

2016 Salary Guideline Highlights

The CNH District Board of Directors has approved a 1.5% increase for the 2016 cost of living adjustment.

2016 Monthly Salary Base after 1.5% cost of living adjustment (Pages 2-6)

Monthly Salary Base for Level	2015	2016 COL Adjustment	2016
Extra Low	3,739	56	3,795
Low	4,066	61	4,127
Medium	4,525	68	4,593
High	4,986	75	5,061

Impact from the new minimum wage rule: K-12th Grade Teachers, ECE Directors and Pre School Teachers (Pages 7-9)

Starting January 1, 2016, the minimum wage in CA has increased to \$10 per hour. Therefore, some salary levels are adjusted by more than 1.50% to comply with the new law. Furthermore, since schools are not allowed to spread teachers' 10-month salary over 12 monthly pay periods, K-12th grade teachers' salaries should be based on the actual working months. Please note that ECE (Early Childhood Education Director) does not qualify for the overtime exemption rule.

For more information about this exemption rule, please see the letter from our Executive Director of Education, Joel Koerschen. For your convenience, I have attached his letter with this document (page 10).

Additionally, if the minimum wage rates in your city or county are higher than our suggested rates or your workers are receiving a higher salary than the guideline, the higher rate applies.

Respectfully submitted by Denise C. Lo, Business Administrator

CNH District Salary Scale Pastor (Sole/Associate)

Variance from these levels should be uniform for all workers.

Monthly Base for levels-includes the 1.50% cost of living adjustment in 2016

Extra-Low	3,795
Low	4,127
Medium	4,593
High	5,061

Additional Annual Compensation for Education

Master's Degree (STM, MFCC) \$1,000

Doctorate (PhD, D. Min, etc.) \$2,000

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

Computation Table

Base Multiplier	1.30
Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation	=====

EXAMPLE

A sole pastor working in Sacramento with 25 years of church experience, a master's degree (STM).

Base Multiplier	1.300
Add 0.025 for each year of the first five years of church work experience	0.125
Add 0.020 for each year of the second five years of church work experience	0.100
Add 0.015 for each additional year (after 10) of church work experience	0.225
Add 0.010 for each year of non-church work experience	0.000
Total multipliers	1.750
Monthly base salary	4,127
Total multipliers times monthly base salary	7,222
Then multiply by the number of months worked for annual compensation	\$ 86,667
Add compensation for additional education	1,000
Total annual compensation	\$ 87,667

**Annual compensation includes salary and housing (if housing is applied)*

CNH District Salary Scale Pastor (with staff)

Variance from these levels should be uniform for all workers. Staff is defined as a professional church worker supervised by the Pastor

Monthly Base for levels-includes the 1.50% cost of living adjustment in 2016

Extra-Low	3,795
Low	4,127
Medium	4,593
High	5,061

Additional Annual Compensation for Education

Master's Degree (STM, MFCC) \$1,000

Doctorate (PhD, D. Min, etc.) \$2,000

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

Computation Table

Base Multiplier	1.40
Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation	=====

EXAMPLE

A sole pastor with staff working in Sacramento with 25 years of church experience, a master's degree (STM).

Base Multiplier	1.400
Add 0.025 for each year of the first five years of church work experience	0.125
Add 0.020 for each year of the second five years of church work experience	0.100
Add 0.015 for each additional year (after 10) of church work experience	0.225
Add 0.010 for each year of non-church work experience	0.000
Total multipliers	1.850
Monthly base salary	4,127
Total multipliers times monthly base salary	7,635
Then multiply by the number of months worked for annual compensation	\$ 91,619
Add compensation for additional education	1,000
Total annual compensation	\$ 92,619

**Annual compensation includes salary and housing (if housing is applied)*

CNH District Salary Scale Pastor (with School)

Variance from these levels should be uniform for all workers. Staff is defined as a professional church worker supervised by the Pastor

Monthly Base for levels-includes the 1.50% cost of living adjustment in 2016

Extra-Low	3,795
Low	4,127
Medium	4,593
High	5,061

Additional Annual Compensation for Education

Master's Degree (STM, MFCC) \$1,000

Doctorate (PhD, D. Min, etc.) \$2,000

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

Computation Table

Base Multiplier	1.60
Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation	=====

EXAMPLE

A sole pastor with school working in Sacramento with 25 years of church experience, a master's degree (STM)

Base Multiplier	1.600
Add 0.025 for each year of the first five years of church work experience	0.125
Add 0.020 for each year of the second five years of church work experience	0.100
Add 0.015 for each additional year (after 10) of church work experience	0.225
Add 0.010 for each year of non-church work experience	0.000
Total multipliers	2.050
Monthly base salary	4,127
Total multipliers times monthly base salary	8,460
Then multiply by the number of months worked for annual compensation	\$ 101,524
Add compensation for additional education	1,000
Total annual compensation	\$ 102,524

**Annual compensation includes salary and housing (if housing is applied)*

CNH District Salary Scale DCE/DCO/DFM

Variance from these levels should be uniform for all workers. Any additional duties (i.e. Sport coach, Choir Director) should be added to the salary in accordance with congregational policies.

