

# Active Priest Compensation

# 2025- 2026

Diocese of  
Sioux City

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Active Priest Compensation 2025-2026 (P. 1 of 4)

This document contains a detailed explanation of priests' compensation, benefits, and reimbursable costs. All parishes must budget for and reimburse their priests according to the financial guidelines established and approved by the Presbyteral Council. As such, every priest in active ministry will be paid based on the following salary schedule. He cannot elect to be paid a lower (or higher) amount.

1. The annual salary base step in the Compensation Schedule for the Presbyterate of the Diocese of Sioux City **will increase by 3% in fiscal year 2025-26.**
  - a. The difference between each longevity step remains at \$250.
  - b. If the priest achieves 30 years of service, this will result in an annual increase of \$2,050 (in addition to the \$250 step increase).
2. Priests will be reimbursed for all business miles. A mileage log will be required to be submitted to the parish bookkeeper for this reimbursement. The mileage log should include the date, the beginning and ending odometer reading for the business trip and the purpose of the trip. While we consider most miles driven to be business miles, personal visits to the doctor, family and vacations are not business miles.

Number of Years Ordained as of July 1, 2026	Monthly Salary	Annual Salary
0-4	3,338.21	40,059
5-9	3,359.05	40,309
10-14	3,379.88	40,559
15-19	3,400.71	40,809
20-24	3,421.55	41,059
25-29	3,442.38	41,309
30-34*	3,634.05	43,609
35-39	3,654.88	43,859
40+	3,675.71	44,109

\*Senior priest

3. **The Base Step is determined by the date the priest was ordained.** For instance, if the priest's ordination anniversary date is June 25, 1986, his 40th anniversary will take place before July 1, 2026. He will be paid on the 40+ step effective July 1, 2025.
4. **Priest Cell Phone** - The parish **will reimburse** the priest(s):
  - a. For the cost of his cell phone service, **not to exceed \$100** each month.
  - b. The priest should provide his monthly cell phone bill for reimbursement.
  - c. The parish should NOT pay the vendor, rather the priest should be reimbursed.
  - d. The cell phone should be in the priest's name, NOT the parish name. Exceptions to this are reasonable if the parish has a group rate for other employees.



Active Priest Compensation 2025-2026 (P. 2 of 4)

5. Other rectory expenses:
  - a. The parish should provide internet and the basic TV services available in the locality. If priest opts for TV services other than what is the basic service in the locality, this monthly limit would be \$100 per month (example would be You Tube TV). The priest must provide receipts from the service company for reimbursement by the parish **up to \$100.00** monthly.
6. Retreat Expenses - The parish will reimburse the priest(s):
  - a. Annually for **up to \$500** for retreat expenses.
  - b. Costs over \$500 are the priest's responsibility.
  - c. The priest should provide invoices and/or receipts to support the actual cost incurred.
    - Receipts should identify the name and address of the retreat the priest is attending.
    - The parish should NOT reimburse without receipts.
  - d. The parish should NOT pay a monthly or annual stipend, which would be taxable to the priest.
7. Continuing Education Expenses – The parish will reimburse the priest(s):
  - a. Annually for **up to \$350** for continuing education expenses.
  - b. Costs over \$350 are the priest's responsibility.
  - c. The priest should provide invoices and/or receipts to support the actual cost incurred.
    - Receipts should identify the actual education expense incurred by the priest.
    - The parish should NOT reimburse without receipts.
  - d. The parish should NOT pay a monthly or annual stipend, which would be taxable to the priest.
8. 401K – Active priests can fully participate in the 401K plan, similar to lay staff and receive a “percent-to-percent” match (maximum 8%) from the parish to which they are assigned.
  - a. Traditional – these are pre-tax contributions.
  - b. ROTH – these are after tax contributions.

Note: The priest must complete a Deferral Change Form to change the match (the parish bookkeeper can assist with this paperwork).

***\*\*We encourage all priests to take advantage of the Traditional and/or Roth 401K.\*\****

9. Health/Dental Insurance – As in past, the parish will pay the entire premium for single health and dental insurance for each active priest. For fiscal year **July 1, 2025, to June 30, 2026**, the annual amount **will remain at \$12,600 (\$1,050 per month) for the Wellmark plan (no increase) and the parish share of the Medicare-covered active priest will be billed \$800.00/month or \$9,600.00/year (no increase)**. These costs have not changed since July of 2020.
10. Vision Coverage – Effective in 2024, vision coverage was added to your benefit package at no additional cost to the parish or to each priest. This plan not only reduces costs for annual eye exams, but also lenses, frames and contact lenses.
11. Life Insurance – all active priests under the age of 70 receive \$50,000 term life insurance and have the option to purchase additional life coverage at their own cost.

