$1,850.00	**$1,850.00**

Part-Time Clergy – Minimum Cash Salary Schedule

	Minimum Cash Salary	Continuing Education	SSA (Social Security Allowance)	Housing/ Utilities Allowance	Medical, Dental & Life Insurance	Pension
3/4 time	75% of Full-time	100% of Full-time	Same formula as Full-time	75% of Full-time	85% - 100% of medical premium 100% Comprehensive Dental and Life	Same formula as Full-time
1/2 time	50% of Full-time	100% of Full-time	Same formula as Full-time	50% of Full-time	50% of medical premium 100% Comprehensive Dental and Life	Same formula as Full-time
Less than 1/2 time	$20,390 (if retired, must be under the "work after retirement" earnings cap)	Negotiable Minimum of $463	Same formula as Full-time	Negotiable (Not Required)	100% life premium Others Negotiable	Same formula as Full-time (Not applicable if clergy is retired)
Vocational	$25 per month	100% of Full-time	N/A	N/A	N/A	Same formula as Full-time

PTO (Paid Time Off) for All Clergy

Clergy Employment	Vacation	Holiday	Sabbatical	Continuing Education
Full –Time	Five Weeks	12 paid Holidays / Leave days	3 month paid sabbatical option after 5 years	5 days
3/4 time	Five ¾-time weeks	12 paid Holidays / Leave days	Negotiable	5 days
1/2 time	Five 1/2-time weeks	12 paid Holidays / Leave days	Negotiable	5 days
Less than 1/2 time	Five Comparable Weeks (LOA)	N/A	N/A	Negotiable

Tax Considerations

For general employment tax information, please refer to the Human Resources section.

Clergy Housing and Furnishing (Parsonage) Allowances

This exclusion is accomplished by the vestry voting a "clergy parsonage allowance" designating a portion (up to 100%) of cash salary. The parsonage allowance amount is at the total discretion of the clergy and does not impact the amount paid to the clergy person by the parish. Housing, furnishing, and professional expense allowances **must be voted and duly recorded by the vestry prior to January 1, 2026,** the beginning of the new tax year. Clergy may elect to change their allowance mid-year, but the change is never retroactive and can only be implemented after a new Parsonage Allowance Resolution is passed by the vestry.

- Clergy who owns their own homes may exclude from income a housing allowance equal to the entire cash amount spent for housing, which does not exceed the annual fair rental value of the minister's home (furnished including utilities for clergy owned housing. It is advisable to have a real estate professional set the fair rental value of the home as furnished plus utilities and issue a statement to that number for your records.
- Clergy who live in church-owned or church-rented dwellings can exclude from income an amount equal to the actual cash spent on those items for housing and furnishings that are not otherwise reimbursed by the church. The allowance cannot exceed the fair rental value of the furnishings and operation of the home plus utilities if not provided by the church.

In all cases the burden of proof to the IRS is on the individual taxpayer and the request to adjust compensation to accommodate this tax code (Section 107) and the amount involved is the sole decision of the cleric. Vestries should honor the request and properly document their minutes as shown in the model resolutions shown in below.

Model Parsonage Allowance Resolution Samples

Cleric lives in his/her own house: Resolution of the Vestry Meeting of 12/10/25: Whereas the Rev. Paxton Quigley is employed as a minister of the Gospel by St. Swithin's Episcopal Church, Metropolis, CT, which does not provide a residence for him, the vestry resolves that of the total compensation of $90,000 (Note: this figure should contain salary, housing and social security allowance) to be paid to the Rev. Quigley during 2025, that $36,000 be designated a parsonage allowance within the meaning of that term as used in Section 107 of the Internal Revenue Code (IRC) of 1986 as amended, but in any event until further notice the parsonage allowance shall be $3,000.00 per month.

Cleric lives in a rectory/vicarage provided by the church: Resolution of the Vestry Meeting of 12/10/25: Whereas the Rev. Abigail Quigley is employed as a minister of the Gospel by St. Swithin's Episcopal Church, Metropolis, CT, which although providing a residence for her does not provide the full cost of maintaining and furnishing such a residence, the vestry resolves that of the total compensation of $54,200 (Note: this figure should contain cash salary, social security allowance, and housing equity if applicable) to be paid to the Rev. Quigley during 2026, that $7,200 be designated a parsonage allowance within the meaning of that term as used in Section 107 of the IRC Code of 1986 as amended, but in any event until further notice the parsonage allowance shall be $600.00 per month.

