



Guidelines for the Remuneration of Parish Ministry Staff for 2009

What's new in 2009?

- Minimum stipend increases by 1.6% to \$50,673 for ministers.
- The 'interactive online' version provides updated links and access to detailed sections within the Guidelines, Diocesan ordinances, legislation, web pages and other useful information.
- ***NEW*** link to the SDS sample Parish Workers Compensation declaration template.
- ***NEW*** link to the SDS Motor Vehicle Purchasing guide.
- Updated sample 'Stipend Package Calculator' and sample 'MEA Reconciliation and payment template'.

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Feedback: Your feedback on these Guidelines would be most welcome – click [HERE](#) to access the Feedback form.

Guidelines for the Remuneration of Parish Ministry Staff for 2009

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Summary of Remuneration for 2009

Position	Ref	Minimum stipend	Ref	Superannuation*	Ref	Travel – fixed	Travel – variable
Minister	6	\$50,673	7	\$8,614	8	\$7,747	\$246/1,000km
Assistant ministers & lay ministers							
1 st and 2 nd year	6	\$43,072	7	\$7,753	8	\$7,747	\$246/1,000km
3 rd and 4 th year		\$45,606		\$7,753		\$7,747	\$246/1,000km
5 th and 6 th year		\$48,139		\$7,753		\$7,747	\$246/1,000km
7 th and subsequent years		\$48,139		\$8,614		\$7,747	\$246/1,000km
Youth and children ministers							
<i>Diploma</i>							
1 st to 3 rd year	6	\$32,937	7	\$6,461	8	\$7,747	\$246/1,000km
4 th to 6 th year		\$38,005		\$6,461		\$7,747	\$246/1,000km
7 th and subsequent years (Advanced Diploma only)		\$43,072		\$7,322		\$7,747	\$246/1,000km
<i>Theological Degree</i>							
1 st and 2 nd year	6	\$43,072	7	\$7,753	8	\$7,747	\$246/1,000km
3 rd and 4 th year		\$45,606		\$7,753		\$7,747	\$246/1,000km
5 th and 6 th year		\$48,139		\$7,753		\$7,747	\$246/1,000km
7 th and subsequent years		\$48,139		\$8,614		\$7,747	\$246/1,000km
Student ministers <i>one full day per week</i>							
Studying for degree	20	\$6,334	7	Refer to section 7.6	20	n/a	Refer to section 20.2
Studying for diploma		\$5,067		Refer to section 7.6		n/a	Refer to section 20.2

* Superannuation for ordained ministry staff is recovered from the parish through the Parish Cost Recoveries (PCR) system.

Housing	Generally, ministry staff should be provided with an accommodation benefit. Refer to section 9 .
MEA	Generally, ministry staff can sacrifice up to 30% of the stipend paid. Refer to section 10 .

Other Entitlements of Parish Ministry Staff

Position	Ordained					Non-Ordained				
	Annual Leave	Long Service Leave	Sick Leave	Other Leave	Workers Compensation	Annual Leave	Long Service Leave	Sick Leave	Other Leave	Workers Compensation
	Weeks	Weeks	Days	Days	Declaration	Weeks	Months	Days	Days	Declaration
Minister	4	10 [^]	n/a	n/a	No					
Assistant ministers & lay ministers	4	10 [^]	n/a	n/a	No	4	2 [^]	6 - 10	Refer to Section 17	Yes
Youth & children ministers	4	10 [^]	n/a	n/a	No	4	2 [^]	6 - 10	Refer to Section 17	Yes
Student ministers (1 day/week)						4 (pro-rata)	2 [^]	6 -10 (pro-rata)	Refer to Section 17	Yes
Ref	13	14	15	17	15	13.8	14.9	15.12	17	15.8

[^] Per 10 years of service. The above amounts are annual entitlements and assume parish ministry staff are working full time. This summary page must be read in conjunction with the details in the Remuneration Guidelines which follow. If using the online version, click on the [blue](#) links to access the relevant details.

