

2014 Salary Grid Adjustment and COLA

The Formula:

The average of the following factors:

- a) CPI
- b) Review the clergy salary increase information, as reported by MMBB, for all ABC clergy who earn more than \$5,000.00 annually. Review the lay salary information, as reported by MMBB for all lay people who earn more than \$5,000.00 annually. Use the LOWER percentage in this calculation.
- c) Review the salary information for CEO's and the salary information for non-CEO employees (as reported annually by PRM Consulting, Inc. for Non-Profit Organization – Table 6). Use the LOWER percentage in this calculation.

The AVERAGE of these three factors will be the basis used for determining how much the salary grid will “shift” in the upcoming year.

The merit pool will be established by taking the difference between the highest percentage used in the above calculation and the average that is used for the shift in the salary grid.

The Formula Applied:

1. CPI increase = 2.10%

Clergy Salary Increase as reported by MMBB as of 01/01/13 = 1.40%

CEO salary increase as reported by PRM = 3.00%
Non-CEO employee salary as reported by PRM for = 3.00%
2. Average of CPI, Lower % provided by MMBB, and Lower % provided by PRM =
 $2.10\% + 1.40\% + 3.00\%$ divided by 3 = 2.17%

2.17% is the recommended shift in the grid for 2014
3. Merit pool will be .83% (The difference between 3.00% and 2.17%)

Historical Data of COLA for the Past Five Years:

	Year	COLA Increase
1.	2013	2.20%
2.	2012	1.70%
3.	2011	0.00%
4.	2010	0.00%
5.	2009	3.17%
Average COLA		1.41%

Recommendation:

Medley, Musoke and Eapen recommend that ABCUSA set aside **3.00%** of its current payroll budget to use for 2014 salary increase. This recommendation is based on the fact that in the past five years, ABCUSA staffs have had minimal increases and in two of the five years with no increases. As a result of our historical data on COLA, it is our recommendation that ABCUSA set aside 3.00% as the 2014 salary increase. This 3.00% increase represents the COLA (2.17%) as well as the recommend merit increase (0.83%).