

PARISH REMUNERATION POLICY

Updated September 2017

Developing a Parish Remuneration Policy

The Parish Council is primarily responsible for determining the remuneration of ministry and other staff serving in the parish. The remuneration policy adopted by the parish should provide the principle terms (and where appropriate specific detail) under which ministry and other staff will be remunerated.

Ministry staff should be provided with the policy and be encouraged to seek further clarification from the Parish Council as necessary. A copy of the policy must also be provided to the Parish Treasurer. Any employment contracts should refer to the parish remuneration policy.

It is recommended that the Policy specifies –

- The relevant components of the remuneration package for *each category of worker*.
- The source document for the amounts determined (e.g., the Diocesan Remuneration Guidelines, or Clerks (Private Sector) Award for administrative staff).
- When personal circumstances will be taken into account for determining staff remuneration.
- The type of expenses that will be paid from a Minister's Expense Account (MEA).
- The procedure for claiming reimbursement of expenses incurred.
- The housing and travel arrangements that will be made available to staff.
- The procedure and options available for purchasing motor vehicles.
- The extent to which the parish will pay for certain expenses from the parish general funds on behalf of staff.
- Superannuation and leave entitlements for each category of worker.
- Other factors that may be specific to the parish or staff.
- The date when the Policy was approved by the Parish Council and when it will be next reviewed.

The Parish is encouraged to make reference to the following information that is available on the SDS web site when developing its Remuneration Policy –

- *Guidelines for the Remuneration of Parish Ministry Staff*
- *Stipend package calculator*
- *MEA reconciliation and payment template*
- *Motor Vehicle purchasing guidelines*

A sample remuneration policy is attached and should be used as a guide ONLY. The sample remuneration policy is not intended to be read as the ONLY form by which ministry and other staff can or should be remunerated or what the remuneration policy should include. The Parish Council is ultimately responsible for determining its own remuneration policy.

REMUNERATION POLICY FOR THE ANGLICAN PARISH OF _

Approved by Parish Council on [date] _____

Next review date [date] _____

1. Preamble

This remuneration policy document applies to all staff who are licensed to or employed by [*parish name*]. It sets out some the theological foundations for the payment of staff and endeavours to apply those principles and other relevant factors to determine the remuneration of parish staff.

The purpose of this remuneration policy is to facilitate open discussion and provide transparency of the remuneration of parish ministry and other staff at [*parish name*].

Remuneration arrangements at [*parish name*] for ministry staff are generally in accordance with the annual '*Guidelines for the Remuneration of Parish Ministry Staff*' ('Remuneration Guidelines') issued by the Standing Committee of the Anglican Church Diocese of Sydney. Administration staff are paid in accordance with [*insert reference*]

Requests for remuneration arrangements outside the general principles or in variance to this remuneration policy must be approved by the Parish Council.

NOTE: The policy should provide the process for staff seeking alternative remuneration arrangements.

For the purposes of remuneration, there are four general categories of staff at [*parish name*] – (*delete or add as necessary*) to which this policy applies.

- Ordained ministry staff – ministers, assistant ministers, youth and children's ministers licensed by the Archbishop (i.e., licensed clergy);
- Lay ministry staff – specialist and support staff authorised by the Archbishop under the *Authorisation of Lay Ministry Ordinance 2015*, including youth, children's and women's workers and student ministers;
- Administrative staff; and
- Other paid workers.

2. Theological Principles and Foundations

In keeping with Biblical principles, ministry staff are paid a 'stipend' not a wage. The parish 'ordains' them (set apart) and frees them from working in regular employment so they can serve the congregation and the proclaim Christ full time. This is clear from the teaching of both Jesus and Paul (1 Cor 9:1-19, Luke 10:7, 1 Tim 5).

Those who enter full time Christian ministry are warned about the 'love of money' and the importance of not being lovers of money, nor greedy for gain (1 Tim 3, Titus 1, 1 Tim 6). Staff are expected to set an example of wise stewardship and trustworthiness in managing their wealth and their households.