2. Introduction

- 2.1 These Guidelines contain details of the minimum stipends, allowances and benefits which the Standing Committee has approved with effect from **1 January 2009**. Individual parishes may choose to be more generous than paying the minimum. It is the responsibility of the parish council to determine stipends, allowances and benefits for their ministry staff. Thus it is important that the ministry staff and parish council have a thorough understanding of these Guidelines and their application.
- 2.2 It is strongly recommended that the parish council determine and document a '*ministry staff remuneration policy*' for the parish, with reference to these Guidelines. The policy may include, for example, under what circumstances more than the minimum stipend will be paid, the basis for determining the amount of the variable travel component, the ministry related expenses that will be paid for by the parish or housing arrangements of ministry staff.
- 2.3 The following steps may be used to facilitate the process of determining the remuneration of ministry staff –
- i. Determine the entitlements for each ministry staff member in light of these Guidelines (refer to section 5) and after due consideration of their personal circumstances.
 - ii. Determine what ministry related expenses, as per section 10 and section 11, are to be borne by the parish and to what extent.
 - iii. Document the result of your discussions (e.g., a minute or policy document) for each ministry staff member and communicate to the treasurer and/or office administrator responsible.
 - iv. Complete the sample '*Stipend Package calculator*' which can be accessed when using the online version of these Guidelines by clicking [here](#)*.
- 2.4 These Guidelines are only applicable to ministry staff in parishes in the Diocese of Sydney. Different tax rules and employment conditions may apply to other staff. Accordingly, these Guidelines do not apply to administrative or support staff employed by parishes, nor to clergy employed by organisations.
- 2.5 Parish Councils are encouraged to make reference to the '*Employment Relations Guidelines for Parishes*' produced by the Legal Services department of the Sydney Diocesan Secretariat ('SDS'). This publication deals specifically with the legal framework of employing support staff as well as lay ministers.

Accessing the 'interactive online' version of these Guidelines

- 2.6 To access the online version of these Guidelines:
- Open the Sydney Diocesan Secretariat web site - www.sds.asn.au
 - Click '*For Churchwardens & Parish Councillors*'.
 - Run your mouse cursor over '*Stipends, Allowances & Benefits for Parish Staff*', then click on '*Clergy*'.
 - Under the heading '*Remuneration Guidelines*', open the document '*Guidelines for the Remuneration of Parish Ministry Staff for 2009*'.
 - Once open simply run your mouse cursor over the words in blue (marked with an asterisk*), then 'click' to open the link to the source document and/or web page.
- 2.7 Further questions for clarification or other enquiries should be directed to the Clergy Services Officer, Colin Murphy, on 9265 1560 or e-mail cjm@sydney.anglican.asn.au *.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

3. Terminology

For the purposes of these Guidelines -

ABN means [Australian Business Number](#)*.

Allowance means a cash payment paid to the ministry staff member received in addition to a stipend. Generally, regular cash payments made in anticipation of an expense being incurred (as opposed to a reimbursement) will be subject to PAYG tax and be included on the annual payment summary of the recipient. Refer to [section 4](#) for an example of a taxable allowance and a non-taxable precise reimbursement and the Taxation Ruling [TR 92/15](#)*.

Assistant minister means a deacon or presbyter licensed to a parish as an assistant minister. Further information can be found in the [Assistant Ministers Ordinance 1990](#)*.

ATO means the [Australian Taxation Office](#)*.

Benefit means a precise reimbursement to, or payment on behalf of, an individual. A benefit provided by a parish to a member of its ministry staff predominantly in respect of pastoral or related duties is exempt from FBT (refer to Taxation Ruling [TR 92/17](#)*). Exempt fringe benefits are not reported on annual payment summaries. Benefits paid to non-ministry staff (e.g., office administrators) may be subject to FBT when the benefit paid is private in nature (e.g., the provision of a motor vehicle).

FBT means [Fringe Benefits Tax](#)*.

GST means [Goods and Services Tax](#)*.

Lay minister means a person who holds an authority under the [Deaconesses, Readers and Other Lay Persons Ordinance 1981](#)* (deaconesses, parish sisters, pastoral workers, youth and children's workers, stipendiary lay workers, etc.) and who is employed for pastoral ministry within the parish, but is not ordained.

Locum means a person appointed as locum tenens or interim rector under clause 59 of the [Church Administration Ordinance 1990](#)*.

Minister means a presbyter licensed to a parish as rector or curate-in-charge.

Ministry staff includes ministers, assistant ministers and lay ministers.

