

2/05 Stipends, Allowances and Benefits for 2022

(A report from the Standing Committee.)

Key Points

- In February this year the recommended minimum stipend was increased by 2.4% to \$69,514 with effect from 1 July 2021, in line with the previous policy to set the figure at 75% of Average Weekly Earnings.
- In August we discontinued the use of AWE as the benchmark for setting recommended minimum stipends for 2022 onwards and instead adopted fixed increase of 2.4% as from 1 July in each of the next 2 years. As a result we approved a recommended minimum stipend of \$71,182 from 1 July 2022.
- In August we also removed the recommended limitations on the types of exempt benefit that may be provided to a minister in recognition of the ATO's Ruling TR 2019/2. We also renamed the MEA as the Minister's Discretionary Benefits Account (MDBA).
- 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 advice to ministers and wardens entitled "Guidelines for the Remuneration of Parish Ministry Staff for 2021-2022" (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 2022.

Recommended Minimum Stipends

3. In August 2020 Standing Committee agreed that it would be premature to approve any increase in clergy stipends for 2021 at that time due to the economic uncertainty caused by the COVID-19 pandemic. Then in February this year Standing Committee agreed to increase the recommended minimum stipend by 2.4% to \$69,514 with effect from 1 July 2021, in line with the policy adopted in August 2016, and modified in 2018, to set the figure at 75% of Average Weekly Earnings (AWE).
4. In August this year Standing Committee noted that continuing the application of its policy to set the recommended minimum stipend at 75% of AWE would have resulted in a 3.7% increase applying from 1 January 2022 and agreed to discontinue the use of AWE as the benchmark for setting minimum stipends for 2022 onwards and instead adopt a fixed increase of 2.4% as from 1 July in each of the next 2 years.
5. In accordance with the new policy, in August Standing Committee set the recommended minimum stipend of \$71,182 pa from 1 July 2022.
6. Accordingly, for 2022 the recommended minimum stipend will be –

	% of Minister's Recommended Minimum Stipend	Jul'21 – Jun'22 Recommended Minimum Stipend \$ pa	Jul'22 – Jun'23 Recommended Minimum Stipend \$ pa
Minister	100	69,514	71,182
Assistant Ministers, Lay Ministers & Youth and Children's Ministers (Theological degree or Advanced Diploma) –			
5 th and subsequent years	95	66,038	67,623
3 rd and 4 th year	90	62,563	64,064
1 st and 2 nd year	85	59,087	60,505
Youth and Children's Ministers (Diploma) –			
7 th and subsequent years	85	59,087	60,505
4 th to 6 th year	75	52,136	53,387
1 st to 3 rd year	65	45,184	46,269

Remuneration Packaging

7. The maximum level of stipend that may be sacrificed to a Minister's Discretionary Benefits Account (MDBA) 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. There are now no limitations on the types of benefit that may be provided from the MDBA. Benefits, whether related to the minister's pastoral duties or of a private nature, received in this way are exempt from fringe benefits tax and income tax.

Superannuation Contributions

8. 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 2021*. Superannuation for lay ministers is paid separately. As in previous years, the amount of the superannuation contribution is generally set at approximately 17% of the applicable minimum stipend, accordingly the annual contributions proposed for 2022 are –

	2022
Minister	11,959
Assistant Ministers, Lay Ministers & Youth and Children's Ministers (Theological degree or Advanced Diploma)–	
7 th and subsequent years	11,959
1 st to 6 th year	10,763
Youth and Children's Ministers (Diploma) –	
7 th and subsequent years	10,165
1 st to 6 th year	8,969

Travelling Allowances/Benefits

9. The diocesan scale for the travelling allowance to be paid to ministers, assistant ministers, lay ministers and youth and children's ministers for 2022 is calculated in accordance with the following scale –
- (a) a fixed component of \$8,047 (2021 – \$8,047) per annum to cover depreciation, registration, insurance etc, plus

- (b) a reimbursement at the rate of \$246 (2021 – \$246) for every 1,000 kilometres travelled by the person concerned on behalf of the church or organisation which he or she serves.
10. Travel benefits may be provided through a MDBA in lieu of a travel allowance in accordance with the guidelines published in the Guidelines.

Remuneration for Occasional Services

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

	2022
	\$
For 1 service	90
For 2 or more services in a half day	120
For a whole day	180

12. The following guidelines also apply in relation to remuneration for occasional services –
- (a) 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 (2021 – 80 cents). If further kilometres are travelled, the travel allowance should be negotiated.
- (b) Meals should be provided where necessary.
- (c) As pension benefits may be reduced according to other income received, the recommended rates are open to negotiation.
- (d) 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

13. 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 (2021 – 80 cents).
14. 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.
15. Part time pastoral workers must be included under the parish's workers compensation insurance policy.

Male and Female Student Ministers

16. The recommended assistance for student ministers working one full day per week for 2022 is –

	% of Minister's Minimum Stipend	Jul'21 – Jun'22 \$ pa	Jul'22 – Jun'23 \$ pa
Studying for a degree	12.5	8,689	8,898
Studying for a diploma	10.0	6,951	7,118

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

17. The following guidelines also apply in relation to the remuneration of student ministers –
- (a) 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.
 - (b) 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.
 - (c) Under the Fair Work Act 2009, since 1 July 2021 the national minimum wage for adults has been \$20.33 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 2022.
 - (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) Currently superannuation contributions are payable if the remuneration exceeds \$450 per month. The Government has announced that it will remove this threshold from 1 July 2022.
 - (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.

BISHOP MICHAEL STEAD

8 November 2021