

Budget Planning Packet for 2026

Costs associated with having lay & clergy employees

Payroll:

Lay Employee

Wages (hourly or salary) – verify current minimum wages for employing city, county, state.

+

Social Security Taxes (OASDI & Medicare) = 7.65% of taxable income

+

Payroll processing fees. For those using DioCal Paychex payroll service fees are \$11.00/paycheck (live or direct deposit)

Clergy Employees (refer to Clergy Minimum Compensation for current year)

Cash Compensation = Housing Allowance + Stipend (Clergy minimums include the employer portion of Self Employment Tax)

+

Payroll processing fees. For those using DioCal Paychex payroll service fees are \$11.00/paycheck (live or direct deposit)

Benefits – see current year's Benefit Rate Sheet for monthly premiums of items listed below:

PT Employee hired to work fewer than 20hr/week:

- Clergy: 18% of Total Assessable Compensation as defined by Clergy Pension Fund. Visit www.cpg.org or call 1-800-480-9967 (M-F 5.30am-5pm Pacific) click here for [Guide to Clergy Benefits](#)
- Lay: \$0.00 - there are no employer provided benefits.

Part-Time Benefit Eligible employee (one who is working at least 20hrs but fewer than 30hrs/ week) receives the following employer paid benefits:

- Lay: Defined Contribution Retirement Account with CPG budget 9% (employer base contribution is 5% of compensation, employer matches employee contribution dollar for dollar up to 4% of compensation. Consult with CPG regarding contributions on the value of provided housing.
- Short-term Disability [provided in lieu of State Disability Insurance]
- Long-term Disability [provided in lieu of State Disability Insurance]
- Salary Continuation [provided in lieu of State Unemployment Insurance]
- Employee Assistance Plan
- Medical & Dental insurance are optional benefits for both lay & clergy. The employer may opt to cover some, or all, of the cost or seek reimbursement from employee for premiums. The employer's policy for PT employee benefit coverage and cost sharing must be applied equally to clergy or lay employees.

Full-Time Benefit Eligible employee (one who is working at least 30hrs / week) receive the above listed and following benefits provided (paid for) by the employer:

- \$50K Group Term Life Ins
- Medical (refer to employer's annual benefit policy document for cost limits)
- Dental

How Is the Insurance Paid For?

All insurance premiums, including those for dependent coverage, are billed to the employer by the Diocese. The employer may require a reimbursement (cost share) from the employee for a plan selection that exceeds the coverage provided by the employer. Any cost share policy must be adopted by the employer prior to Annual Enrollment.

The clergy pension and lay retirement plans are billed to the employer by the Church Pension Fund. It is the responsibility of the employer to contact The Church Pension Fund to update enrolled employee's compensation information and report terminations as they occur.

The Church, School, or Institution is the employer. The Diocese is the payroll service and administrator of group benefits for your employees. All entities with employees must have a published personnel policy on file.

2026 Proposed Salary Resolution and Mandatory Minimum Compensation

Resolved, That effective January 1, 2026, the minimum annual compensation for clergy employed full time by the Diocese of California and by any parish or mission thereof shall be increased by 1.5% as reflected in the 2026 Mandatory Minimum Salary Schedule shown below.

Resolved, That Years of Experience be defined as Credited Service with The Church Pension Fund. 2026 Mandatory Minimum Compensation Including Self Employment Tax

Congregation Classification	0 to 4 Years Experience	5 to 9 Years Experience	10+ Years Experience
A	\$ 96,730	\$ 102,101	\$ 107,473
B	\$ 99,951	\$ 105,865	\$ 111,773
C	\$ 103,212	\$ 109,623	\$ 116,072
D	\$ 110,913	\$ 119,786	\$ 128,661
E	\$ 118,225	\$ 128,969	\$ 139,826

Resolved,

1. That any deviation below these minimums may be permitted by the Bishop for serious cause, with the Bishop using the Executive Council as a council of advice.
2. When a rectory is provided, cash compensation may be 23% below the minimum figures to parallel Church Pension Fund's requirement that cash compensation be grossed up by 30% for pension assessment purposes when housing is provided.
3. That employers of all clergy pay to each cleric 50% of the self-employment tax assessed on the cleric's base compensation as a portion of total compensation (7.65% of base compensation). This amount is included in the schedule above.
4. The Convention strongly urges all churches, whenever possible, to increase the clergy and lay staff compensation by 1.5% for 2026 to accommodate for inflation.
5. That the minimum transportation allowance be \$0.70/mile for congregation-related travel and is to be adjusted in accordance with IRS published rates for 2026.
6. That associate clergy minimums are based on the cleric's years of service at two grade levels below actual congregation classification.
7. That, in accordance with the Sabbatical Leave Policy passed by the 2021 Convention, congregations with Intentional Interims remit 5.8% (or 3/52) of the Interim's total salary and benefits, including health benefits and pension, to the Diocesan Interim Sabbatical Leave Fund.



2026 Congregational Grade Structure

Congregational Grade Structure 2026		
Number of Pledging Units		Points
0 -	100	3
101 -	200	6
201 -	300	9
301 -	400	12
401 -	Above	20
Average Weekly Attendance at Sunday Services		
0 -	100	3
101 -	200	6
201 -	300	9
301 -	500	12
501 -	Above	20
Assessable Income		
\$ - -	\$ 107,474	4
\$ 107,475 -	\$ 206,285	8
\$ 206,286 -	\$ 412,242	12
\$ 412,243 -	\$ 825,140	16
\$ 825,141 -	Above	20
Add the points from each of the categories to determine congregational salary grade.		Salary Grade
0 -	10	A
11 -	20	B
21 -	30	C
31 -	40	D
41 -	Above	E

Schedule adjusted to reflect cost of living increases since passage of salary standards resolution in 1999.

