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3 RemStCom/02AC to AHT(DIV)

4
5 229-02Gc PHILOSOPHY OF REMUNERATION (REMUNERATION
6 OF AND ASSISTANCE TO EMPLOYEES) - POLICY
7 ADDITION

8
9 VOTED, To add GC Y 05, Philosophy of Remuneration, which reads as follows:

10
11 Y 05 Philosophy of Remuneration

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

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

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

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

28
29 The work of the Church, inclusive of all denominational organizations, is born out of the
30 Gospel Commission and calls for a life of dedication and selfless service based on the example of
31 Jesus Christ (Matt 28:19, 20; John 15:16; 7T 215, 216; 1MR 85; CH 316).

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

35
36 a. Responsibility for, attitude toward, and unity of the work:

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

40
41 God worked in the beginning (Gen 1:1), and work was assigned to humanity

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1 before the fall (Gen 1:26; 2:15). “My Father is working still, and I am working.”—John 5:17,
2 RSV

3

4 “Nothing is drudgery to the one who submits to the will of God. ‘Doing it unto
5 the Lord’ is the thought that throws a charm over the work that God gives him to do.”—Lt 43,
6 1902

7

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

11

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

13

14 b. Faithfulness and productivity required, employees are responsible for
15 value of wages received:

16

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

25

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

27

28 “Then I will draw near to you for judgment; I will be a swift witness against . . .
29 those who oppress the hireling in his wages.”—Mal 3:5, RSV

30

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

33

34 “The laborer is worthy of his wages.”—Luke 10:7, NKJV

35

36 The Spirit of Prophecy counsels of Ellen G White affirmed that the wages paid to
37 the church’s workers should be “sufficient to support themselves and their families.” She asked,

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1 “are not those who faithfully engage in this work [of disseminating truth, and leading souls to
2 Christ] justly entitled to ample remuneration?”—AA 341
3

4 “Those placed in leading positions should be men who have sufficient breadth of
5 mind to appreciate persons of cultivated intellect and to recompense them proportionately to the
6 responsibilities they bear. True, those who engage in the work of God should not do so merely
7 for the wages they receive, but rather for the honor of God, for the advancement of His cause,
8 and to obtain imperishable riches. At the same time we should not expect that those who are
9 capable of doing with exactness and thoroughness work that requires thought and painstaking
10 effort should receive no greater compensation than the less skillful workman. . . .
11

12 “To connect the right class of laborers with the work may require a greater outlay
13 of means, but it will be economy in the end; for while it is essential that economy be exercised in
14 everything possible, it will be found that the efforts to save means by employing those who will
15 work for low wages, and whose labor corresponds in character with their wages, will result in
16 loss. The work will be retarded and the cause belittled. Brethren, you may economize as much
17 as you please in your personal affairs, in building your houses, in arranging your clothing, in
18 providing your food, and in your general expenses; but do not bring this economy to bear upon
19 the work of God in such a way as to hinder men of ability and true moral worth from engaging in
20 it.”—5T 551
21

22 d. Equality and unselfishness:
23

24 “For as the body is one, and has many members, but all the members of that one
25 body, being many, are one body: so also is Christ. For in fact the body is not one member but
26 many. If the foot should say, ‘Because I am not a hand, I am not of the body,’ is it therefore not
27 of the body? And if the ear should say, ‘Because I am not an eye, I am not of the body,’ is it
28 therefore not of the body? If the whole body were an eye, where would be the hearing? If the
29 whole were hearing, where would be the smelling? But now God has set the members, each one
30 of them, in the body just as He pleased. Now you are the body of Christ, and members
31 individually.”—1 Cor 12:12, 14-18, 27, NKJV
32

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

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1 up, not an aristocracy, but an equality, which is the law of heaven.”—2SM 192

2 e. Faith required when filling positions:

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

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

11
12 “Those who refuse to work except for the highest wages should not be encouraged
13 to connect with this institution. We do not need those who have no spirit of self-sacrifice.”—
14 1MR 275

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

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

29
30 3. Deployment and Transferability of Employees Facilitated—Consistency in the
31 classification of job titles and functions, along with adherence to a widely applicable
32 remuneration plan (salary, allowances, benefits, etc) on a division-wide or country-wide basis,
33 preserves the organization’s ability to both attract employees from and share employees with
34 other denominational entities.