Monthly Base for levels-includes the 1.50% cost of living adjustment in 2016

Extra-Low	3,795
Low	4,127
Medium	4,593
High	5,061

Additional Annual Compensation for Education

LCMS DCE Certification \$600

Master's Degree \$1,000

Doctorate \$2,000

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

Computation

Base Multiplier	1.00
Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation	=====

EXAMPLE

A DCE working in Sacramento with 25 years of church experience, with a LCMS DCE Certificate

Base Multiplier	1.000
Add 0.025 for each year of the first five years of church work experience	0.125
Add 0.020 for each year of the second five years of church work experience	0.100
Add 0.015 for each additional year (after 10) of church work experience	0.225
Add 0.010 for each year of non-church work experience	0.000
Total multipliers	1.450
Monthly base salary	4,127
Total multipliers times monthly base salary	5,984
Then multiply by the number of months worked for annual compensation	\$ 71,810
Add compensation for additional education	600
Total annual compensation	\$ 72,410

**Annual compensation includes salary and housing (if housing is applied)*

CNH District Salary Scale Principal

Variance from these levels should be uniform for all workers. Staff is defined as a professional church worker supervised by the Pastor.

Monthly Base for levels-includes the 1.50% cost of living adjustment in 2016

Extra-Low	3,795
Low	4,127
Medium	4,593
High	5,061

Additional Annual Compensation for Education

State Teaching Credential \$600	Education Specialist \$1,500
Lutheran Teacher's Diploma \$600	Doctorate \$2,000
Master's Degree \$1,000	

Note: Any Compensation for additional education should be added only if the additional education is needed for the job performed.

Computation Table

Base Multiplier (choose one of the following):

- 1.4 if enrollment is less than 200
- 1.6 if enrollment is between 201 and 350
- 1.8 if enrollment is larger than 350

Add 0.025 for each year of the first five years of church work experience	_____
Add 0.020 for each year of the second five years of church work experience	_____
Add 0.015 for each additional year (after 10) of church work experience	_____
Add 0.010 for each year of non-church work experience	_____
Total multipliers	_____
Monthly base salary	_____
Total multipliers times monthly base salary	_____
Then multiply by the number of months worked for annual compensation	_____
Add compensation for additional education	_____
Total annual compensation	=====

EXAMPLE

A principal working in Sacramento with 25 years of church experience, a master's degree, a Lutheran Teacher's Diploma. School enrollment is 195. Compensated on 12 months basis.

Base Multiplier	1.400
Add 0.025 for each year of the first five years of church work experience	0.125
Add 0.020 for each year of the second five years of church work experience	0.100
Add 0.015 for each additional year (after 10) of church work experience	0.225
Add 0.010 for each year of non-church work experience	0.000
Total multipliers	1.850
Monthly base salary	4,127
Total multipliers times monthly base salary	7,635
Then multiply by the number of months worked for annual compensation	\$ 91,619
Add compensation for additional education	1,600
Total annual compensation	\$ 93,219

**Annual compensation includes salary and housing (if housing is applied)*

CNH District Salary Scale: K-12 Teacher

Monthly Base for levels

Extra-Low	3,467	(Please see page 1 for additional information)
Low	3,822	
Medium	4,253	
High	4,687	

Compensation for additional education

State Teaching Credential \$600	Education Specialist \$1,500
Lutheran Teacher's Diploma \$600	Doctorate \$2,000
Master's Degree \$1,000	

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

Computation Table

Base Multiplier	<u>1.00</u>
Add 0.025 for each year of the first five years of church work experience	<u> </u>
Add 0.020 for each year of the second five years of church work experience	<u> </u>
Add 0.015 for each additional year (after 10) of church work experience	<u> </u>
Add 0.010 for each year of non-church work experience	<u> </u>
Total multipliers	<u> </u>
Monthly base salary	<u> </u>
Total multipliers times monthly base salary	<u> </u>
Then multiply by the number of months	<u> </u>
Add compensation for additional education	<u> </u>
Total annual compensation	<u><u> </u></u>

EXAMPLE

A teacher works in Sacramento with 25 years of church experience, a credential, a master's degree in education in a school where that additional education would be important, and is compensated on a 10 month basis

Base Multiplier	<u>1.000</u>
Add 0.025 for each year of the first five years of church work experience	<u>0.125</u>
Add 0.020 for each year of the second five years of church work experience	<u>0.100</u>
Add 0.015 for each additional year (after 10) of church work experience	<u>0.225</u>
Add 0.010 for each year of non-church work experience	<u>0.000</u>
Total multipliers	<u>1.450</u>
Monthly base salary	<u>3,822</u>
Total multipliers times monthly base salary	<u>5,541</u>
Then multiply by the number of months	<u>\$ 55,414</u>
Add compensation for additional education	<u>1,600</u>
Total compensation-10 months	<u><u>\$ 57,014</u></u>

**Annual compensation includes salary and housing (if housing is applied)*

ECE Director Salary Scale

The overtime exemption does not apply to ECE Directors; therefore, they should receive overtime when it's earned.