MEA means Ministry Expense Account (refer to [section 10](#)).

Parish means a parochial unit (regardless of whether it is a parish or provisional parish) in the Diocese of Sydney constituted under the [Parishes Ordinance 1979](#)* or a church in the Diocese of Sydney recognised under the [Recognised Churches Ordinance 2000](#)*.

Parish Cost Recoveries is a centralised management system by which the Synod recovers from parishes certain entitlements of ordained ministry staff (e.g., superannuation) licensed to a parochial unit.

PAYG means [Pay As You Go tax](#)*.

TFN means [Tax File Number](#)*.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

4. Taxation treatment of ministry staff – overview

- 4.1 Payments to all members of the ministry staff are subject to PAYG withholding.
- 4.2 Under current GST legislation all activities performed by a member of the ministry staff in their role as a member of the parish will be taken to be the activities of the parish. As a result the member of the ministry staff will not be eligible to register for GST or an ABN for these activities (refer to [section 10.12](#) for the treatment of GST on payments made through an MEA). Members of the ministry staff may be entitled to an ABN for other activities if they satisfy the criteria for recognition as an enterprise.
- 4.3 Fringe benefits provided by a parish to its ministry staff predominantly in respect of pastoral or related duties are exempt from FBT. Exempt fringe benefits are not reported on annual payment summaries. Benefits may be provided through the appropriate use of an MEA (refer to [section 10](#)).

Allowances and reimbursements paid to ministry staff

- 4.4 Any cash benefits paid directly to ministry staff that is not a precise reimbursement for ministry related expenses incurred by the ministry staff is taxable in their hands. For example, if a parish pays into a ministry staff's bank account a pre-determined travel benefit before it is actually incurred, it may be deemed a taxable allowance. Conversely, if the ministry staff member provides documentary evidence (e.g., a car service receipt) and is subsequently reimbursed for the precise amount, then the benefit paid is not a taxable allowance. For further information refer to Taxation Ruling – [TR 92/15*](#).
- 4.5 Any allowances paid directly to ministry staff are subject to PAYG withholding and must be included on the annual payment summary. A member of the ministry staff who receives an allowance may be able to claim deductions for work related expenses they incur, in accordance with the tax legislation in their personal tax return.
- 4.6 A member of the ministry staff is **not** entitled to claim a personal tax deduction for an expense that is paid or precisely reimbursed by the parish.

5. Elements of remuneration

- 5.1 The remuneration paid or provided by a parish to a member of the ministry staff for their pastoral or related duties normally includes the following elements -
- i. the payment of a stipend;
 - ii. a contribution to a superannuation fund;
 - iii. the provision of housing or a housing benefit, or the payment of a housing allowance;
 - iv. the provision of a fully maintained motor vehicle or a travel benefit, or the payment of a travelling allowance;
 - v. the payment of utilities such as telephone (including mobiles), internet charges, electricity and gas, as determined by the parish council and other expenses pursuant to [section 10](#).
 - vi. the making of additional contributions to a superannuation fund;
 - vii. the provision of sick leave, annual leave, long service leave and other forms of leave, in certain circumstances.
- 5.2 The Clergy Services brochure *'About your Remuneration and Related Benefits – A guide for parish clergy in the diocese of Sydney'* can be viewed when using the online version of these Guidelines by clicking [here*](#).

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

6. Stipends

Payment of a stipend

6.1 The minimum stipends for ministry staff in 2009 are detailed in the following table -

	% of Minister's Minimum Stipend	2009 Minimum Stipend \$ pa	2008 Minimum Stipend \$ pa
Minister	100%	\$50,673	\$49,891
Assistant ministers and lay ministers			
1 st and 2 nd year	85%	\$43,072	\$42,407
3 rd and 4 th year	90%	\$45,606	\$44,902
5 th and subsequent years	95%	\$48,139	\$47,396
Youth and children ministers			
Diploma			
1 st to 3 rd year	65%	\$32,937	\$32,429
4 th to 6 th year	75%	\$38,005	\$37,418
7 th and subsequent years (Adv. Diploma only)	85%	\$43,072	\$42,407
Theological Degree			
1 st and 2 nd year	85%	\$43,072	\$42,407
3 rd and 4 th year	90%	\$45,606	\$44,902
5 th and subsequent years	95%	\$48,139	\$47,396