35
36 The eligible employee pool from denominational entities is relatively limited in view of
37 the Church’s right and intent to prefer Seventh-day Adventists. When various denominational

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1 organizations subscribe to the same remuneration plan, the deployment of personnel is more
2 easily facilitated. Separate remuneration plans among denominational organizations give rise to
3 competition and ultimately impede the orderly progress of the Church's work and mission.
4

5 4. Remuneration Defined—Employee remuneration encompasses a broad range of
6 cash and noncash items such as gross salary, benefits, allowances (such as housing allowance,
7 automobile depreciation, and employer provided housing), incentives, bonuses, etc. The
8 particular combination of remuneration components will vary from division to division. It must
9 be understood that in parts of the world where salary levels are relatively low in comparison to
10 the value of employee benefits and allowances, certain benefits may have to be dealt with outside
11 of the maximums defined in paragraph 6. below. Where deemed necessary, this will be approved
12 by a major meeting of the division executive committee or, in the case of the General
13 Conference, a Spring Meeting or Annual Council of the General Conference Executive
14 Committee.
15

16 Where desirable and embraced within the division's remuneration plan, the controlling
17 boards/committees may establish for support staff remuneration rates which are based on the
18 average paid in the surrounding community for each job classification/category. This provision
19 applies to those positions with a maximum remuneration level that does not exceed the
20 remuneration, inclusive of all benefits and remuneration as defined in the above paragraph, for an
21 ordained local church pastor.
22

23 5. Objective—The objective of each remuneration plan is to provide employees with
24 an adequate income, while endeavoring to provide a reasonable level of comfort. Because of the
25 principles of equality and self-sacrifice, it is accepted that increased responsibility may require a
26 greater level of sacrifice.
27

28 6. Principles of Remuneration Plan Development—Wide variations in national
29 economies and employment environments make it impossible to establish a single remuneration
30 plan that is equitable and appropriate everywhere. For this reason, the General Conference and
31 each of the divisions are responsible for establishing a remuneration plan(s), including various
32 allowances, that is sensitive to the local environments within its territory. The General
33 Conference and each division executive committee shall establish a remuneration committee
34 with representation from denominational employee groups such as ministers, educators, and
35 accountants, along with significant (and where possible a majority) representation from
36 laypersons with appropriate skills who have an understanding of denominational policy and
37 practice. The remuneration committee shall recommend to a major meeting of the division

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1 executive committee and, in the case of the General Conference, to a Spring Meeting or Annual
2 Council of the General Conference Executive Committee, a remuneration plan(s) and
3 remuneration levels to be used within its territory.
4

5 In the preparation of a remuneration plan(s), the committee shall bear in mind that
6 denominational employment is a call to service and is therefore characterized by a different set of
7 standards or references than is prevalent in society or in merely business and commercial
8 enterprises. All employees—pastors, administrators, and support staff—participate in a ministry
9 on behalf of the Church. Remuneration plans should thus promote and maintain a sense of
10 collegiality among all employees.
11

12 The General Conference office and General Conference institutions shall use the
13 remuneration plan structure of the division/country where they are located as the basis for
14 calculating their remuneration plan. Any variation from the structure of the host division
15 remuneration plan shall be reviewed by the General Conference remuneration committee and
16 referred to the General Conference Administrative Committee prior to implementation.
17

18 Remuneration plans addressed in paragraph 6. incorporate the following features and,
19 prior to their adoption, be reviewed by the General Conference Administrative Committee to
20 determine adherence to these broad principles and guidelines.
21

22 a. Unity and consistency in job classification and relative ranking within a
23 division.
24

25 b. Preference for a single remuneration plan in the division for all employees
26 that encourages employee collegiality, especially between pastoral workers and administration.
27 Accordingly, the remuneration of a division president shall not exceed by more than 25 percent
28 the remuneration of the of the highest classification of a local church pastor in the local area. In
29 the case of the General Conference president, it shall not exceed by more than five percent the
30 remuneration of the host division president.
31

32 c. Alternate remuneration plans. Although the main remuneration plan
33 should normally be the predominant standard for all denominational organizations in a division,
34 in some unique and limited situations a major meeting of the division executive committee, and
35 in the case of the General Conference, a Spring Meeting or Annual Council of the General
36 Conference Executive Committee, may authorize an alternate remuneration plan(s).
37

