

Exhibit 1

Worksheet for Congregational Development of Professional Church Worker Compensation

1. Base Salary

- a. Education Level and
Number of years of creditable service _____
(Exhibit 2, p. 17-18) (See p. 6, 7th bullet in Part III for
assistance in determining levels of second career workers.)
- b. Adjustment for size of congregation/school
 $\frac{\text{_____}}{\text{(Salary Index, p. 8)}} \times \text{_____}$
- c. Adjustment for regional COLA _____
- Subtotal _____
- (Amount designated for
Housing Allowance _____)
(Exhibits 3 and 4, p. 19-20)

2. Allowances and Supplemental Benefits

- a. Housing Equity
(if parsonage or renting) _____
(p. 9-10)
- b. Social Security _____
(p. 12)
- c. Retirement, Welfare, Survivor Benefits _____
(p. 12)
- d. CHP off-set, 5.0% _____
- e. _____

3. Ministry Related Expenses

- a. Auto _____
(p.14)
- b. Continuing Education, Professional Seminars _____
(p.14)
- c. Conferences (District/Synod) _____
(p.14)
- d. Memberships in Professional Organizations _____
- e. Professional Books/Periodicals _____
(p.14)
- f. _____
- g. _____
- TOTAL _____

Exhibit 3

Sample Resolutions for Establishing Housing Allowances

Sample 1

RESOLVED, that (name of Congregation) as a Standing Resolution to remain in force and effect until such time as amended or revoked, hereby authorizes and establishes a housing allowance for each Minister of the Gospel at any time serving it in the amount of \$_____per year.

Sample 2

RESOLVED, that (name of Congregation), as a Standing Resolution to remain in force and effect until such time as amended or revoked, hereby authorizes and establishes a housing allowance for each Minister of the Gospel at any time serving it in an amount each year equal to_____% of that person's gross annual compensation.

Sample 3

RESOLVED, that (name of Congregation), as a Standing Resolution to remain in force and effect until such time as amended or revoked, here authorizes and establishes a housing allowance for (individual's name) at any time serving it in the amount of \$_____per year.

Sample 4

RESOLVED, that (name of Congregation), as a Standing Resolution to remain in force and effect until such time as amended or revoked, hereby authorizes and establishes a housing allowance for (individual's name) at any time serving it in an amount each year equal to_____% of that person's annual compensation.

Sample 5

BE IT RESOLVED that the dollar amounts noted adjacent to the names of those individuals listed below, be stipulated as rental allowance for the year _____ in accordance with the regulations of the Internal Revenue Service. It should be noted also, that each of those individuals fully understands that the "Burden of Proof" is upon them to substantiate those amounts." (List professional workers below.)

Housing Allowance Designation

In compliance with the IRS ruling for housing allowance, that provides for advance declaration of the amount of housing allowance before receipt of payment, I (we) make the following declarations:

ITEM	Amount
Housing Payments (Principal and Interest or Rental)	_____
Taxes	_____
Utilities	_____
Telephone	_____
Insurance	_____
Maintenance	_____
Repairs	_____
Furnishings	_____
Total	_____

I (we) request that (Name and location of Congregation and Governing Body), take formal action to designate \$_____ of my 201__ remuneration as "Housing Allowance" and record same into the minutes of the Voter's Assembly of (Title of Responsible Body) meeting to be held (insert date). I also understand that it is my (our) declaration and the "Burden of Proof" is mine (ours) in the event I (we) would be challenged and had to prove the amounts indicated above.

(Signature)

(Signature)

(Date)

(If you file a joint return, both husband and wife should sign.)