Vocational Deacons

Each Episcopal organization with a serving deacon must pay $25 (twenty-five) a month to their deacon as remuneration, and each such organization must also make the required contribution to the Church Pension Fund for the benefit of the deacon. Vocational Deacons receive travel/expense allowance and continuing education. Contact Bishop Ahrens' office at 203-639-3501, ext. 109 with any questions.

When deacons are employed in stipendiary positions in the Episcopal Church or in qualified Episcopal Church agencies, assessments must be paid by the employing church/agency to the Church Pension Fund (CPF) in accordance with the CPF formulae and regulations for ordained clergy.

Lay Pensions

All lay employees who work at least 1,000 hours (20 hours per week) annually will be participants in an employer provided defined benefit or defined contribution pension plan. Parishes are obligated to contribute no less than 5% of the employee's compensation to a defined contribution plan and match employee's voluntary supplemental contributions to this plan by no less than 4%. Parishes may elect to contribute in this fashion for employees who work less than 1,000 hours annually but are not obligated to do so.

Information on the plans available through the Church Pension Group and administered by Fidelity can be found on the CPG website. **If your lay employees are eligible, you must enroll them.** All lay pension plans must be placed with the Church Pension Fund.

Schools: Schools are defined as serving children of any age, thereby including pre-school, nursery, and day care centers. Schools are required to comply with employer contribution obligations and match rates for defined contribution plans according to a specific year by year phase in schedule per the 2012 General Convention Resolution C042.

Living Wage Guidance

By resolution, all congregations and institutions within our Diocese are urged to pay all lay employees a livable wage. Additionally, The Episcopal Church, at all levels, engage in and advocate for increasing the federal minimum wage to $15.00 an hour or a living wage. Both resolutions cite increasing income inequality as a moral issue, and that Christians should work to redress the hardships resulting from increasing income and wealth inequality. Parishes that aspire to live into the spirit of these resolutions should consider the following guidance:

- Parishes can use The Massachusetts Institute of Technology's Living Wage Calculator to determine livable hourly compensation standards in the communities they serve. The living wage amounts presented by this calculator are estimates of hourly income necessary for individuals and families to be financially self-sufficient.
- Compensation for lay employees includes salary plus life, health and dental insurance benefits provided to qualifying employees. The employer-paid life, health, and dental insurance benefits, expressed as dollars and cents per hour worked by the employee, can assist parishes in determining a livable hourly wage rate in conjunction with the Living Wage Calculator data.

- Any retirement benefits that the employer pays on behalf of employees should *not* be taken into consideration in determining a living wage for employees.
- The Living Wage Calculator presents livable wages for 12 different family circumstances. This information should not be justification for paying different compensation to employees performing comparable work simply because they have different family circumstances. We suggest that parishes use a common family circumstance (e.g., "1 Adult", "2 Adults (Both Working), 2 Children", "1 Adult, 1 Child") that might best reflect the family circumstances of their current employees in establishing its Living Wage standard.

Salary negotiations in a faith-based context should be a collaborative process between employees/prospective hires and the parish. The Parish and the employee/prospective hire should work together to find a workable compensation arrangement.

Supply Clergy

The minimum compensation for Supply clergy and consultants are rated below. They are also reimbursed for travel and related professional expenses. The reimbursement rate for 2025 is $0.725 per mile.

Supply Clergy	One Service	$250.00
	Two Services	$325.00
	One 8 Hour Day	$350.00
	Per Hour	$45.00
ECCT Consultants	Per Unit (3hr time span)	$200.00

IRS Form W9

IRS form W9 should be collected for any business or individuals compensated for goods or services.

