

THE UNITED CHURCH OF CANADA/L'ÉGLISE UNIE DU CANADA
MINIMUM SALARIES FOR MINISTRY PERSONNEL (2014)

The United Church of Canada cares about the well-being of its ministry personnel as they serve God's people in a variety of places and ways. Policies are in place concerning minimum annual salaries, housing and reimbursements for ministry personnel who provide paid accountable leadership in:

- pastoral charges and missions
- presbytery accountable ministries

Throughout this document, 'ministry unit' will be used to refer to the above. The term 'ministry personnel' has a distinct meaning within The United Church of Canada and is defined in The Manual, 2010. Refer to Section 001 for a complete list of ministry personnel definitions: <http://www.united-church.ca/manual>.

Compensation for those providing paid accountable leadership is comprised of salary, the occupancy and use of a manse/housing allowance, and other reimbursements.

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While salary and allowance policies adopted by General Council and its Executive establish minimum amounts of entitlement, the ability and willingness of a ministry unit to offer compensation greater than these minimum amounts is both commendable and welcomed.

MINIMUM SALARY SCHEDULES

All minimum salary figures are increased annually by a percentage equal to the average percentage rise in the cost of living within Canada for the year ending December 31 one year and one day prior to the effective date of the new salaries (i.e., the minimum salary rates that will take effect on January 1, 2014, reflect the average rise in the Canadian cost of living as of December 31, 2012).

For 2014, the minimum salaries reflect a 1.5% increase to the 2013 minimum salary levels. In situations where the salary in the pastoral relationship agreement specifies a percentage or amount above the minimum, the applicable amount provided in the table below plus the agreed upon percentage/amount above the minimum will serve as the required minimum for 2014.

For ministry personnel not actively at work (i.e., Long Term Disability, Restorative Care Program and Maternity/Parental Leave), increases are to be effective the first day back to work.

| | | YEARS OF ELIGIBLE SERVICE (INCREMENT CATEGORY) | | | | | |
|---|--------|---|------------|------------|-------------|--------------|-------------|
| | | 1-2 (A) | 3-4 (B) | 5-7 (C) | 8-10 (D) | 11-13 (E) | 14 + (F) |
| 2014 | | | | | | | |
| Order of Ministry | Annual | \$34,300 | \$35,844 | \$37,388 | \$38,932 | \$40,475 | \$42,018 |
| Recognized Designated Lay Ministry | Annual | \$33,196 | \$34,689 | \$36,185 | \$37,677 | \$39,171 | \$40,663 |

| | | 1-2 (Step 1) | 3+ (Step 2) |
|-----------------|--------|-----------------|----------------|
| 2014 | | | |
| Students | Annual | \$32,463 | \$32,785 |

Annual Rate reflects full-time service, 40 hours per week.

Order of Ministry includes Diaconal and Ordained Ministers (including those appointed by Presbytery/District serving as Retired Supply, United Supply and Ordained/Diaconal Supply), and Order of Ministry serving as Interim Ministers.

Recognized Designated Lay Minister includes Recognized Designated Lay Ministers serving as Interim Ministers.

Student includes Designated Lay Minister Applicants, former Staff Associates, Intern/Candidate/Student Supply and Ministers in Training (Native Ministry).

PASTORAL CHARGE PAYROLL SERVICE PROCESSING

The United Church of Canada policy requires that the payroll be processed through ADP, the payroll service provider, at least for ministry personnel in pastoral relationships earning more than \$5,000/year.

Enrolment in the Pastoral Charge Payroll Service is mandatory for the following positions:

- Order of Ministry, Candidate Supply, Intern Supply, Student Supply, Diaconal Supply, Ordained Supply, United Supply, Interim Ministers and Retired Supply
- Recognized Designated Lay Ministers, Designated Lay Minister Applicants and Interim Ministers

PENSION AND BENEFIT ELIGIBILITY

All ministry personnel are required to participate in the United Church pension and group benefits plans if they are paid for an average of 14 hours or more per week. Once in the plan and if the regular weekly hours fall below 14 hours per week, the member will no longer be eligible to participate in the group benefits plan; however, the member will be required to continue to participate in the pension plan.

PROGRESSING THROUGH THE MINIMUM SALARY SCHEDULE

For salary increment purposes, all periods of service in paid, accountable ministerial roles within the church resulting from a presbytery appointment, Conference or General Council appointment, a call, or an action of a Conference Settlement committee are included in the calculation of years of eligible service. Also included is time spent on leave (vacation, education, sabbatical, maternity, parental, and medical, including that which results in the use of the Restorative Care Plan).

Progressing through the Minimum Salary Schedule (A to F) as Ordered or Recognized Ministry - Once ordered or recognized, ministry personnel commencing service in a pastoral charge will be paid based on the minimum ordered or recognized salary at Category A.

