

1 229-02Gd PHILOSOPHY OF REMUNERATION—APPROVAL OF CONCEPT

2
3 VOTED, To approve, in principle, the Philosophy of Remuneration policy as prepared by
4 the Remuneration Study Commission (ADCOM-A); to allow members of the General
5 Conference Executive Committee time to provide additional input to the Remuneration Study
6 Commission; and to defer until the 2002 Annual Council the final vote on the proposed addition
7 to the General Conference *Working Policy*, Y 05 Philosophy of Remuneration, which reads as
8 follows:

9
10 Y 05 Philosophy of Remuneration

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12 Y 05 05 Philosophy of Remuneration—1. Introduction—In order that there may be an
13 equitable basis for the remuneration of denominational employees, these principles have been
14 adopted for the Seventh-day Adventist Church.

15
16 2. Philosophy—The Church has accepted the commission given by Jesus Christ to
17 His disciples to proclaim the gospel to the entire world. Many agencies are utilized to
18 accomplish this spiritual task. Each employee has the privilege and responsibility to participate
19 specifically in the mission of the Church and its central objective—the salvation of humanity
20 (2 Cor 4:1-6).

21
22 “There are needed in the cause of God workers who will make a covenant with Him by
23 sacrifice, who will labor for the love of souls, not for the wages they receive.”—CH 302

24
25 “. . . the work of God was founded in a sacrifice, and only by a sacrifice can it be carried
26 forward.”—2SM 211

27
28 The work of the Church, including all denominational organizations, is a mission to
29 which lives are dedicated in selfless service (7T 215, 216; 1MR 85; CH 316).

30
31 Remuneration shall be guided by principles set forth in the Bible and the Spirit of
32 Prophecy counsels of Ellen G White, and informed by community practices.

33
34 a. Responsibility for, attitude toward, and unity of the work:

35
36 “You did not choose me, but I chose you and appointed you to go and bear fruit—
37 fruit that will last.”—John 15:16, NIV

38
39 God worked in the beginning (Gen 1:1), and work was assigned to humanity
40 before the fall (Gen 1:26; 2:15). “My Father is working still, and I am working.”—John 5:17,
41 RSV

229-02Gd PHILOSOPHY OF REMUNERATION—APPROVAL OF
CONCEPT - 2

1
2 “Nothing is drudgery to the one who submits to the will of God. ‘Doing it unto
3 the Lord’ is the thought that throws a charm over the work that God gives him to do.”—Lt 43,
4 1902

5
6 “The work of God in all its wide extent is one, and the same principles should
7 control, the same spirit be revealed, in all its branches. It must bear the stamp of missionary
8 work.”—2SM 178

9
10 While the work of God is one, all have individual roles to fill (1 Corinthians 12).

11
12 b. Faithfulness and productivity required, employees are responsible for
13 value of wages received:

14
15 “God will require a return from men in proportion as they set a value upon
16 themselves and their services, for they will be judged according to their deeds, and by no less a
17 standard than they themselves have established. If they have accounted their talents of so great
18 value, and placed a high estimate upon their abilities, they will be required to render service
19 proportionate to their own estimate and demand. Oh, how few have any real acquaintance with
20 the Father or with His Son Jesus Christ. If they were imbued with the spirit of Christ they would
21 work the works of Christ. ‘Let this mind be in you, which was also in Christ Jesus’
22 (Phil 2:5).”—2SM 194, 195

23
24 c. Wages should be reasonable, ample, fair, and just:

25
26 The Levites received food, clothes, shelter, and ten shekels of silver a year
27 (Judg 17:10). This was considered to be a reasonable and just remuneration.

28
29 “He has showed you, O man, what is good; and what does the Lord require of you
30 but to do justice, and to love kindness, and to walk humbly with your God?”—Mic 6:8, RSV

31
32 The same principle of justice is apparent in the parable of the talents (Matt 25:14-
33 30). “The laborer is worthy of his wages.”—Luke 10:7, NKJV

34
35 The Spirit of Prophecy counsels of Ellen G White affirmed that the wages paid to
36 the church’s workers should be “sufficient to support themselves and their families.” She asked,
37 “are not those who faithfully engage in this work [of disseminating truth, and leading souls to
38 Christ] justly entitled to ample remuneration?”—AA 341

229-02Gd PHILOSOPHY OF REMUNERATION—APPROVAL OF
CONCEPT - 3

1
2 “Those placed in leading positions should be men who have sufficient breadth of
3 mind to appreciate persons of cultivated intellect and to recompense them proportionately to the
4 responsibilities they bear. True, those who engage in the work of God should not do so merely
5 for the wages they receive, but rather for the honor of God, for the advancement of His cause,
6 and to obtain imperishable riches. At the same time we should not expect that those who are
7 capable of doing with exactness and thoroughness work that requires thought and painstaking
8 effort should receive no greater compensation than the less skillful workman. . . .