- 6.2 The actual stipend paid should be increased above the minimum stipend wherever practicable and especially if the member of the ministry staff has more than 2 children. The amount by which the stipend should be increased is a matter for negotiation between ministry staff and the parish council.
- 6.3 If an assistant minister was previously a lay minister, the number of years of service as a lay minister should be added to the number of years of service as an assistant minister for the purpose of calculating the minimum stipend for that assistant minister.
- 6.4 Where stipends are paid monthly they should be paid no later than the 15th of the month. A record of payment (i.e., a pay slip) should be provided in all cases.
- 6.5 A sample '[Stipend Package calculator](#)' can be accessed when using the online version of these Guidelines by clicking [here](#)*.

Youth and Children's ministry workers

- 6.6 If a parish employs youth and children's ministry workers, reference should be made to the minimum stipend rates and other entitlements in these Guidelines.
- 6.7 Youth and children's ministry workers graduating from Youthworks College will be at least Diploma qualified and may have, or will continue towards an Advanced Diploma qualification. In the event that a youth and children's ministry worker does not gain an

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Advanced Diploma qualification then, in accordance with the stipend rates at [section 6.1](#), the minimum stipend payable will be no more than 75% of the minimum stipend applicable to a minister.

- 6.8 If an assistant minister was previously a licensed youth and children's ministry worker the number of years of service as a licensed youth and children's ministry worker should be added to the number of years of service as an assistant minister for the purpose of calculating the minimum stipend for that assistant minister.

Tax treatment of stipend

- 6.9 A stipend paid to a member of the ministry staff is assessable income. PAYG deductions are to be deducted at the rates shown in the ATO's published tax tables and remitted to the ATO in accordance with the requirements of the tax legislation via the parish's Business Activity Statement (BAS). A [PAYG payment summary](#)* must be issued at the end of the tax year (i.e., 30 June).

What are stipend sacrifice arrangements?

- 6.10 A stipend sacrifice arrangement is one where a member of the ministry staff and their parish agree that the staff member will forego the payment of a portion of their cash stipend. In return, the parish will make payments to third parties on behalf of the staff member, or will provide other non-cash benefits. If it is agreed that the value of the payments to be made, or the value of the benefits to be provided, equals the amount of the cash stipend foregone (or "sacrificed"), the stipend sacrifice arrangements do not add to the overall cost to the parish of remunerating the member of the ministry staff.
- 6.11 Stipend sacrifice arrangements benefit the member of the ministry staff because they are tax effective. This occurs because of the different tax rules which apply to the payment of a stipend and the provision of non-cash benefits. Payments of stipend are liable to tax, and the parish paying the stipend must deduct and remit the appropriate tax to the ATO. However, under current tax legislation, the value of non-cash benefits provided to a member of the ministry staff are exempt from tax. Thus, if non-cash benefits are provided in lieu of a portion of the stipend, they are tax effective to the member of the ministry staff and do not increase the cost to the parish.
- 6.12 It is important to note that while non-cash benefits made to members of the ministry staff are exempt from tax and payment summary reporting, social security and family assistance legislation may take the value of many exempt benefits into account when assessing eligibility for various income support payments – refer to [section 12](#).

Limits on stipend sacrifice arrangements

- 6.13 Currently, the tax legislation does not limit the amount of the stipend which can be sacrificed under stipend sacrifice arrangements. However, it is important that the Diocese observes reasonable limits on the use of those arrangements. A failure to observe reasonable limits may lead the government to limit the relevant tax exemption which currently applies to those arrangements.
- 6.14 Further, it is recommended that the portion of the stipend sacrificed **should not exceed 30%** of the stipend paid (apart from sacrificed superannuation contributions - refer to [section 7.11](#)). The actual amount to be sacrificed (up to the recommended maximum 30%) is to be determined by the member of the ministry staff involved.

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- 6.15 This arrangement only applies to ministers, assistant ministers, and lay ministers as defined in [section 3](#) of these Guidelines. The definition of “religious practitioner” in the Fringe Benefits Tax Assessment Act may make it difficult for part-time ministers to qualify and it is recommended that in cases of doubt, the churchwardens seek professional advice and also make reference to Income Tax Ruling - [TR 92/17*](#).