Operations

Common Mission Support

Parishes are required by resolution to support the Episcopal Church in Connecticut in our common work in God's mission or "Common Mission Support." Common Mission Support is required to be a minimum of 10% of operating revenues (line B of the parish Parochial Report) from the trailing year (e.g., 2025 contributions should be at least 10% of the trailing financials in 2023 Line B revenues). **Because operating revenues were not collected in the 2024 parochial report, 2026 Common Mission Support will remain the same as in 2025 (based on 10% of 2023 line B). This is a one-year only exception.**

Contributions should be made in equal monthly payments sent to The Commons at 290 Pratt Street, Box 52, Meriden, CT 06450. Please make payments before the 15th of each month.

Property and Casualty

Property claims: Please file a claim via email or phone. Information can be found here: https://www.cpg.org/redirects/property-casualty-insurance/submit-a-claim/

Certificates of Insurance and Account Management: All requests for Certificates of Insurance and other general Property and Casualty coverage questions should be addressed to Carol Webster (800-293-3525).

Endowment Investment Management Practices

The Canons of ECCT and The Episcopal Church both specify that unless received written permission to do otherwise, parishes must invest endowments in a chartered state or Federal bank or in a "Diocesan Corporation" such as Donations & Bequest for Church Purposes Inc. Parishes need to abide by with the requirement to safeguard endowment assets and assure the capacity to oversee and manage their funds Canon IV.2.A and The Episcopal Church's Canon 1.7.1.B.

ECCT canonical requirements concerning the oversight of parish investment management of its assets, and approval form can be found here Investment Management.

Non-Profit Tax Information

Please see IRS Tax Information for churches and religious organizations.

Employer Identification Number (EIN)

The IRS offers information on EIN numbers for small businesses and non-profits.

Each parish should attain its own EIN/Tax ID Number. Parishes are not authorized to use the ECCT's EIN number for tax or donation purposes.

Parishes can use the EIN Application Form to apply for an EIN as well as to track exactly how the parish was registered. Another way to verify, is to check with your payroll provider, because they would have needed the EIN # to process payroll.

Parish Brokerage Account for Stock Transactions

The Episcopal Church in Connecticut is only accepting stock donations as contributions in support of our common work in God's mission, for Camp Washington, for the Bishops Fund for Children, Joining Jesus in the Missional Age.

We advise parishes to open their own brokerage accounts if needed to transact stock transfers from donors and convert them to cash for parish disposition, refer to your parishes by-laws, policies, and procedures.

Invoicing and Recurring Bill Payment Service

We will issue invoices by email to the Rector or Priest-In-Charge and Treasurer by the end of the first week of each month. Your invoices will include Common Mission Support (CMS).

The parish should immediately notify the Church Medical Trust about employment terminations. *The parish will be liable to pay for the continued coverage, if not terminated on a timely basis.*

We encourage parishes to establish reoccurring payments with their bank's bill pay services and add the Episcopal Church in Connecticut as a payee. For tracking purposes make sure to enter your parishes three-digit account number (which appears after your parish's name in the address line, "Customer ID" field in the body of your invoice).

Loan Fund Management Practices

Parishes with loan notes held by ECCT have been given an amortization schedule listing each monthly payment for the life of the loan. Parishes should make payments according to the schedule to be received no later than the 25th of each month.

Encumbrances & Alienations

If a parish is considering selling or renting out parish property, please see the Procedures for Sales or Encumbrances.

Supplementary Resources

Additional Links

Mission Matter$ Newsletter Subscription

AICPA: Not-For-Profit Trends and Resources

National Council of Nonprofits: Research, Reports, and Data on the Nonprofit Sector

Connecticut State Department of Labor

Internal Revenue Service's Forms & Instructions

Recommended Readings

Bell, J., Masaoka, J., Zimmerman, S. Nonprofit Sustainability: Making Strategic Decisions for Financial Viability. (New Jersey: Jossey-Bass Publishing, 2010).

Elrod, James L. Creating Financially Sustainable Congregations. (New York: Church Publishing Inc., 2021).

Episcopal Church Foundation (Ohio: Forward Movement Publishing, 2019).

Finance Resource Guide

Vestry Resource Guide

Jordan, James B. Financial Management for Episcopal Churches. (New York: Church Publishing Inc., 2017).

Keucher, Gerald W. Remember the Future: Financial Leadership and Asset Management for Congregations. (New York: Church Publishing Inc., 2006).