Some staff will have higher costs than others (e.g., dependent children, dependent wife etc.) and

as such their 'needs' may mean they are paid more than some other staff members. While equity is the goal, it does not mean 'sameness' in every aspect. Staff ought to be provided for such that they are 'neither in poverty nor in riches' and be freed from concerns about their financial wellbeing so they can concentrate on ministry. On the other hand there ought to be no perception of the staff living in great comfort while others in the congregation struggle to make ends meet.

Both staff and congregation members need to be aware of the different nature of full time Christian ministry from secular work and the extra demands placed on staff. For example staff are expected to use their homes in their ministry (as an office, meeting room and entertainment facility) in a way that few other employers demand.

3. Structure of Package

For Clergy and Lay Ministry Workers

The remuneration paid or provided by the parish to a member of the ministry staff, subject to negotiation and approval by the Parish Council, normally includes the following elements –

- the payment of a stipend;
- payments to a superannuation fund;
- the provision of housing or a housing benefit, or the payment of a housing allowance;
- the provision of a fully maintained motor vehicle or a travel benefit, or the payment of a travelling allowance;
- the provision, or payment, of ministry related expenses such as utilities (electricity, gas & water), telephone (including mobiles), hospitality, book and conference costs and professional development costs, computer costs (hardware, software & internet charges), and other expenses as agreed;
- the provision of personal/carer's leave, annual leave, long service leave and other forms of leave, in certain circumstances.

For staff other than Clergy or Lay Ministry Workers

Staff employed on a basis other than as Clergy or Lay Stipendiary workers will have packages negotiated on an individual basis with the Rector and Wardens, subject to approval by the Parish Council. This package must at least meet the minimum pay and conditions required by the National Employment Standards in the Fair Work Act 2009 and any other applicable legislation or modern award.

4. Stipend

- (a) The stipend paid to ministry staff is in accordance with the recommended minimum set by the Standing Committee each year for Clergy and Lay Stipendiary workers and outlined in the Remuneration Guidelines. The Parish Council may choose to pay an amount above this minimum recommendation for certain ministry staff having regard to their personal circumstances.
- (b) Stipends for ministry staff employed on a part time basis will be negotiated on a case by case basis but generally calculated on a pro-rata basis.
- (c) Staff are paid the stipend and any allowances –
 - i. if paid monthly, on the agreed date on or before 15th day of each month,
 - ii. if paid weekly or fortnightly, on the agreed day.
- (d) The stipend may be split with not less than 60% paid as salary with appropriate tax deducted and the balance directed to the Minister's Expense Account (MEA) – refer below. MEA's are not available to administrative or similar non-ministry roles.

5. Travel Benefit

A travel benefit is paid based on the recommended rate set in the Remuneration Guidelines. The amount of the variable component will be negotiated with each staff member, having regard to the expected ministry related kilometres to be travelled in the year. The travel benefit can be paid into an MEA.

6. Other allowances and benefits

Section 11 of the Remuneration Guidelines recommends the parish council and the member of the ministry staff agree the extent to which the parish will pay for certain ministry related expenses. These expenses may be paid either direct from general funds of the parish, or from an MEA.

Where a Parish agrees to pay ministry related expenses from an MEA it may also agree to provide certain amounts as benefits to ministry staff in addition to the stipend.

The additional allowances or benefits that could be paid to ministry staff include –

- (a) A **general allowance or benefit** of x% of stipend (or \$xx) paid for general expenses incurred in performing duties. These are the cost associated with a home office, stationary, computers, books, utilities (a proportion of gas, electricity & water).
- (b) A **hospitality allowance or benefit** of x% of stipend (or \$xx) paid for hospitality and use of the home for ministry purposes.
- (c) A **dependent allowance or benefit** of x% of stipend (or \$xx) paid based on the number and ages of dependent children as set out in the table. For each child the appropriate payment is –

| Child Age | % of stipend | Value |
|----------------------------|--------------|-------|
| Baby to Pre-school | x% | \$xx |
| Infants/primary | x% | \$xx |
| High school | x% | \$xx |
| Tertiary age and dependent | x% | \$xx |

Where a staff member has older children who are no longer dependent having obtained employment and yet maybe living at home, the dependent benefit for that child will cease.