Note: Administrative staff employed by parishes do not qualify for these arrangements.

7. Superannuation

- 7.1 The annual superannuation contributions for parish ministry staff are –

	2009 Contribution	2008 Contribution
Minister	\$8,614	\$8,481
Assistant ministers and lay ministers		
1 st to 6 th year	\$7,753	\$7,633
7 th and subsequent years	\$8,614	\$8,481
Youth and children ministers		
Diploma		
1 st to 6 th year	\$6,461	\$6,361
7 th and subsequent years (Adv. Diploma only)	\$7,322	\$7,209
Theological Degree		
1 st to 6 th year	\$7,753	\$7,633
7 th and subsequent years	\$8,614	\$8,481

- 7.2 The above superannuation contribution amounts are in addition to the payment of a stipend and satisfies the contributions required to be paid under the Superannuation Guarantee Legislation (SGL).

Ministers and Assistant Ministers

- 7.3 Superannuation contributions for ministers and assistant ministers are recovered from the parish through the Parish Cost Recoveries system.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

Superannuation Choice

- 7.4 Superannuation choice is available to ministers and assistant ministers under the terms of the [Sydney Diocesan Superannuation Fund Amendment Ordinance 2005 \(Ordinance\)](#)*. Under the Ordinance ministers and assistance ministers can -
- i. Give a [Choice Notice](#)*, nominating one complying Alternative Fund to the existing fund to which contributions are presently made to through the Parish Cost Recoveries System; and
 - ii. Exercise one Choice Notice per 12 months.

For further information please contact the Clergy Services Officer, Colin Murphy, on 9265-1560 or cjm@sydney.anglican.asn.au or view the Clergy Services brochure '[About your Superannuation - A guide for parish clergy in the diocese of Sydney](#)' * when using the online version of these Guidelines.

Lay ministers

- 7.5 Superannuation for lay ministers must be paid directly by the parish to the relevant complying [superannuation fund of the lay minister's choice](#)*.
- 7.6 Parishes are reminded that generally, they must pay employer superannuation contributions in respect of all employees including lay ministers, student ministers, youth and children's workers, administrative and other staff at a minimum rate of 9% of pre-tax stipend/salary (i.e., the net stipend after amounts sacrificed to an MEA) as per the [SGL legislation](#)*. However, it is recommended that lay ministers be paid at the fixed rates listed above.

For lay ministry and other lay staff paid in accordance with the SGL legislation, there are a few exceptions to paying superannuation where they are –

- paid less than \$450 in a calendar month,
 - aged 70 or over,
 - aged under 18 and working less than 30 hours per week,
 - performing work of a domestic or private nature for less than 30 hours per week (e.g., part time nanny or housekeeper).
- 7.7 Refer to [section 7.11](#) for guidance on additional superannuation contributions being made by stipend sacrifice.

Government Superannuation Co-contribution

- 7.8 Eligible ministry staff can make additional *after-tax* superannuation contributions that may entitle them to a further contribution from the government. Refer to the ATO website (www.ato.gov.au/super*) for further information.
- 7.9 It is recommended that ministry staff seek professional financial advice before proceeding to make additional superannuation contributions in this manner.
- 7.10 Information about superannuation contributions and superannuation generally can be obtained from the Clergy Services Officer, Colin Murphy, on 9265 1560 or cjm@sydney.anglican.asn.au.

Additional Superannuation Contributions through Stipend sacrifice

- 7.11 There is now greater flexibility in how superannuation savings can be drawn down at retirement and improved incentives to increase superannuation savings during a working

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life. In light of this, it is acknowledged that ministry staff can sacrifice an additional amount of stipend (over and above the 30% referred to above) to increase superannuation savings.

- 7.12 Please note that stipend sacrifice superannuation contributions must be paid onto the ministry staff member's superannuation fund by the parish.
- 7.13 It is recommended that ministry staff seek professional financial advice before proceeding to make additional superannuation contributions. More information on the recent changes made to superannuation can be found at www.simplersuper.treasury.gov.au* or by calling the ATO on 131 020.

8. Motor vehicles and travel benefits

- 8.1 A member of the ministry staff should be provided with the use of a motor vehicle owned and maintained by the parish to perform their duties, or be provided with a travel benefit or paid a travelling allowance in accordance with the following guidelines.

