

2/05 Stipends, Allowances and Benefits for 2021

(A report from the Standing Committee.)

Key Points

- As a result of the uncertainty due to the COVID-19 pandemic the recommended minimum stipend for 2021 has been left unchanged from the \$67,856 recommended for 2020.
- The structure of remuneration package remains unchanged.

Introduction

1. By resolution 2/05, the Synod requested that the Standing Committee report its findings about stipends and allowances to the Synod each year.
2. The circular to ministers and wardens entitled "Guidelines for the Remuneration of Parish Ministry Staff for 2021" (the **Guidelines**) was published in September this year and provides details of the recommended stipends, allowances and benefits for ministers, assistant ministers and lay ministers for 2021.

Recommended Minimum Stipends

3. Standing Committee's policy adopted in August 2016, and modified in 2018, calls for the recommended minimum to be set at 75% of Average Weekly Earnings from 2021 onwards.
4. However, at our meeting on 24 August 2020 we –
 - (a) noted that applying our current policy to set the recommended minimum stipend for 2021 at 75.0% of the AWE would have resulted in a recommended minimum stipend for 2021 of \$69,514 which would represent a 2.4% increase over the recommended minimum stipend for 2020,
 - (b) agreed that it is premature to approve any increase in clergy stipends at this time due to the uncertainty due to the COVID-19 pandemic, and
 - (c) resolved to reconsider the recommendation of the Stipends and Allowances Committee at the February 2021 meeting of the Standing Committee, with a view to any increases for 2021 applying from 1 July 2021.
5. Accordingly, at least for the first 6 months of 2021, the recommended minimum stipend will remain unchanged from the level recommended for 2020, i.e., –

	% of Minister's Recommended Minimum Stipend	2021 Recommended Minimum Stipend \$ pa
Minister	100	67,856
Assistant Ministers, Lay Ministers & Youth and Children's Ministers (Theological degree or Advanced Diploma) –		
5 th and subsequent years	95	64,463
3 rd and 4 th year	90	61,070
1 st and 2 nd year	85	57,678

	% of Minister's Recommended Minimum Stipend	2021 Recommended Minimum Stipend \$ pa
Youth and Children's Ministers (Diploma) – 7 th and subsequent years	85	57,678
4 th to 6 th year	75	50,892
1 st to 3 rd year	65	44,103

Remuneration Packaging

6. The maximum level of stipend that may be sacrificed to a minister's expense account (**MEA**) remains set at 40%, with the member of the ministry staff able to set a lower percentage. Ministry staff may sacrifice an additional amount of stipend (over and above the 40%) to increase superannuation savings. Certain expenditure can be reimbursed to the minister from the MEA. Benefits received in this way are exempt from fringe benefits tax and income tax.

Superannuation Contributions

7. Contributions on account of superannuation for ministers and assistant ministers are part of the parish ministry costs and will be funded through the *Parochial Cost Recoveries and Church Land Acquisitions Levy Ordinance 2019*. Superannuation for lay ministers is paid separately. As for 2020, the amount of the superannuation contribution is generally set at approximately 17% of the applicable minimum stipend, accordingly the annual contributions proposed for 2021 are unchanged from 2020 and are –

	2021
Minister	11,536
Assistant Ministers, Lay Ministers & Youth and Children's Ministers (Theological degree or Advanced Diploma)– 7 th and subsequent years 1 st to 6 th year	11,536 10,382
Youth and Children's Ministers (Diploma) – 7 th and subsequent years 1 st to 6 th year	9,805 8,652

Travelling Allowances/Benefits

8. The diocesan scale for the travelling allowance to be paid to ministers, assistant ministers, lay ministers and youth and children's ministers for 2021 is calculated in accordance with the following scale –
- a fixed component of \$8,047 (2020 – \$8,047) per annum to cover depreciation, registration, insurance etc, plus
 - a reimbursement at the rate of \$246 (2020 – \$246) for every 1,000 kilometres travelled by the person concerned on behalf of the church or organisation which he or she serves.
9. Travel benefits may be provided through an MEA in lieu of a travel allowance in accordance with the guidelines published in the Guidelines.

Remuneration for Occasional Services

10. The recommended rates for clergy who take occasional services are –

	2021
	\$
For 1 service	90
For 2 or more services in a half day	120
For a whole day	180

11. The following guidelines also apply in relation to remuneration for occasional services –
- If the total return journey of the person taking the occasional service is 75 kilometres or less, a travelling allowance of 80 cents per kilometre should be paid (2020 – 80 cents). If further kilometres are travelled, the travel allowance should be negotiated.
 - Meals should be provided where necessary.
 - As pension benefits may be reduced according to other income received, the recommended rates are open to negotiation.
 - Where a minister is invited to take, or assist in, services in a church outside their parochial unit, any payment for services should be made to the parochial unit to which the minister is licensed, rather than to the minister.

Acting Ministers, Locum Tenens and part time pastoral workers

12. Acting Ministers, Locum Tenens and part time pastoral workers should be remunerated with reference to the relevant full time stipend and benefits on a pro-rata basis (based on a 6 day working week). The worker should also be paid a travelling allowance at the rate of 80 cents per kilometre to cover any travel costs incurred while performing their duties (2020 – 80 cents).
13. Provision for ministry related expenses, superannuation, sick, annual and long service leave (on a pro-rata basis) should be provided where appropriate and agreed upon by the worker and parish council.
14. Part time pastoral workers must be included under the parish's workers compensation insurance policy.

Male and Female Student Ministers

15. The recommended assistance for student ministers working one full day per week for 2021 is –

	% of Minister's Minimum Stipend	2021 \$ pa
Studying for a degree	12.5	8,482
Studying for a diploma	10.0	6,786

If a student minister works more than one full day then the rate payable is a pro-rata amount of the full day rate.

16. The following guidelines also apply in relation to the remuneration of student ministers –
- Transport costs (whether private vehicle or public) should be paid by the parochial unit. Where extensive travel is involved consideration should be given to paying for the travel time.
 - Where a student minister serves for a half day in addition to a full day, account should be taken of the additional time and cost in travelling and care taken to ensure that the student minister is not disadvantaged by the additional expense.
 - Under the Fair Work Act 2009, since 1 July 2020 the national minimum wage for adults has been \$19.84 per hour. This means that the recommended stipend allows for no more than

8.2 hours work per week if studying for a degree, and 6.6 hours if studying for a diploma. The minimum wage will be reviewed next on 1 July 2021.

- (d) Arrangements should be made to ensure student ministers are provided with appropriate hospitality. For example, appropriate breaks should be provided especially in a long working day.
- (e) Preparation time adds to the total time incurred in service for the parochial unit and should be allowed for when the amount of payment is considered.
- (f) Superannuation contributions are payable if the remuneration exceeds \$450 per month.
- (g) Worker's compensation insurance cover must be arranged by the parish.
- (h) By arrangement with the student minister the parish may agree to pay college fees (tuition, boarding, etc) on behalf of the student minister in lieu of part of the normal remuneration. If such fees are paid they should be considered an exempt fringe benefit provided –
 - (i) the student is a ministry candidate, and/or holds the Archbishop's licence, or is an independent candidate undertaking the same course of study as required for a ministry candidate, and
 - (ii) the benefit is only applied to paying fees and the provision of accommodation/board.

For and on behalf of the Standing Committee.

JAMES FLAVIN
Chair, Stipends and Allowances Committee

7 September 2020