Progressing through the Minimum Salary Schedule (Step 1 & Step 2) as Students - Students commencing service in a pastoral charge (effective January 1, 2014) will be paid based on the minimum salary at Step 1. Following 2 years of service, students will be eligible for the Step 2 minimum salary.

Whether progressing through the minimum salary schedule as an Ordered/Recognized minister (Category Increment A to F) or a student (Step 1 to Step 2), a year is credited when...a minimum of 750 hours of paid work in one calendar year is completed. Example: a new minister starts their first paid accountable ministerial role in July, and completes 750 hours of eligible service by November in the same year. Eligible service towards the second credited year would start January of the next calendar year.

A year of service that does not meet the minimum 750 qualifying hours does not count toward an individual's years of eligible service and cannot be "banked" with other similar years of less than 750 hours to create a full year of eligible service for salary increment purposes.

Progression to new increment categories always commences January 1st, following successful completion of required paid accountable ministry service for the preceding increment category. Example: a minister who completes 2 years of eligible service by June 30, would move to category B effective January 1st of the next calendar year.

Pro-ration for Part-Time Service - In circumstances where part-time ministerial leadership is provided, the minimum salary amount is pro-rated according to the percentage of service provided, compared to full-time service (40 hours per week).

Example: An Ordered Minister with 8 years of service works 30 hours per week.
Percentage of hours being worked = 75% (30 of a possible 40)
Multiply by Ordered Ministry minimum salary \$38,932 (Category D)
= \$29,199 (rounded to nearest dollar)

OCCUPANCY OF MANSE / HOUSING ALLOWANCE

Ministry personnel serving ministry units must be provided with the use and occupancy of the manse or a cash housing allowance as part of their terms of settlement, call, or appointment.

A pastoral charge providing a cash housing allowance instead of a manse shall pay the fair rental value of accommodation comparable to that which would have been provided as a manse in the area. The fair rental value must be supported by data.

As per United Church policy and federal requirements concerning income tax and pension contributions, the housing allowance, or the fair rental value (FRV) assigned to the manse, must be equal to or greater than 20% of the ministry personnel's salary. If not, an adjustment or top-up is required – see below.

Ministry Personnel Living in a Manse - If the fair rental value (FRV) of the manse is less than 20% of the salary, a "top-up" must be paid to the ministry personnel such that the top-up plus the FRV of the manse equals 20% of the salary. The top-up amount is considered taxable income by the Canada Revenue Agency and must be reported as such.

Example: A recently ordained and settled minister is earning a salary of \$34,300 and living in a manse with a FRV of \$6,000 per year. The minimum housing component must be \$6,860 (20% of salary). Therefore, the policy conditions have not been met and the ministry unit is obligated to pay a yearly top-up: $\$6,860 - \$6,000 = \$860$ per year (paid in regular instalments).

Note - In situations where there is a top-up, and the FRV of the manse plus the top-up is equal to 20% of the ministry personnel's salary, the top-up must be recalculated to retain the minimum value of 20% as the salary increases.

Ministry Personnel in Receipt of a Housing Allowance – The housing allowance is based on the FRV of suitable accommodation which would have been provided as a manse in the area, and must not be valued at less than 20% of the salary paid to ministry personnel. The 20% minimum applies even if the FRV of accommodation comparable to a manse in the vicinity of the ministry unit is determined to be less than 20% of the ministry personnel's salary.

Example: An ordered minister with 14+ years of eligible service (Category F = \$42,018) accepts an appointment to a pastoral charge where the FRV of accommodation comparable to a manse is valued at \$6,000. The minimum housing component must be \$8,404 (20% of salary). The established FRV of \$6,000 falls short of the minimum required. As a result, the housing allowance that must be paid in this circumstance is 20% of salary, or \$8,404 per year (paid in regular instalments).

Note - In situations where the value of the housing allowance is equal to 20% of the ministry personnel's salary, the housing allowance must be increased by the cost-of-living percentage increase equal to the annual salary increase to retain the minimum value of 20% as the salary increases.

Pro-ration for Part-Time Service

In situations where part-time leadership is provided and a manse is part of the compensation package, ministry personnel are entitled to full-time occupancy and use of the manse.

Where part-time leadership is given and a housing allowance is a part of the compensation package, ministry personnel shall receive a payment that is proportional to the service provided.

Example: The housing allowance (based on FRV and the 20% rule) for a full-time minister is set at \$18,000 per year. A part-time minister personnel who works 20 hours per week (50% of full-time) would receive a pro-rated housing allowance of \$9,000 ($\$18,000 \times 0.5$).