Use of a motor vehicle owned and maintained by the parish

- 8.2 The provision of a motor vehicle owned and maintained by the parish is an exempt benefit and therefore is not subject to tax under current tax legislation.
- 8.3 If the parish provides a fully maintained motor vehicle it is recommended that the terms under which it is made available for use by the member of the ministry staff (e.g., unlimited kilometres, use during annual or long service leave, etc) be agreed upon and documented by the parish council.

Motor vehicle owned by the member of the ministry staff

- 8.4 If a member of the ministry staff is not provided with a motor vehicle they should be provided with a travel benefit or paid a travelling allowance calculated according to the Diocesan scale below.

Recommended Diocesan scale

- 8.5 The recommended Diocesan scale is calculated by reference to the average overall costs of private ownership of four popular makes of vehicle, as last published by the NRMA.
- 8.6 For 2009 that scale comprises a **fixed** component of \$7,747 per annum (2008 - \$7,457) to cover lease/loan payments, nominal depreciation, interest, registration, insurance, etc. plus a **variable** component reimbursed at the rate of \$246 (2008 - \$233) for every 1,000 kilometres travelled by the member of the ministry staff in the year to cover other running costs, such as fuel. Further information on the calculation of the Diocesan scale can be obtained from Michael Newman on 9265 1680 or mwn@sydney.anglican.asn.au*.
- 8.7 In determining the variable component of a travel benefit or allowance, it is suggested that for ease of administration that the parish council may choose to set a *maximum dollar amount* to be paid or precisely reimbursed for each ministry staff member.
- 8.8 In addition to the travel benefit or allowance, the parish should precisely reimburse the member of the ministry staff for the cost of tolls and parking fees incurred in ministry related travel.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

Guidelines for implementing travel benefits or allowances

- 8.9 The parish may provide travel benefits (which are normally paid via an MEA) either by paying direct to a third party or precisely reimbursing the member of the ministry staff for agreed travel expenses on production of documentary evidence (e.g., fuel, maintenance receipts).
- 8.10 Any other amounts paid in cash to the member of the ministry staff are allowances and therefore subject to PAYG tax.

Taxation implications

- 8.11 Travel benefits provided (e.g., by payments from an MEA) are exempt benefits and not subject to tax under current tax legislation.
- 8.12 A travel allowance (i.e., regular cash amounts paid to the minister by the parish) is taxable, although the member of the ministry staff may be able to claim deductions for travel expenses they incur, in accordance with the tax legislation in their personal tax return. Refer to [section 4.4](#) for tax implications of paying an allowance.
- 8.13 A member of the ministry staff is not entitled to claim a personal tax deduction for an expense that is paid or precisely reimbursed by the parish.

Guidance on Motor vehicle purchases

- 8.14 Please click [here](#) to access the 'SDS Motor Vehicle Purchasing guide' for more information about common methods by which parishes and ministry staff members can purchase motor vehicles and the stamp duty and GST implications that may apply.

9. Housing and accommodation

- 9.1 The parish (other than a recognised church) must own and maintain a residence for the minister as approved by the Archbishop. However, the Archbishop may approve an alternative arrangement for a minister to live in another residence.
- 9.2 If any member of the full time ministry staff is not provided with a residence the parish should provide an accommodation benefit or pay a housing allowance of an agreed reasonable value.
- 9.3 Where a parish agrees to provide an accommodation benefit to a member of the ministry staff it may do so by –
- i. directly making payments to a landlord in respect of rent payable for a property in which the member of the ministry staff resides; or
 - ii. directly making payments to a lending authority in respect of a loan to the member of the ministry staff concerned, such loan having been taken out for the purposes of acquiring the property in which they reside; or
 - iii. precisely reimbursing the member of the ministry staff concerned through an MEA for a payment made by them to a lending authority in respect of a loan taken out for the purpose of acquiring the property in which they reside.
- 9.4 Any questions concerning the application of these Guidelines, or proposed special accommodation arrangements, should be referred to the Regional Archdeacon.