12. Food & Provisions – Only groceries used at the rectory are considered to be non-taxable. Eating out for lunch or dinner is not considered reimbursable or an allowable deduction per IRS guidelines. Note: Business lunches or dinners can be reimbursed.

- a. For the fiscal year 2025-2026, an estimated budget of \$450 per month is suggested.
- b. The parish may set up a charge account with local grocers, supply stores, and other vendors to pay this cost directly, the priest must still supply receipts for this payment type.
  - Receipts should identify the date and a detail of the items purchased by the priest.
    - This includes credit card charges and charges on account.
  - The parish should NOT reimburse without receipts.
  - Alcohol and tobacco products are not to be reimbursed.
  - Personal hygiene products are not to be reimbursed.
  - Personal shopping memberships (e.g., to SAMs, Amazon, etc.) are not to be reimbursed.
  - Over the counter medicine is a personal expense and should not be reimbursed.

Note: Purchases of alcohol when hosting deanery hours are allowable. This is a parish expense and should be accounted for accordingly.

- c. A priest may opt to receive this monthly stipend of \$450 in their payroll check and pay for their groceries personally without reimbursement. This would be taxable income and reflected as such in the priest's W-2.

Note: If the priest participates in a school lunch program, the cost for this program would be paid by the priest personally from this stipend.

13. Gifts to Priests:

- a. We encourage parishes to instruct parishioners to give "gifts" to the priest directly for special occasions (e.g., ordination anniversary, Christmas...) rather than write a check from the parish funds.
  - Gifts paid to the priest from parish funds are taxable. This includes gifts from parish auxiliary groups.
  - Amounts paid to priests with parish funds must be processed via a payroll check and included on the priest's W-2.
- b. Parishioners do NOT receive contribution credit (per the IRS) for giving money to the church for the priest.

14. Time Off - Priests are allowed:

- a. One day off per week.
- b. Thirty (30) days of vacation time each year – either continuous or intermittent – which includes four weekend absences, along with sufficient time for a spiritual retreat and a possible continuing education opportunity.
- c. Coverage costs for weekend/holy day/daily Masses during time off will be borne by the parish and/or institution to which the priest is assigned.
- d. Exceptions to this policy will require specific permission from the diocesan bishop.
- e. The priest tracks his own time off.



15. Mass Intention Stipends:

- a. Parish Priest mass stipends will be included on their monthly payroll check
- b. \$10 per mass with maximum of \$10 per day, per priest
- c. Exception: When donor specifically gives an amount greater than \$10 for one mass, the full amount is to be paid to the Priest.

16. Priest Coverage - Compensation for extra clergy is paid as follows:

- a. \$60 per Sunday or Holy Day of Obligation Mass
- b. \$30 per daily Mass
- c. One Mass stipend at \$10 for the Saturday Vigil, Sunday, Holy Day, Weekday.
  - One stipend per day is permitted.
- d. The Sacrament of Reconciliation is considered a regular part of the coverage agreement.
  - An additional stipend is NOT provided for this.
- e. Extra clergy and mass stipend payments are taxable and will be subject to the filing requirements for 1099 NEC reporting
- f. Mileage to, from and in-between multiple churches is reimbursed to the extra clergy at the IRS reimbursement rate.
- g. For other Sacramental Obligations outside the weekend masses (i.e., a funeral or a wedding during the absence of the pastor) when no compensation is received from a funeral director, or the family being served; the parish will compensate the priest covering at:
  - \$75 funeral or wedding; Vigil or graveside service; and mileage as stated above.
- h. Seasonal Penance Services (parish or school): **retired priests** are to be offered a stipend and mileage for these occasions. The stipend for One Hour will be \$30 and \$75 for day long penance services at a school or parish...adjusted for half days.
- i. Pastors are to notify the parish bookkeeper of the coverage so prompt payment is made to the covering priest. ***This payment should NOT be in cash; rather it should be paid via a vendor check to the "covering priest" from the parish.*** It may be paid in advance, at the time of the coverage; or within a week after coverage has been given.
- j. Extra clergy mass pay is subject to taxation (according to the IRS).
  - When the amount exceeds \$600 in the calendar year, the parish bookkeeper will issue a 1099-NEC to the priest(s).

Remember: Per diocesan policy all reimbursements made to priests should be approved by one of the lay directors or the chairperson of the Finance Council prior to being submitted to the bookkeeper.