Exhibit 5

Flexible Spending Arrangement

SALARY REDUCTION AGREEMENT

This Agreement is made and entered into on _____, 201__.

by and between _____ (the "Employer") and

_____ (the "Worker").

RECITALS

SINCE, the Worker is employed by the Employer;

SINCE, the Worker is a participant in the Concordia Health Plan of The Lutheran Church-Missouri Synod and pays all or part of the cost for Dependent coverage under said Plan;

SINCE, the Employer has adopted a resolution adopting a flexible spending arrangement (the "Flexible Spending Arrangement") which is attached hereto and incorporated by reference; and

SINCE, the Worker desires to participate in the Flexible Spending Arrangement, and the Employer desires to offer the worker the opportunity to participate in the Flexible Spending Arrangement:

TERMS AND CONDITIONS

THEREFORE, in consideration of the mutual promises herein contained, the Employer and the Worker agree as follows:

1. By means of this Agreement, the Worker elects to participate in the Flexible Spending Arrangement.
2. During the term of this Agreement, the worker authorizes the Employer to withhold in equal installments on a periodic basis (based upon the Employer's regular payroll period) the annual amount of _____ dollars (\$_____.) per calendar year ("Yearly Contribution Amount") from his/her salary, beginning with the first payment of compensation after the effective date of this Agreement. The Yearly Contribution Amount shall be prorated for periods of employment during any such calendar year, which is less than a full calendar year.
3. The Employer and the Worker agree that the amount withheld from the Worker's salary will be credited by the Employer to a bookkeeping account bearing the name "Dependent Withholding". The Employer agrees to remit the installment to the Concordia Health Plan in payment of the worker's share of the Concordia Health Plan contributions.
4. The Worker and the Employer agree that this Agreement shall be effective (a) for one year beginning on the first day of the immediately succeeding January, or (b) for the portion of the current calendar year remaining in the case of a newly eligible worker, or (c) in the first year of the Flexible Spending Arrangement in the case of worker eligible to participate in the Flexible Spending Arrangement before the effective date, for the portion of the year remaining after the effective date of the Flexible Spending Arrangement. Unless the Worker in writing notifies the Employer prior to the expiration of this Agreement of his/her intention not to renew this Agreement, this Agreement will be automatically renewed for another one-year term effective the next succeeding calendar year.

5. The Employer agrees (a) to reduce the Worker’s gross income by the amount of the Yearly Contribution Amount actually withheld and remitted pursuant to the Agreement, and (b) to adjust the Worker’s gross income to reflect his/her lower salary for purposes of state (if applicable) and federal income tax and Social Security tax withholding.

6. The Worker agrees that his/her election to participate in the Flexible Spending Arrangement, as evidenced by this Salary Reduction Agreement, is irrevocable for the plan year to which it applies; provided, however, that he/she may change this elect on account of a change in family circumstances, provided that the change in the election directly related to the changed circumstances, as permitted by the Internal Revenue Code of 1986, as amended. The Worker agrees that he/she may not repudiate, or “take back,” his/her election in order to receive his/her normal salary, a refund or the Yearly Contribution Amount, or some other benefit. The Worker and the Employer further agree that the Worker shall not be able to use a Salary Reduction Agreement to decrease his/her salary for one year in order to obtain any benefits in later years.

7. This Flexible Spending Arrangement has not been and will not be submitted to the Internal Revenue Service for approval, and this, the Employer does not assure that intended tax benefits will be available. By accepting potential benefits under this Flexible Spending Arrangement, any covered Worker and his/her covered dependents agree to be liable for any taxes or penalties, plus interest, if any, that the federal or state government may impose with respect to these benefits for the Yearly Contribution Amount.

8. The Worker agrees that the Employer shall not be liable for any loss or obligation with respect to any medical or dental benefit under the Concordia Health Plan. The Worker further agrees that in the event of the Employer’s failure to properly remit the withheld amount to the Concordia Health Plan, his/her exclusive remedy under this Agreement (after giving the Employer adequate opportunity to correct any error) will be a refund of the amount withheld, which was not properly paid.

IN WITNESS WHEREOF, the parties have executed this Agreement

this _____ day of _____, 201 _

Worker Signature

Employer Representative Signature & Title

Additional Worksheets

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Number of years of creditable service _____
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- g. _____

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