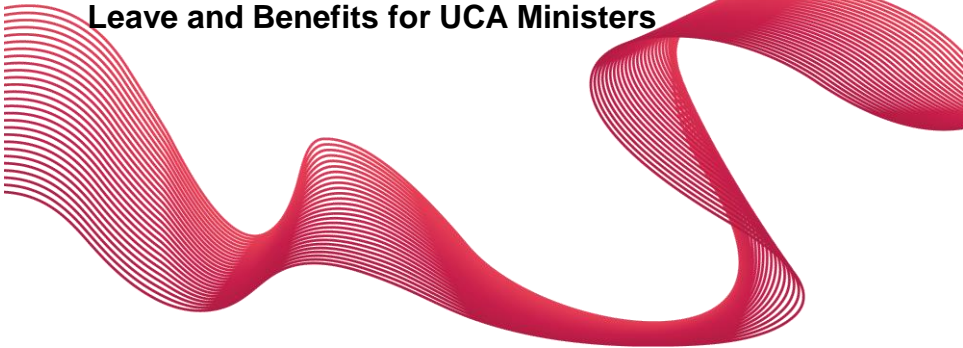




## PAYING YOUR MINISTER

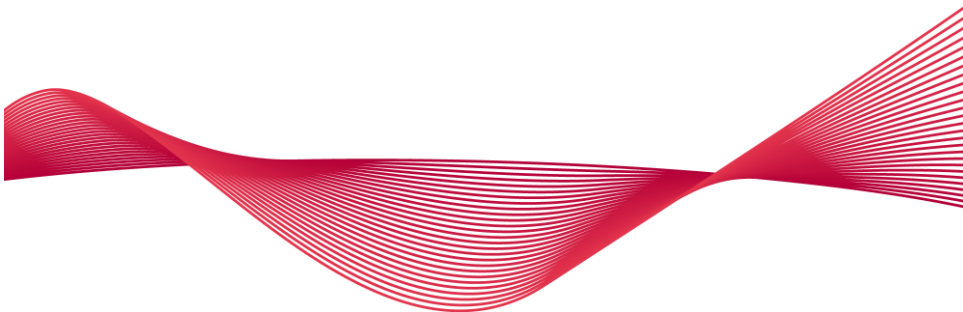
### Understanding Remuneration, MEF's, Leave and Benefits for UCA Ministers



Healthy Churches Expo - November 2017

1

In 1994 the Church determined that all who serve in specified ministries would be treated equally for remuneration and entitlements



 Healthy Churches Expo - November 2017

2

## AREAS FOR DISCUSSION

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Stipend Components	Housing
Travel	Stipend Calculation
Ministers Expense Facility	Resource Allowance
Part-time Placements	Leave
Ministers Support Fund	Beneficiary Fund
Superannuation	Home Endowment Fund
Relocation Assistance	Synod Payroll Services

## STIPEND COMPONENTS

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- Minimum Stipend
- Standing Costs (Vehicle)
- Travel Costs
- Residence Benefit
- Resource Allowance

## THE STIPEND CALCULATION

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- The minimum stipend for FY 2017-2018 is \$1,226.48 per week  
(Full Time Equivalent and 100% placement)
- The Stipend Package (base stipend and allowances) is reviewed annually by the GNRC based on a range of factors including CPI and national wage data
- Details of the Stipend and Allowances are updated and issued annually to all Ministers and Treasurers
- Available on the Synod website under 'Shared Resources/Human Resources'



## HOUSING

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### Manse Accommodation

- All ministers are entitled to manse accommodation
- Some exemptions apply
- Where two UCA ministers are in a relationship the cost is split between the two appointing bodies
- If there is no manse available, one must be rented for them
- Information on the guidelines for a manse is available from the Synod's Property Services team



## HOUSING

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### **Inclusions to be provided :**

- Floor coverings, window furnishings and light fittings
- Study desk, chairs, shelves, filing cabinet
- Refrigerator and washing machine
- TV antenna
- Smoke detectors
- Clothes line
- Telephone and internet connection

*(If the kitchen requires an upgrade, the installation of a dishwasher should be considered)*



## HOUSING

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### **Minister's responsibilities regarding the Manse includes:**

- to maintain the manse and surrounds in a clean and tidy manner
- to recognise the right of the church council for maintenance inspections
- the cost of electricity and gas supplies
- items like replacing light globes and batteries



## HOUSING

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### Appointing bodies responsibilities regarding the Manse includes:

- to ensure the manse property is clean and habitable
- to undertake any repairs and maintenance required
- water, sewage and garbage rates and charges
- the cost of telephone installation, internet, phone rental charges and church business calls