	<u>Hourly Rate</u>	<u>Monthly</u>
Extra-Low	18.27	3,167
Low	18.89	3,274
Medium	21.02	3,644
High	23.16	4,014

Additional Annual Compensation for Education

	<u>Hourly Rate</u>	<u>Monthly</u>	<u>Yearly</u>
B.A. Degree	\$ 0.29	50.00	600.00
Lutheran Teacher's Diploma	\$ 0.29	50.00	600.00
Master's Degree	\$ 0.48	83.33	1,000.00

Note: Any compensation for additional education should be added only if the additional education is needed for the job performed.

Computation Table

Base Multiplier	<u>1.00</u>
Add 0.025 for each year of the first five years of church work experience	<u> </u>
Add 0.020 for each year of the second five years of church work experience	<u> </u>
Add 0.015 for each additional year (after 10) of church work experience	<u> </u>
Add 0.010 for each year of non-church work experience	<u> </u>
Total multipliers (for hourly and monthly rate)	<u> </u>
Monthly/hourly base salary	<u> </u>
Total multipliers times monthly/hourly base salary	<u> </u>
Add compensation for additional education	<u> </u>
Total monthly/hourly rate	<u> </u>
Annual Compensation (Multiply # of months/hours in the Year)	<u> </u>

Example

An ECE Director working in Sacramento with 25 years of church experience, a credential, a master's degree in education in a school where that additional education would be important.

Calculating-hourly rate method

Base Multiplier for hourly rate:	<u>1.000</u>
Add 0.025 for each year of the first five years of church work experience	<u>0.125</u>
Add 0.020 for each year of the second five years of church work experience	<u>0.100</u>
Add 0.015 for each additional year (after 10) of church work experience	<u>0.225</u>
Add 0.010 for each year of non-church work experience	<u>0.000</u>
Total multipliers	<u>1.450</u>
Base hourly rate	<u>18.89</u>
Total multipliers times base hourly rate	<u>27.39</u>
Add compensation for additional education (\$0.29 + \$0.48)	<u>0.77</u>
Total hourly rate	<u>28.16</u>
Annual Compensation (Est. 2,080 hours)	<u>58,573</u>

CNH District Salary Scale: Pre-School Teachers

Hourly Bases:

Extra Low (Legal Min Rate):	10.00
Low	10.22
Medium	10.28
High	10.34

Additional Annual Compensation for Education

A.A. Degree - Per hour	0.144
ECE Certificate - Per hour	0.096

Computation Table

Base Multiplier	<u>1.000</u>
Add 0.025 for each year of the first six years of teaching experience*	<u> </u>
Total multiplier	<u> </u>
Enter hourly basis - see above	<u> </u>
Multiply "Total multiplier" by the hourly basis	<u> </u>
Total hourly rate	<u> </u>

*We do not recommend that workers with ECE certificates or A.A. degrees receive additional compensation for experience past six years.

Overtime regulation applies when a pre-school teacher works more than 8 hours per day or 40 hours per week.



CALIFORNIA-NEVADA-HAWAII DISTRICT
The Lutheran Church-Missouri Synod
2772 CONSTITUTION DRIVE, SUITE A
LIVERMORE, CA 94551-7566

Dear Friends in Christ,

The district guidelines for teacher salaries are based on California's wage and hour laws. These wage laws apply to all employees who work in private industry. Private schools are considered a private industry even if they are a non-profit or religious organization.

Of particular concern to our schools are the wage laws relating to the payment of overtime - more than 8 hours of work a day or more than 40 hours of work a week - and the furnishing of meal and rest periods. Please note that hours worked at home and the attending of school and church events in the evening or on weekends is considered part of the work day and week. However, California wage laws relating to the payment of overtime do not apply to overtime-exempt employees. Since 2005 private school teachers are exempt from all overtime rules if they meet all four of the following requirements:

- They are primarily engaged in the duty of imparting knowledge to pupils by teaching, instructing, or lecturing.
- They customarily and regularly exercise discretion and independent judgment in performing the duties of a teacher.
- They have earned a baccalaureate or higher degree from an accredited institution or possess a California Teacher's Credential, or the equivalent in another state.
- They earn a monthly salary equivalent to no less than two times the state minimum wage for full-time employment.

As of January 1, 2016, the state minimum wage is \$10 per hour. Consequently, a teacher must earn at least \$3,467 per month to meet the salary test.

If any adjustments are made due to special contract conditions, please seek legal advice to make sure the rule of "overtime exemption" is in compliance. Please contact me if you have any questions.

Blessings,

Joel Koerschen

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