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1 In such cases the remuneration plan must reflect the sacrificial service philosophy
2 as expressed in this policy and be informed by the norm for remuneration of ordained pastors and
3 the median market values as revealed in relevant surveys of community practice. In any case, the
4 maximum remuneration (salary, estimated average annual value of employee benefits, bonuses,
5 allowances, etc) for positions under consideration, other than the chief executive, shall not
6 exceed the lower of either the halfway point in the gap between a local church pastor's
7 remuneration and the relevant market median (50th percentile) or 75 percent of the relevant
8 market median (50th percentile).
9

10 The remuneration of a chief executive may be determined after establishing,
11 according to the above provisions, a remuneration level for senior officers. The chief executive
12 remuneration shall not exceed the remuneration of other senior officers by more than ten percent
13 nor shall it be greater than if calculated under the provisions in the above paragraph using
14 relevant median market values for chief executive compensation.
15

16 Where such a remuneration plan(s) is deemed to be useful, it shall be determined
17 by a major meeting of the division executive committee, or in the case of the General
18 Conference, by a Spring Meeting or Annual Council of the General Conference Executive
19 Committee. The maximum remuneration under any such plan shall not exceed by more than 25
20 percent the maximum remuneration allowed under paragraph b. above for the position of division
21 president when the division president's maximum rate is applied to the local area where the
22 organization under consideration is located. The average value of allowances shall not exceed
23 those provided for under current policies other than the allowances which are calculated as a
24 percentage of remuneration.
25

26 The governing board of a General Conference institution shall obtain endorsement
27 from a Spring Meeting or Annual Council of the General Conference Executive Committee for
28 any proposed alternate remuneration plan. Such endorsement shall be based on the General
29 Conference Executive Committee's review in light of the prevailing situation and the existing
30 remuneration plan(s) in the division concerned.
31

32 d. A clearly defined method and time frame for determining how and when
33 an employee advances from minimum to maximum remuneration based on performance
34 evaluation.
35

36 e. Remuneration levels that do not discriminate on the basis of race, color,
37 national origin, disability, gender, age, or any other basis prohibited by law and are not contrary

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1 to biblical principles.

2
3 f. Remuneration factors for the area applied to the various levels of church
4 organization in the same locality, and which take into account cost of living/cost of housing for
5 the area.

6
7 g. Government regulations concerning employee remuneration observed at
8 all times.

9
10 7. Economic and Geographic Variations—National or locally-hired employees shall
11 be remunerated on the basis of the church remuneration policy and practice in effect in the
12 location or country in which they reside. Employees retained under interdivision or intradivision
13 policies shall receive remuneration in harmony with the applicable policies for each
14 classification.

15
16 8. Setting Wages—When setting individual wages the following items should be
17 taken into consideration with respect to each employee:

18
19 a. Preparation, education, and commitment.

20
21 b. Previous experience and achievement.

22
23 c. Years of service.

24
25 d. Responsibility and annual evaluations.

26
27 9. Remuneration Adjustments—From time to time remuneration adjustments may be
28 necessary to either increase or decrease remuneration within this philosophy. Factors to be
29 considered in making such adjustments shall include the financial resources available, cost of
30 living changes, competitive wages, and performance appraisals.

31
32 10. Variations for Commercial Business Organizations—When organizations operate
33 health care institutions and health food factories whose viability rests on their success in the
34 commercial environment and who do not receive denominational appropriations, and who derive
35 a significant majority of their income from nondenominational sources, they may establish
36 guidelines governing remuneration levels and/or compensation benefits (allowances) which to a
37 limited extent reflect the prevailing remuneration level of the local environment. Each

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1 board/governing committee will exercise its judgment within the parameters set by the division
2 or General Conference in evaluating the combined effect of the sacrificial service philosophy as
3 expressed in this policy and the median market values as revealed in surveys of community
4 practice. The remuneration levels of each institution/organization of the Church under this
5 category shall be reviewed, and where legally permissible, approved by a major meeting of its
6 respective division executive committee, or in the case of the General Conference, a Spring
7 Meeting or Annual Council of the General Conference Executive Committee, and compliance
8 reported annually to that committee and to the full governing board of the
9 institution/organization.