## HOUSING

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### Residence Benefit

- Where the Minister chooses to live in their own home rather than the manse, they are entitled to receive a Residence Benefit (currently paid at \$12,956 per annum)
- It applies to placements that are 50% or greater (incl. longer term Supply)
- If two Ministers live in their own home the Residence Benefit should be shared between their appointing bodies



## TRAVEL COMPONENT

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### Motor Vehicle Provided

- The Congregation may mutually agree on a fully maintained vehicle to be provided for the Minister's use
- Travel costs (petrol) not provided
- Less common option in practice



## TRAVEL COMPONENT

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### Minister Uses Own Vehicle

- Ministers are entitled to a vehicle 'Standing Cost' currently \$11,721 per annum
- Conditions apply for some placement types
- Ministers are entitled to claim travel costs (mileage)
- Different rates apply to different placement types as outlined in the Stipend and Allowance Information Table



## STIPEND BREAK DOWN

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The package can be broken down as follows:

### A. Minimum Stipend (70% of base stipend)

- Taxable
- Personal Beneficiary Fund (if applicable)
- = Take Home

### B. Ministers Expense Facility (MEF) (30% Tax Free)

- + 100% Standing Cost, Travel, Housing and Resource Allowances
- = MEF

\* *The MEF was formerly known as the MBA/Benefit Account*



## STIPEND PAYMENT

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- Pay As You Earn Tax is deducted from the Stipend (the 70% taxable component)
- The deduction is to be included on the Business Activity Statement (BAS) return
- Under the by-laws remuneration must be paid to the Minister by the 15th day of each month
- Minister and Congregation should agree on the level of package annually and noted in the 'Terms of Placement' document.



## STIPEND PAYMENT

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- It is recommended that any changes to remuneration are documented at least annually by the Appointing Body
- Ministers cannot be paid less than the minimum stipend figure (pro-rated accordingly for P/T placements)
- Ministers (and congregation employees) can be paid via either their Congregation or the Synod's Payroll Group (a free service)

## MINISTERS EXPENSE FACILITY

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- Synod Policy allows a Minister to put up to 30% of the Minimum Stipend into a 'Ministers Expense Facility' or MEF
- The Minister can nominate the amount (up to 30% of the stipend)
- This should be confirmed and updated in the terms of placement
- In addition, 100% of Standing cost, Travel, Housing, and Resource Allowances can be put into the MEF
- There are strict ATO rules around the operation of these accounts



## MINISTERS EXPENSE FACILITY

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- It is an account of the Appointing Body but the funds are available to the Minister to use
- Operated by two signatories, but one can't be the Minister
- Used to pay Ministers' expenses (there are small list of exclusions)
- MEF Amount must be transferred into a separate Bank Account from which cash cannot be withdrawn
- Account to be audited in the same way as other Congregation Accounts and receipts need to be kept



## MINISTERS EXPENSE FACILITY

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- For Individual accounts where there is more than one Minister in a Congregation, the account is to be in the name of the Congregation (e.g.. XYZ Congregation Minister's MEF Account)
- Uniting Financial Services can arrange these accounts for you
- Any balance is not transferable from Placement to Placement (otherwise taxable)
- It is not a savings account and monies should be regularly drawn down



## MINISTERS EXPENSE FACILITY

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- Any items paid from the MEF can't be claimed as a Tax Deduction by Minister, that is, no 'double-dipping'
- MEF amount paid to Minister is an exempt benefit so no FBT
- Not taxed (unless unused at the end of a placement/on retirement)
- Not recorded on the Payment Summary



## MINISTERS EXPENSE FACILITY

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### Exclusions

- Pretty much all household or personal expenses can be paid from the MEF such as groceries, school fees, mortgages and rent, clothing, entertainment and holidays
- The list of items not able to be paid from this account includes items such as fines and penalties, tax debt, child support payments, offerings and donations, and tax deductible items
- Cannot be used for a deposit on a mortgage, but can be applied to a mortgage after it is approved and in place
- Further information is available in the Guidelines Document (currently being updated)



## RESOURCE ALLOWANCE

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- 100% of the Resource Allowance may be paid into the MEF
- For the FY 2017-2018 it is \$1,482 per annum
- It can be used for items such as training, seminars, books, computers
- It doesn't matter if the Minister is Full time or Part time they will still receive 100% of the allowance
- A tax deduction cannot be claimed for any items purchased with the Resource Allowance if it goes into the MEF

## CALCULATION OF PART-TIME PLACEMENTS

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### The 14 unit principle

A WEEK IS DIVIDED INTO 14 UNITS

Tuesday - Friday Mornings = 4 units

Tuesday - Friday Afternoon = 4 units

Weekday Nights = 3 units

Saturday = 1 unit

Sunday = 2 units

14 units = 100% Placement

This principle is useful as a guide for determining expectations of Part-Time Ministers by their congregations, as well as the % of placement