- (d) **Conference costs** - where a staff member is required to attend a conference for the Parish and is 'working' during that time, the Parish will pay some or all of that conference cost (e.g., at the church houseparty or a staff retreat). The amount to be paid will be negotiated with staff members prior to attending.
- (e) **Phone and Internet** - the Parish will pay directly a proportion of the costs of communication by phone and email as follows –

| Item | % paid by Parish | Limit paid by Parish |
|---|-------------------|----------------------|
| Work phone (where the phone line is used exclusively for work purposes) | 100% | None |
| Internet access and usage | as agreed, eg 50% | \$xx /month |
| Mobile phone (where the phone is used for both work and private calls) | as agreed, eg 50% | \$xx /month |
| New connection fees / new communication equipment | as agreed, eg 50% | \$xxx |

These additional allowances and benefits may be paid direct to the minister (as an allowance, less tax) or may be paid as a benefit to an MEA.

7. Housing Benefit

Full time ministry staff will be provided with housing as follows –

- (a) accommodating the ministry staff member in a Parish owned property. When a Parish owned property is not available or deemed unsuitable, then
- (b) accommodating the ministry staff member in a rental property and paying an agreed housing benefit, or
- (a) allowing the ministry staff member to occupy their own home and paying an agreed housing benefit.

Where a ministry staff member lives in their own house, an agreed figure for the housing benefit will be paid directly to the mortgage/loan provider where a mortgage or other encumbrance exists.

NOTE: The Parish Council may need to determine an appropriate policy for providing staff a suitable housing benefit to occupy their own home which is not subject to any encumbrance.

House maintenance, repairs and other costs of occupation

Where a ministry staff member occupies a house owned by the Parish, the Parish will pay the costs of maintaining that property or reimbursing the ministry staff member upon presentation of receipts. Large capital items must be discussed with the Parish Council prior to the expense being incurred on behalf of the Parish by ministry staff.

The following schedule applies to the different housing options offered by the Parish –

| Type of housing | Housing Benefit paid | Rates, sewer, fixed water charges paid by | Maintenance, repairs, building insurance paid by |
|-----------------|---|---|---|
| Parish house | NO | Paid by Parish | Paid by Parish |
| Rental house* | YES paid directly to the Landlord | Landlord | Landlord |
| Own house* | YES and paid into MEA or mortgage provider | Ministry Staff member (through MEA if desired) | Ministry Staff member (through MEA if desired) |

*The amount of benefit paid will be based on an amount as negotiated between the staff member and Parish Council. The variable (usage) water charge may be considered by the Parish Council to be a private expense and so may need to be paid by the ministry staff member.

8. Ministry Expense Account (MEA)

A proportion of the stipend (up to a maximum of 40%), plus the travel benefit, plus any other additional benefits (which will vary according to the employment and family circumstances of each staff member), plus any housing benefit (if applicable) can be paid into the MEA and are then not subject to taxation. The types of expenses able to be paid or reimbursed from the MEA are listed in section 11.2 of the Remuneration Guidelines. Parish Council may approve other expenses in particular circumstances. Expenses are paid monthly upon presentation of tax invoices or reimbursement claims in a form specified by the Parish Treasurer.

NOTE: The Parish may wish to insert the type of expenses that ministry staff can claim from an MEA.

Ministry staff who purchase a motor vehicle under a financing arrangement must inform the Wardens prior to entering such an arrangement*. Repayments to external financiers will be made directly to the financier by the Parish from the MEA of the ministry staff member.

***NOTE:** Certain car financing arrangements can place a liability upon the Wardens that the Wardens may not be willing to accept. The remuneration policy should detail the process for seeking approval.

9. Superannuation

Superannuation for all staff is paid according to Government legislation (currently 9.5% of stipend or salary) with an additional amount paid by the Parish as recommended by the Diocese for any ordained and stipendiary lay workers (refer to the Remuneration Guidelines for the specific amount). Additional employee contributions can be made through a stipend or salary sacrifice arrangement.

