HR: Staff Compensation Trends
(Course #E924)

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The Church Network
Salary Administration

Administering A Pay Plan

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SALARY PLANS AND BENEFITS

- A **written** procedure which provides a logical, consistent, and **equitable** basis for making compensation decisions
- establishes internal salary equity
- comparable with the **community**
- attracts, motivates and **retains** good employees
- rewards **good** performance

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**Steps in Establishing a Salary Plan**

1. Prepare Position Descriptions  
2. Evaluate and rank the positions  
3. Compare community salaries  
4. Set a base salary for each position  
5. Determine how to give increases  
6. Determine salary review dates  
7. Establish salary policies

**Steps in Determining Benefits**

1. Determine present benefit structure  
2. Survey other churches and businesses in the community  
3. Determine present benefits to be upgraded  
4. Determine new benefits to be added  
5. Protect the church, as well as employees  
6. Prepare a cost analysis of the improved benefits  
7. Present for proper approval  
8. Explain details to staff  
9. Provide for implementation & annual review
Pay Plan Objectives

- Supports organizational objectives
- Internally equitable
- Competitive
- Affordable
- Legal
- Understandable
- Efficient to administer
- Flexible

Job evaluation process

- Can be informal (not quantified)
  - Whole job classification
- Quantified system
  - Factor comparison
  - Point Factor Method
- Breaks jobs into conceptual pieces
  - Applies a scoring system
    - Background
    - Education
    - Experience
    - Supervisory Responsibility
    - Time Requirement
  - Yields a total point score
- Advantages
  - Tries to look at all aspects of job
  - Point total enables us to compare different kinds of positions using a consistent tool
Pay Ranges

• *Minimum* – reasonably related to what you would pay a new hire who has the minimum qualifications required for the position
• *Maximum* – the most you are willing to pay a position
• *Midpoint* – typically, should approximate the average pay in the marketplace for the position

How big should a pay range be?

- Leadership & professional: 30 – 50% spread
- Custodial and clerical: 15 – 25% spread
- **What is spread?**
  - (Pay range maximum salary minus minimum salary) divided by minimum salary
    - $36,000 to $54,000 – 50% spread
    - $20,000 to $25,000 – 25% spread
- **Appropriate spread is really going to depend on pay administration approach**
### A Sample Compensation Structure

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Salary grade</th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Pastor</td>
<td>17 or A</td>
<td>72,850</td>
<td>98,348</td>
<td>123,845</td>
</tr>
<tr>
<td>Associate Pastor</td>
<td>16 or B</td>
<td>55,200</td>
<td>74,538</td>
<td>93,875</td>
</tr>
<tr>
<td>Minister of Administration</td>
<td>15 or C</td>
<td>45,650</td>
<td>61,625</td>
<td>77,600</td>
</tr>
<tr>
<td>14 etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
With over 35 years of service in non-profit management (including 24 years in local congregations), team building, and leadership coaching across varied audiences, Phill Martin brings a unique combination of experience and training to the support of organizational teams and individuals.

Currently Phill provides guidance in network development and conference leadership to a North American association with over 70 chapters. He is a workshop speaker for the association’s five training centers and contributes to its professional publications. He holds a masters degree in faith formation and was ordained by Broadway Baptist Church in Fort Worth, Texas. Phill holds the Certified Association Executive (CAE) designation of the American Society of Association Executives. He is a certified coach through the International Coach Federation. Phill is a CoreClarity Strengths facilitator.