## PART TIME PLACEMENT

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### Travel

- Calculated at the rate per kilometre which incorporates motor vehicle standing costs
- Applies only to travel on church related business up to 15,000 kilometres per annum

### Housing

- Applies where a placement is 50% or greater and to be provided on same basis as full time placement

### Resource Allowance

- Paid in full except where the placement is shared by Appointing Bodies



## LEAVE

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### Annual Leave

- 30 days each calendar year inclusive of Saturday and Sunday, but excluding public holidays
- Normally taken during the year in which it falls due and Church council must approve (may be accumulated with approval)
- Normal remuneration arrangements apply but no leave loading
- Untaken leave cannot be carried forward to next placement
- Ministers should assist to arrange their own supply whilst on leave



## LEAVE

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### Study Leave

- Provides an opportunity for professional development for ministers
- Entitled to 14 days/2 weeks each calendar year (incl. of weekends)
- Approval of church council required. May be accumulated up to 3 years (may be allowed up to 5 years with presbytery approval)
- Congregation pays normal remuneration while minister is on leave
- It is not transferable unless exceptional circumstances



## LEAVE

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### Sick Leave

- Minister is entitled to up to 6 months sick leave in any year in a placement
- Minister receives all normal remuneration while on sick leave
- Synod will financially assist congregation with supply ministry costs after the first month of supply, then up to an additional 5 months
- If sick leave extends beyond six months, or multiple periods of extended sick leave, a discussion will be required between Congregation, Presbytery and the Minister



## LEAVE

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### Long leave

- To refresh a minister after extended service
- 2 calendar months (8.67 weeks) entitlement after 10 years service and 1 month (4.333 weeks) for each 5 years thereafter
- 1 year credit for UTC training
- Approval of congregation required for leave and approval of presbytery required for supply ministry arrangements



## LEAVE

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### Long leave

- Congregation can either pay minister prior to leave commencing, or as per the normal arrangements
- Travel (mileage) component is not paid whilst on long leave
- The Synod, via the MSF, pays minister's minimum stipend to the congregation prior to leave commencing
- Synod also provides a small gift (10% of stipend value) to the minister (taxable)



## LEAVE

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### Maternity leave

- For a female minister to prepare for the birth and care for the child
- 52 weeks leave available for the birth of each child
- Remuneration is first 13 weeks on full pay, following 13 weeks on half pay, remaining 26 weeks unpaid
- MSF and Benefund/Superannuation contributions to be made for the paid portion of leave only
- Minister continues to occupy the manse or receive Residence Benefit, and Standing Costs (but not travel allowance)

## RELOCATION

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- Synod meets the cost of moving a Minister (up to \$5,000 per move)
- The Synod is responsible for moving a minister into 1st placement, between placements and to a retirement home (within NSW)
- This is coordinated by Synod Secretariat staff
- When a minister crosses Synod borders, the cost is shared equally between the two

## MINISTERS SUPPORT FUND

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- Support funds contributions sent to Synod Finance Team monthly (currently \$250 per month for F/T placement and pro-rata for P/T)
- Ministers in part time placements may make up the difference
- Provides for things such as:
  - Long leave
  - Workers compensation
  - Stipend to dependents on death of minister
  - Financial assistance to congregation when minister ill



## HOME ENDOWMENT FUND

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- This fund is no longer compulsory – it is part of the UCA Funds group in Melbourne
- Purpose is to provide benefits to members at retirement to assist in financing the purchase of a residence
- Contribution rate set annually by the fund - currently \$187 per month
- Contributions forwarded by the treasurer to the fund's office in Melbourne monthly





## SUPERANNUATION AND BENEFICIARY FUND

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- Ministers have the choice of either:
  - a) Joining an approved superannuation fund of their choice
  - OR
  - b) Joining the Uniting Church Beneficiary Fund
- Where a Minister chooses superannuation, contributions made by the employing entity at the same amount as the Beneficiary Fund
- Salary sacrifice contributions can be made from pre-tax earnings
- Where the Minister chooses the Beneficiary Fund, a contribution is made by the employing entity (pro-rata for part time) as well as the minister required to make a personal contribution
- The Beneficiary Fund is now managed by Mercer

## SYNOD PAYROLL SERVICES

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- The Synod Payroll Team offers a free, comprehensive payroll bureau service
- We are currently paying the ministers and many employees of an ever increasing group of Congregations and Presbyteries
- All aspects of payroll and leave are managed and users are given 'self service' access for things like payment summaries
- If you are interested in finding out more, please email Synod Payroll on [payroll@nswact.uca.org.au](mailto:payroll@nswact.uca.org.au) for information or call 02 8267 4369.