Under Government legislation staff are not required to use the 'industry' Super Fund (the Anglican National Superannuation Fund managed by AMP) but can nominate which fund to direct their superannuation payments into.

Superannuation for ordained staff is paid at approximately 17% of the recommended minimum stipend (refer to the Remuneration Guidelines for the specific amount) and recovered from the Parish through the Parish Cost Recoveries system.

10. Long Service Leave

All staff have an entitlement to Long Service Leave. Clergy have special arrangements as stipulated by the national church under the Anglican Church of Australia Long Service Leave Fund. Full time ordained ministry staff receive 10 weeks for every 10 years of service prior to 1 January 2015 and 13 weeks for 10 years of service after that date. Long service leave must be approved by the Regional Bishop. Further information can be found in the Remuneration Guidelines.

Lay Stipendiary and other workers are entitled to 2 months (8.67 weeks) leave for the first 10 years of continuous service and a further 1 month (4.33 weeks) for each subsequent 5 years service under the Long Service Leave Act. Long service leave must be approved by the Rector and Wardens. Further information can be found in the Remuneration Guidelines.

11. Annual Leave, Personal/Carer's Leave and Other Leave

Annual Leave

Entitlement for ministers and assistant ministers

Ministers and assistant ministers are entitled to 4 weeks annual leave each year. For the purpose of calculating annual leave, a week is the number of days that the minister would normally work. Generally, annual leave should be taken before the expiry of two years after the date on which the leave entitlement accrued. As far as possible leave should only be taken after consultation with the Rector and/or Wardens (as applicable) and only after suitable arrangements have been made for a person or persons to perform the minister's or assistant minister's duties in that person's absence.

Leave in excess of entitlement

Leave in excess of the 4 week annual entitlement may be taken by a member of the ministry staff with the consent of the wardens. Typically, this may be for such things as attendance at CMS Summer School, an overseas trip to meet missionaries in the field, or an overseas trip to undertake further study.

Attendance at sessions of the Synod of the Diocese or General Synod to which the member of the ministry staff has been summoned should not be deducted from the normal 4 weeks annual leave entitlement.

NOTE: The Parish Council may wish to include in the Remuneration Policy forms of additional leave for certain ministry staff, having regard to the above and other circumstances (e.g., sabbatical leave).

Entitlement for lay ministers

Under the National Employment Standard ('NES') of the Fair Work Act 2009 ('the Act'), a lay minister will be entitled to 4 weeks leave each year. Lay ministry staff will need to complete a leave form for approval by the Rector.

Leave Loading

Having regard to common community practice, a loading on annual leave is not considered appropriate for ministry staff. However, persons employed under an award (e.g., an office administrator) will be entitled to the payment of an annual leave loading if the award so prescribes.

Personal/Carer's Leave and Compassionate Leave

Entitlement for ministers and assistant ministers

If ordained ministry staff are unable to perform their normal duties due to sickness or accident, the parish will continue to pay the agreed stipend and allowances until the minister or assistant minister recovers or, in the case of a prolonged illness, a course of action can be mutually agreed upon.

Ordained ministry staff can claim some medical expenses (subject to certain conditions) from the Diocesan Sickness and Accident Fund (refer to the Remuneration Guidelines for more information).

Entitlement for lay ministers and other staff

Under the NES the entitlements are –

- 10 days paid personal/carers' leave per year (pro rata, cumulative)
- 2 days unpaid carer's leave (on each occasion when needed, once the paid personal/carers' leave is exhausted)
- 2 days paid compassionate leave (on each occasion when needed)

However, the Parish Council may determine a greater amount such as that granted under the NES.

Public holidays

Ordained ministry staff will be allowed those public holidays which are generally provided to the broader community except where normal ministry activities are expected to be undertaken (e.g., Christmas Day and Good Friday services). Such public holidays should only be taken on the relevant day unless the wardens have given consent for other arrangements.