9
10 “To connect the right class of laborers with the work may require a greater outlay
11 of means, but it will be economy in the end; for while it is essential that economy be exercised in
12 everything possible, it will be found that the efforts to save means by employing those who will
13 work for low wages, and whose labor corresponds in character with their wages, will result in
14 loss. The work will be retarded and the cause belittled. Brethren, you may economize as much
15 as you please in your personal affairs, in building your houses, in arranging your clothing, in
16 providing your food, and in your general expenses; but do not bring this economy to bear upon
17 the work of God in such a way as to hinder men of ability and true moral worth from engaging in
18 it.”—5T 551

19
20 d. Equality and unselfishness:

21
22 “For as the body is one, and has many members, but all the members of that one
23 body, being many, are one body: so also is Christ. For in fact the body is not one member but
24 many. If the foot should say, ‘Because I am not a hand, I am not of the body,’ is it therefore not
25 of the body? And if the ear should say, ‘Because I am not an eye, I am not of the body,’ is it
26 therefore not of the body? If the whole body were an eye, where would be the hearing? If the
27 whole were hearing, where would be the smelling? But now God has set the members, each one
28 of them, in the body just as He pleased. Now you are the body of Christ, and members
29 individually.”—1 Cor 12:12, 14-18, 27, NKJV

30
31 “Let there be more equality among us. There is too much eager grasping for
32 recompense. Selfish estimates of the labor done are being made.”—2SM 183 “The Lord will
33 have faithful men who love and fear Him connected with every school, every printing office,
34 health institution, and publishing house. Their wages should not be fashioned after the
35 worldling’s standard. There should be, as far as possible, excellent judgment exercised to keep
36 up, not an aristocracy, but an equality, which is the law of heaven.”—2SM 192

37
38 e. Faith required when filling positions:

229-02Gd PHILOSOPHY OF REMUNERATION—APPROVAL OF
CONCEPT - 4

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2 “Solomon looked for a master workman to superintend the construction of the
3 temple on Mount Moriah. Minute specifications, in writing, regarding every portion of the
4 sacred structure, had been entrusted to the king, and he should have looked to God in faith for
5 consecrated helpers, to whom would have been granted special skill for doing with exactness the
6 work required. But Solomon lost sight of this opportunity to exercise faith in God.”—2SM 175
7

8 f. Demands for higher wages not according to God’s plan:
9

10 “Those who refuse to work except for the highest wages should not be encouraged
11 to connect with this institution. We do not need those who have no spirit of self-sacrifice.”—
12 1MR 275
13

14 “God’s work is to go forward. Its success depends on the putting forth of
15 consecrated efforts and the carrying out of pure principles. Amidst the apparent confusion of
16 surrounding difficulties, we may feel at a loss to know how to proceed. Let us be sure that those
17 who are united with the work are first united with Christ.”—Lt 106, 1903, pp 4, 5, “To the
18 General Conference Committee,” May 30, 1903
19

20 “Yes; and they will have the temptation continually before them. But in the
21 matter of encouraging our physicians to set their own wages, we must be very guarded. I am
22 sorry I am not able to present this matter fully as it has been opened up before me in the night
23 season. I hope to be able to say more in the future regarding this question; but I can say that I
24 must continue to bear my testimony against the idea that men may be permitted to set their own
25 wages. Let a man begin on this line, and Satan will help him wonderfully.”—1MR 86, 87;
26 Ms 14, 1913
27

28 3. Remuneration defined—Remuneration encompasses a broad range of cash and
29 non-cash items such as gross salary, benefits, allowances, incentives, bonuses, etc. It must be
30 understood that in certain parts of the world where salary levels are very low, certain benefits
31 such as housing allowance, automobile depreciation, and employer provided housing would have
32 to be dealt with outside of the percentage maximums as defined in paragraph 5. of this policy.

33 The remuneration scale described in this policy provides minimums and maximums
34 expressed as percentages of a remuneration factor. In some cases this may not work well for
35 certain categories of support staff because of community patterns of remuneration. Where
36 desirable, the controlling boards/committees may establish, for support staff, remuneration rates
37 and plans which are not based on minimum and maximum percentages applied to a remuneration
38 factor, so long as the rates do not exceed the average community rates for such categories. This

229-02Gd PHILOSOPHY OF REMUNERATION—APPROVAL OF
CONCEPT - 5

1 provision only applies to positions with a maximum remuneration level that is less than that of an
2 ordained pastor.

3
4 4. Objective—The objective of each remuneration plan is to provide employees with
5 an adequate income, while endeavoring to provide a reasonable level of comfort. Because of the
6 principles of equality and self-sacrifice, it is accepted that increased responsibility may require a
7 greater level of sacrifice.

