

2/05 Stipends, Allowances and Benefits for 2019

(A report from the Standing Committee.)

Key Points

- Recommended minimum stipends increased 1.6% for 2019
- Standing Committee amended the policy adopted in August 2016 to allow two more years for the recommended minimum stipend to decrease to 75% of AWE
- 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 2019” (the “Guidelines”) was published in August this year and provides details of the recommended stipends, allowances and benefits for ministers, assistant ministers and lay ministers for 2019.

Recommended Minimum Stipends

3. The policy adopted in August 2016 which indicated the 2019 stipend would be set at 75% of Average Weekly Earnings would have required a small decrease in the stipend from the level applying in 2018.
4. Standing Committee therefore agreed to amend the policy to extend the period over which the policy seeks to reduce the recommended minimum stipend from 80% to 75% of AWE from 3 years to 5 years and agreed to set the recommended minimum stipend for 2019 at \$66,787, which is a 1.6% increase over the recommended minimum stipend for 2018 –

	% of Minister's Minimum Stipend	2019 Minimum Stipend \$ pa
Minister	100	66,787
Assistant Ministers, Lay Ministers & Youth and Children's Ministers (Theological degree or Advanced Diploma) –		
5 th and subsequent years	95	63,448
3 rd and 4 th year	90	60,108
1 st and 2 nd year	85	56,769
Youth and Children's Ministers (Diploma) –		
7 th and subsequent years	85	56,769
4 th to 6 th year	75	50,090
1 st to 3 rd year	65	43,412

Remuneration Packaging

5. The maximum level of stipend 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

6. 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 2018* due to be considered by the 2nd Session of the 51st Synod. Superannuation for lay ministers is paid separately. As for 2018, the amount of the superannuation contribution is generally set at 17% of the applicable minimum stipend, accordingly the annual contributions proposed for 2019 are –

	2019
Minister	11,354
Assistant Ministers, Lay Ministers & Youth and Children's Ministers (Theological degree or Advanced Diploma)–	
7 th and subsequent years	11,354
1 st to 6 th year	10,218

	2019
Youth and Children's Ministers (Diploma) – 7 th and subsequent years	9,651
1 st to 6 th year	8,515

Travelling Allowances/Benefits

7. The diocesan scale for the travelling allowance to be paid to ministers, assistant ministers, lay ministers and youth and children's ministers for 2019 is calculated in accordance with the following scale –

- (a) a fixed component of \$8,047 (2018 – \$8,047) per annum to cover depreciation, registration, insurance etc, plus
- (b) a reimbursement at the rate of \$246 (2018 – \$246) for every 1,000 kilometres travelled by the person concerned on behalf of the church or organisation which he or she serves.

8. 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

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

	2019 \$
For 1 service	90
For 2 or more services in a half day	120
For a whole day	180

10. 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 (2018 – 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

11. 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 (2018 – 80 cents).

12. 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.

13. Part time pastoral workers must be included under the parish's workers compensation insurance policy.

Male and Female Student Ministers

14. The recommended assistance for student ministers working one full day per week for 2019 is –

	% of Minister's Minimum Stipend	2019 \$ pa
Studying for a degree	12.5	8,348
Studying for a diploma	10.0	6,679

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

15. 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 2018 the national minimum wage for adults has been \$18.93 per hour. This means that the recommended stipend allows for no more than 8.5 hours work per week if studying for a degree, and 6.8 hours if studying for a diploma. The minimum wage will be reviewed next on 1 July 2019.
- (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

28 August 2018