Parental Leave

Ministers and assistant ministers

There are no prescribed entitlements for ordained ministry staff. However, the *Parental Leave Ordinance 2016* contains a model Policy. The Policy has no effect in a parish unless it is adopted, with or without amendments, by resolution of the Parish Council. The model Policy provides up to 52 weeks of unpaid leave for a female minister, and up to 2 weeks of paid leave for a male minister.

Lay ministry staff

All lay ministry staff are employees for this purpose. Those with at least 12 months of continuous service are entitled to maternity leave, paternity leave or adoption leave (as appropriate) under the NES.

12. Parish Cost Recoveries – Ordained Staff only

The following remuneration components are paid by the Parish through the Diocesan Parish Cost Recoveries system on behalf of ordained ministry staff –

- Superannuation contributions;
- Long service leave provision
- Diocesan Sickness and Accident Fund; and
- Diocesan Stipend Continuance Plan.

The amounts for each of the above are determined on an annual basis. For more information please contact the Parish Treasurer or refer to the Remuneration Guidelines.

13. Reference Awards for Administrative Staff

There is no single award which generally applies to administrative positions. However, typical awards that may be used as a guide for remuneration of administrative positions are but not limited to –

- Clerks (Private Sector) Award 2010
- Miscellaneous Award 2010

NOTE The Parish should elect the most appropriate award having regard to the duties being performed – refer to point B5 of Appendix B of the Employment Relations Guidelines for Parishes.

Approved by the Parish Council on [date]

Rector [Name]

Warden [Name]

Warden [Name]

Warden [Name]

Copy to Parish Treasurer

SAMPLE REMUNERATION PACKAGE SUMMARY

For Clergy and Lay Stipendiary Workers

| | | | |
|-----------------------------------|--|-------------------------|--|
| For | | | |
| In the position of | | | |
| Payment Frequency | | Day / Date | |
| Approved by Parish Council | | Next review date | |

| Stipend | | |
|--------------------|----|---|
| 1. Base Stipend | \$ | Basis = per Remuneration Guidelines + xx% (including dependent allowance) |
| 2. Taxable portion | \$ | Not less than 60% of stipend at 1. |
| 3. Paid to MEA | \$ | Not more than 40% of stipend at 1. |

| Parish Contribution Superannuation | | |
|---|----|-------------------------------------|
| | \$ | Basis = per Remuneration Guidelines |

| Paid Allowances as below – may all be paid to MEA | | |
|--|----|-------------------------------------|
| 1. Travel - Fixed | \$ | Basis = per Remuneration Guidelines |
| 2. Travel - Variable | \$ | x,000 km @ \$xxx per 1,000 km |
| 3. Housing | \$ | paid to minister / MEA or mortgagor |

| Other Benefits as below (may be paid to MEA if related expenses not paid from general parish funds) | | |
|--|----|---|
| 1. Utilities (gas, electricity, water) | \$ | Basis = agreed portion |
| 2. Telephone (incl. mobile) | \$ | Basis = rent + parish calls |
| 3. Hospitality | \$ | Basis = where clear ministry exercised |
| 4. Books, Conference costs & Professional development | \$ | Basis = where clearly relate to ministry, within agreed level |
| 5. Computer (hardware, software & internet) | \$ | Basis = where required to exercise duties |
| 6. Office furniture & equipment | \$ | Basis = where required to exercise duties |
| 7. Other | \$ | Basis = as agreed by parish council |

| | |
|-------------------------------|------------------------|
| Personal/carer's leave | _____ Days (as agreed) |
|-------------------------------|------------------------|

| | |
|---------------------|---|
| Annual leave | 4 weeks (or more if agreed, specify_____) |
|---------------------|---|

| | |
|-----------------------------|--|
| Other forms of leave | _____ Days (as agreed) <i>provide details below</i> |
|-----------------------------|--|

| Payment Summary | To Minister | To MEA |
|------------------------------------|-------------|--------|
| Stipend | \$ | \$ |
| Allowance/Benefit – Travel | \$ | \$ |
| Allowance/Benefit – Housing | \$ | \$ |
| Allowance/Benefit – Utilities, etc | \$ | \$ |
| Allowance /Benefit – Other | \$ | \$ |