

PARISH REMUNERATION POLICY

September 2010

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 Clerical 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 Ministers' Expense Account or '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 general funds of the parish 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 the 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*' ('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 – senior minister, ministers and 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, 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 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 payment of utilities such as telephone (including mobiles), internet charges, electricity and gas, professional development costs, and other expenses.
- 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 minimum set by the Standing Committee each year for Clergy and Lay Stipendiary workers and outlined in the Guidelines. The Parish Council may chose 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 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 70% paid as salary with appropriate tax deducted and the balance directed to the Minister's Expense Account or 'MEA' (refer below). MEA's are not available to administrative or similar non-ministry roles.

5. Ministry Expenses and Benefits

- (a) A proportion of stipend can be sacrificed to the MEA and not subject to taxation. The total amount paid into the staff member's MEA is at the discretion of the minister and cannot be more than 30% of the stipend.
- (b) The allowances and benefits can also be paid to the MEA
- (c) The list of expenses able to be reimbursed from the MEA is contained in the Guidelines. Ministry staff should discuss and seek agreement with the Rector and Parish Council for expenses not listed in the Guidelines.

The amount of these 'benefits' varies according to the employment and family circumstances of each staff member. The benefits are paid into an MEA kept by the Parish for each individual staff member.

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

- (d) Staff are reimbursed from the MEA for expense incurred upon presentation of receipts in a specified form to the Parish Treasurer/Bookkeeper.

Below is an EXAMPLE where a Parish elects to pay certain amounts of benefits to ministry staff in addition to the stipend.

The benefits paid to ministry staff are as follows –

- (a) A **general allowance or benefit** of x% of stipend (or \$xx is 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 etc).
- (b) A **hospitality allowance or benefit** of x% of stipend (or \$xx) is paid for hospitality and use of the home for ministry purposes.
- (c) A **dependent allowance or benefit** of x% of stipend (or \$xx) is 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.

These allowances or benefits may be paid direct to the minister (less tax) or may be paid to an MEA and recovered after the expenditure by the minister.

6. Other Ministry Expenses

The Parish will pay some expenses incurred by staff directly. These include but are not limited to –

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.

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	50	\$xx /month
Mobile phone (where the phone is used for both work and private calls)	50	\$xx /month
New connection fees / new communication equipment	Negotiable but usually 50/50	\$xxx

Receipts for these expenses must be presented to the Parish Treasurer for reimbursement purposes.

7. Travel Benefit

A travel benefit is paid into the MEA based on the recommended rate of the Diocese for full time ministry staff as prescribed in the Guidelines. This amount assumes approximately xx,000 km travel in an average sized family car. The amount of the variable component will be negotiated with each staff member, having regard to the expected kilometres to be travelled in the year. Reimbursement from the MEA is made each month upon presentation of receipts for travel related expenses.

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.

8. 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.

9. Superannuation and Long Service Leave

Superannuation

- (a) Superannuation for all staff is paid according to Government legislation (currently 9% 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 Guidelines for the specific amount). Additional employee contributions can be made through a stipend or salary sacrifice arrangement.

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

Long Service Leave

- (d) 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. Generally full time ordained ministry staff receive 10 weeks for every 10 years of service. Long service leave must be approved by the Regional Bishop. Further information can be found in the Guidelines.
- (e) Lay Stipendiary and other workers are entitled to 2 months leave for 10 years of continuous 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 Guidelines.

10. 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 minister or assistant minister with the consent of at least two Wardens provided that all reasonable efforts have been taken first to seek the consent of the third Warden.

Instances where a minister or assistant minister may request leave in excess of the entitlement, for which the Wardens' consent is required, may include attendance at CMS Summer School, an overseas trip to meet missionaries in the field or an overseas trip to undertake further study, for example.

Additional leave can be taken by the minister or assistant minister to attend a session of the Synod of the Diocese to which they have been summoned.

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/Carers/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 a course of action can be mutually agreed upon for prolonged illnesses.

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

Entitlement for lay ministers and other staff

Under the NES the entitlements are –

- 10 days paid personal/carer's leave per year (pro rata, cumulative)
- 2 days unpaid carer's leave (on each occasion when needed, once the paid personal/carer's 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 and therefore they will need to discuss with the Parish Council the taking of leave in these instances.

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.

11. 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.

12. 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 –

- Clerical and Administrative Employees (State) Award
- Miscellaneous Workers (General Services) (State) Award
- Social and Community Services Employees (State) Award
- Musicians Award

NOTE The Parish should elect the most appropriate award having regard to the duties being performed.

Approved by the Parish Council on [date]

Rector [Name]

Warden [Name]

Copy to Parish Treasurer

SAMPLE REMUNERATION PACKAGE SUMMARY

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

STRUCTURE OF PACKAGE

For Clergy and Lay Stipendiary Workers

Stipend			
1.	Base Stipend	\$	Basis = per Guidelines + xx%
2.	Paid to bank	\$	Not less than 70% of stipend at 1.
3.	Paid to MEA	\$	Not more than 30% of stipend at 1.
4.	Dependent benefit	\$	Basis = details of children

Parish Contribution Superannuation		
	\$	Basis = per Guidelines

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

Other Benefits as below – the nominated value may be recovered or paid from General Parish Funds			
1.	Books, etc.	\$	
2.	Development & Training	\$	
3.	Telephone & Internet	\$	
4.	Utilities (electricity, gas, water, etc.)	\$	

Personal/carer's leave	_____ Days (as agreed)
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Annual leave	4 weeks (or more if agreed, specify _____)
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Other forms of leave	_____ Days (as agreed)
<i>provide details below</i>	

Expenses payable from the MEA	
As per Remuneration Guidelines, plus the following approved by Parish Council	

Payment Summary	To Minister	To MEA
Stipend	\$	\$
Allowance	\$	\$
Allowance	\$	\$
Allowance	\$	\$
Allowance	\$	\$