CLERGY RESIDENCE DEDUCTION

Ministry Personnel are eligible for the Canada Revenue Agency (CRA), Clergy Residence Deduction (CRD). If ministry personnel receive a housing allowance and wish to reduce tax deductions with each pay, they must obtain authorization on an annual basis from the CRA via the T1213 (Request to Reduce Tax Deductions at Source). Once the CRA provides written authorization, the treasurer can direct ADP to process housing subject to Employment Insurance only. A resource for completing the T1213 is available at: www.united-church.ca, search and select: Instructions for Completing Form T1213.

Ministry Personnel living in a manse are not required to obtain CRA authorization to reduce their tax deductions with each pay for the free housing benefit they receive.

How do I know how housing is being processed by ADP?

The ADP Payroll Register, Payroll Report provides the following descriptors:

- HOUS ALL means cash housing is being processed subject to Employment Insurance (EI) only
- HOUSATAX means cash housing is being processed subject to income tax, Canada Pension Plan, EI
- HOUS BEN means manse benefit is being processed subject to EI only

For further information on the Clergy Residence Deduction (T1223) and Request to Reduce Tax Deductions at Source (T1213), go to www.united-church.ca; search and select: Hot Topics, "More on the Clergy Residence Deduction".

REIMBURSEMENTS

In addition to salary and housing, ministry personnel receive monetary support for continuing education and learning, telephone, travel, and moving if applicable, as part of their compensation package. It is recommended that these payments be processed as reimbursable expenses (supported by proof of the expense), and therefore would not be subject to any Canada Revenue Agency taxes.

For more detail on reimbursements, refer to the United Church, Financial Handbook for Congregations, Chapter 4: <http://www.united-church.ca/files/handbooks/financial.pdf>

Continuing Education and Learning Resources

It is expected that the Continuing Education and Learning Resources amount will be applied by ministry personnel, in consultation with the ministry unit, to the cost of attending workshops or conferences, purchasing books, and obtaining electronic and other resources relevant to providing ministry leadership. The minimum annual amount for ministry personnel working full-time is \$1,320.

Travel

Where the work of a ministry unit requires its ministry personnel to use a car, the ministry unit must reimburse the ministry personnel for travel at least at the minimum rate approved annually by the General Council Executive. The minimum per kilometre rate is \$0.41.

Telephone

Ministry personnel serving ministry units must be provided with a telephone, the cost of which is the responsibility of the ministry unit. Long-distance charges incurred for church-related business are also the responsibility of the ministry unit. Personal long-distance charges are the responsibility of the ministry personnel.

COSTS ASSOCIATED WITH MOVING

The cost of moving ministry personnel to a ministry unit to which she or he has been called or appointed is the responsibility of the receiving ministry unit. Moving costs include related expenditures such as mileage, accommodation, and meals for the ministry personnel and her or his immediate family.

Moving costs for candidates for the Order of Ministry, and their immediate family, who are transferred and settled are the combined responsibility of the receiving ministry unit and the General Council Office. Ministry units participating in settlement in the current year are required to contribute \$1,500 to the settlement pool. Moving costs for candidates who sought their own call or appointment are the responsibility of the ministry unit.

VISITING MINISTRY PERSONNEL

Honoraria

It is appropriate to treat payments to visiting ministry personnel, as well as other visitors such as licensed lay worship leaders, workshop facilitators, visiting musicians, etc., as honoraria.

Refer to *Section 4.8.2 in the Financial Handbook to obtain details:*

<http://www.united-church.ca/files/handbooks/financial.pdf>

Weekend Supply, and Worship Leadership and Preaching

The purpose of weekend supply and worship leadership and preaching is for ministry personnel to offer pastoral care and worship leadership to ministry units where the incumbent ministry personnel is on vacation, study leave, or other short-term leave. Weekend supply and worship leadership and preaching are meant to cover only one or two Sundays at a time.

It is appropriate to treat payment to visiting ministry personnel as honoraria. Remuneration is based on the daily rates provided below and should be agreed upon by the ministry personnel and the ministry unit prior to the service, at the time of scheduling. In addition, applicable reimbursements for travel and incidental expenses (i.e., meal allowance and accommodation as necessary) are to be paid.

| | | |
|---------------------|------------------|--|
| Ordered Ministry | \$194 per day | Calculation is based on Category F Ordered Ministry annual salary divide by 52 (weeks) divide by 5 (days) plus 20% for housing. |
| Recognized Ministry | \$188 per day | Calculation is based on Category F Recognized Ministry annual salary divide by 52 (weeks) divide by 5 (days) plus 20% for housing. |
| Student | \$151 per day | Calculation is based on Step 2 Student annual salary divide by 52 (weeks) divide by 5 (days) plus 20% for housing |

MISSION SUPPORT (AID-RECEIVING) MINISTRIES

In situations where a ministry unit has insufficient financial resources to meet its operating expenses, including minimum salary and allowances, an application for a Mission Support grant may be made through the Conference in which the ministry unit is located. For further details about this opportunity, and about the responsibilities incumbent upon mission support (aid-receiving) ministries, please contact your Conference Office.