Resolution as passed at the 1999 Diocesan Convention:

Resolved: That the proposed salary standards for clergy in the Diocese of California, as reflected in the joint report of the Personnel Practices Committee and the Clergy Compensation Task Force, are approved and shall be effective on a voluntary basis for the years 2000 to 2004, and shall become mandatory for 2005 and later years.

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2026 Recommended Rates for Supply or Interim Clergy

Rates for Short-Term Supply Clergy

2 Services with Sermon \$380

1 Service with Sermon \$305

2 Services without Sermon \$198

1 Service without Sermon \$158

Interim / Long-Term Supply Clergy Salary & Benefits

Interim Schedule	Compensation (stipend & housing allowance)
5 days including Sunday	100% of minimum salary per congregation grade & clergy YCS
4 days including Sunday	80% of minimum salary per congregation grade & clergy YCS
3 days including Sunday	60% of minimum salary per congregation grade & clergy YCS
2 days including Sunday	40% of minimum salary per congregation grade & clergy YCS
1 day including Sunday	20% of minimum salary per congregation grade & clergy YCS

- Mileage reimbursed at IRS published rate per mile for Church related travel (non-commute).
- Salary Continuation (aka unemployment) if working at least 20hrs/wk.
- Full benefit package if working 30 hours or more/wk
- Clergy Pension Assessments, 18% of assessable compensation in accordance with CPG rules (visit www.cpg.org or call 1-800-480-9967 for guidance)

2026 Employee Benefit Rates (monthly premiums)

Carrier/Plan	Enrollment Tier	Enrollment Tier	Monthly Premiums
<u>Employee Assistance Plan</u> <i>(for FTE who waive medical or PTE whose employers opt into plan)</i>	n/a	Employee (+ household)	\$ 4
<u>Kaiser EPO 80 w/ Additional Benefits**</u>	Single	Employee	\$ 1,211
	Dual	Employee+1	\$ 2,179
	Family	Employee+2 or more	\$ 3,392
<u>Anthem BC/BS BlueCard PPO 80 w/ Additional Benefits**</u>	Single	Employee	\$ 1,211
	Dual	Employee+1	\$ 2,179
	Family	Employee+2 or more	\$ 3,392
<u>Anthem PPO 80 MSP/SEE</u> <i>NEW for 2026. Employer and enrolled must meet certain criteria. See supplemental information for limits</i>	Single	Employee	\$ 1,008
	Dual	Employee+1	\$ 1,813
	Family	Employee+2 or more	\$ 2,819
<u>Anthem BC/BS BlueCard PPO 90 w/ Additional Benefits**</u>	Single	Employee	\$ 1,467
	Dual	Employee+1	\$ 2,640
	Family	Employee+2 or more	\$ 4,107
<u>Kaiser EPO High w/ Additional Benefits**</u>	Single	Employee	\$ 1,608
	Dual	Employee+1	\$ 2,895
	Family	Employee+2 or more	\$ 4,503
<u>Delta Dental - Premium</u>	Single	Employee	\$ 82
	Dual	Employee+1	\$ 148
	Family	Employee+2 or more	\$ 230
<u>\$50K Life Insurance - CLIC</u>		Employee up to age 70	\$13
		Employee over age 70	\$12
<u>Disability Insurance</u>			
Short Term Disability (lay employees only – Clergy disability is part of Pension benefit with CPG)			.49% of first \$117,000 of compensation
Long Term Disability (lay employees only – Clergy disability is part of Pension benefit with CPG)			.34% of first \$135,000 of compensation
<u>Unemployment Insurance</u>			
Non School Employees			.4% of first \$72,000 of Compensation
Parochial & Pre-School Employees			1% of the first \$72,000 of Compensation

*Additional Benefits of: prescription, vision, employee assistance plan, hearing, travel assistance (visit www.cpg.org for details)

2026 Assessment Formula Resolution

Resolved, That for purposes of calculating the 2026 Diocesan assessment, each parish or mission's 2024 operating income is defined as the amount reported on **Line 6** of the financial section of its 2024 Parochial Report (Church Non-Capital Expenses), **less** the following: **(a)** any outreach expenses not included in the operating budget; **(b)** any funds sent to other organizations; and **(c)** any financial support received from diocesan funds;

Resolved, That in the case of Grace Cathedral, its 2024 operating income for assessment purposes shall consist only of the amounts received through pledges by the Cathedral congregation during 2024, in accordance with Diocesan Canon 18.02(b)(ii); and

Resolved, That the 2026 assessment for each parish, organized mission, and the Cathedral shall be 5.0% of its 2024 operating income (as defined above) up to **\$96,730**, and **17.0%** of such income above **\$96,730**, provided that no parish, mission, or the Cathedral shall have an increase in its 2026 assessment (before any appeals) of more than **50%** or **\$25,884**, whichever is less, over its initial 2025 assessment.

Explanation:

The 2024 Parochial Report no longer includes a direct line for "Normal Operating Income," so this resolution defines a consistent income base for assessment purposes. It begins with **Line 6** (Church Non-Capital Expenses) and subtracts:

- **Outreach expenses not in the operating budget**
- **Funds sent to other organizations**
- **Support received from diocesan funds**

These exclusions reflect longstanding diocesan practice and ensure congregations are not assessed on funds used for external mission or received from the Diocese. In conjunction with the 2024 Parochial Report, congregations reported the first two exclusions on a supplement specific to our diocese, and the Diocesan Finance Office deducted any diocesan support. The formula aligns with both the current and proposed versions of Canon 18.02, including special provisions for Grace Cathedral and new programmatic staff. The tiered rates and cap maintain fairness and continuity with prior years.