8
9 5. Principles of Remuneration Scale Development—Wide variations in national
10 economies and employment environments make it impossible to establish a single remuneration
11 scale that is equitable and appropriate everywhere. For this reason, each division is responsible
12 for establishing a remuneration plan(s), including various allowances, that is sensitive to the local
13 environments within its territory. Each division executive committee shall establish a
14 remuneration committee with representation from ministers, educators, and accountants, along
15 with significant representation from laypersons with financial, management, and business
16 experience and who have an understanding of denominational policy and practice. The
17 remuneration committee shall recommend to the division executive committee a remuneration
18 plan(s) and remuneration levels to be used within its territory. In the preparation of a
19 remuneration plan(s), the committee shall bear in mind that the call to ministry is important—
20 whether to pastoral work, administration, or any other line of denominational employment. All
21 minister on behalf of the Church. The General Conference and its institutions shall follow these
22 principles in determining their remuneration plans.

23
24 Remuneration plans addressed in paragraph 5. shall incorporate the following features
25 and, prior to their adoption, be reviewed by the General Conference Administrative Committee to
26 determine adherence to these broad principles and guidelines.

27
28 a. Unity and consistency in job classification and relative ranking within a
29 division.

30
31 b. Preference for a single remuneration scale in the division for all employees
32 that encourages employee collegiality, especially between pastoral workers and administration.
33 Accordingly, the remuneration of a division president and of the General Conference President
34 shall not exceed by more than 25 percent (division) nor by 30 percent (General Conference)
35 respectively the remuneration of the highest classification of a local church pastor in the
36 division/country.

37
38 c. Alternate scale(s) used only for unique and limited situations. Although

229-02Gd PHILOSOPHY OF REMUNERATION—APPROVAL OF
CONCEPT - 6

1 the main remuneration scale should normally be the predominant standard for organizations in a
2 division, in some unique and limited situations the division executive committee, and in the case
3 of the General Conference the General Conference Executive Committee, may wish to approve
4 an alternate remuneration scale(s). In such cases, the remuneration scale(s) must reflect the
5 sacrificial service philosophy as expressed in this policy and be informed by the median market
6 values as revealed in surveys of community practice. Where such a remuneration scale(s) is
7 deemed to be useful, it shall be determined by the division executive committee, and in the case
8 of the General Conference by the General Conference Executive Committee, but shall not exceed
9 by more than 50 percent the remuneration of the highest classification of a local church pastor in
10 the division/country. The average value of allowances shall not exceed those provided for under
11 current policies.

12

13 d. A clearly defined method and time frame for determining how and when
14 an employee advances from minimum to maximum remuneration based on performance
15 evaluation.

16

17 e. Remuneration levels that do not discriminate on the basis of race, color,
18 national origin, disability, gender, age, or any other basis prohibited by law and are not contrary
19 to biblical principles.

20

21 f. Remuneration factors for the area applied to the various levels of church
22 organization in the same locality, and which take into account cost of living/cost of housing for
23 the area.

24

25 g. Government regulations concerning employee remuneration observed at
26 all times.

27

28 6. Economic and Geographic Variations—National or locally-hired employees shall
29 be remunerated on the basis of the church remuneration policy and practice in effect in the
30 location or country in which they reside. Employees retained under interdivision or intradivision
31 policies shall receive remuneration in harmony with the applicable policies for each
32 classification.

33

34 7. When setting individual wages the following items should be taken into
35 consideration with respect to each employee:

36

37 a. Preparation, education, and commitment.

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229-02Gd PHILOSOPHY OF REMUNERATION—APPROVAL OF
CONCEPT - 7

1 b. Previous experience and achievement.

2
3 c. Years of service.

4
5 d. Responsibility and annual evaluations.

6
7 8. From time to time remuneration adjustments may be necessary to either increase
8 or decrease remuneration within this philosophy. Factors to be considered in making such
9 adjustments shall include the financial resources available, cost of living changes, competitive
10 wages, and performance appraisals.

11
12 9. Variations for Commercial Business Organizations—The boards/governing
13 committees of institutions/organizations of the Church whose viability rests on their success in
14 the commercial environment and who do not receive denominational appropriations, and who
15 derive a significant majority of their income from non-denominational sources, may establish
16 remuneration levels and/or compensation benefits (allowances) which to a limited extent reflect
17 the prevailing remuneration level of the local environment. Each board/governing committee
18 will exercise its judgment in evaluating the combined effect of the sacrificial service philosophy
19 as expressed in this policy and the median market values as revealed in surveys of community
20 practice. The remuneration levels of each institution/organization of the Church under this
21 category shall be reviewed by its respective division executive committee and compliance
22 reported annually to that committee and to the full governing board of the institution/
23 organization.