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Taxation implications

- 9.5 The provision of a residence or an accommodation benefit to a member of the ministry staff is an exempt benefit and not subject to tax under current tax legislation nor is it subject to FBT.
- 9.6 The direct payment of a housing allowance to ministry staff (i.e., in a manner not prescribed under [section 9.3](#)) is taxable income in the hands of the member of the ministry staff, and PAYG deductions are required to be made from those payments. Generally, it would be unlikely that a member of the ministry staff could claim deductions for many of the expenses for which a housing allowance is used. Refer to [section 4.4](#) for tax implications of paying an allowance.

10. Ministry Expense Accounts (MEA)

- 10.1 Ministry Expense Accounts are a way of keeping account of ministry related expenses, allowances, benefits and stipend sacrifice amounts.
- 10.2 Currently, the tax legislation does not limit the amount of the stipend which can be sacrificed under stipend sacrifice arrangements. However, it is recommended that **no more than 30%** (refer to [section 6.14](#)) and that only the following expenses are to be paid by a parish on behalf of a member of the ministry staff from an MEA –
- i. Expenses in relation to the purchase, financing and operating costs of a motor vehicle used for ministry purposes; expenses for local, domestic or international travel related to the pursuit of the member of the ministry staff's pastoral duties and professional development; expenses of the member of the ministry staff's spouse and/or children in directly accompanying the staff member or spouse on ministry related matters; and expenses of the member of the ministry staff's spouse in representing the staff member on ministry related matters;
 - ii. Costs associated with the provision and upkeep of the residence in which the member of the ministry staff lives; e.g., rent, loan repayments, electricity, water, gas, insurances, security monitoring and building maintenance;
 - iii. Education, professional development, supervision, mentoring and professional debriefing costs for the member of the ministry staff, including but not limited to books, tapes, conference fees;
 - iv. Ministry related expenses including but not limited to telephone, mobile, fax, internet connection, subscriptions, periodicals, newspapers, computer software and hardware, provision of home office furniture, equipment and supplies, clerical shirts and liturgical attire, hospitality and cleaning costs, gifts made in relation to ministry (e.g., parish offertory, CMS) and other expenses incurred in respect of a member of the ministry staff's duties;
 - v. Education expenses of the staff member's dependent children.
- 10.3 In many of the above categories, expenses may be paid by the parish from the churchwardens' general account independently of any stipend, allowances or benefits provided to the member of the ministry staff.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

Administrative arrangements

- 10.4 All amounts transferred to an MEA, for whatever reason, form one single pool of funds and may be used for the direct payment of, or the precise reimbursement for, any expenses of the member of the ministry staff which are directly related to ministry and which fall within these Guidelines. The SDS sample *'MEA Reconciliation and payment'* template includes pro-forma reimbursement and third party payments forms which can be accessed when using the online version of these Guidelines, by clicking [here](#)*.
- 10.5 The MEA need not be a separate bank account – but should be a separate ledger account in the churchwardens' accounts. If a separate bank account is used, the member of the ministry staff must not be able to operate the account solely on the basis of his or her own signature. The member of the ministry staff may be a co-signatory (with, for example, one or more of the churchwardens) but never the sole signatory. Where a separate bank account is maintained, amounts should ideally be transferred to the MEA on a periodic basis (i.e., when the stipend is paid).
- 10.6 Any balance in the MEA is the property of the parish. Similarly, any interest earned on the MEA (if a separate bank account) is church property and must be accounted for by the churchwardens, although in practice such interest may be added to the balance of the MEA for the benefit of the member of the ministry staff.
- 10.7 The parish must record a liability “owing to the member of the ministry staff” for the balance remaining in the MEA, or if a separate bank account is not used, the churchwardens must record the same liability and ensure that the balance in the parish's general bank account is sufficient to cover the liability.
- 10.8 Receipts for expenses must be kept for parish audit purposes for at least five years so that if the member of the ministry staff or parish is the subject of a tax audit, proof exists that payments to the member of the ministry staff were precise reimbursements for ministry related expenses incurred.
- 10.9 The accumulated balance in an MEA is to be carried forward from year to year or, at the ministry staff's discretion, paid out to them after tax has been deducted. Over a number of years the MEA balance may build to a sizeable sum, and may be used to pay for major ministry related expenses, e.g., a new motor vehicle.
- 10.10 Ministry staff should be regularly updated on the available balance of their MEA. To assist parishes with this, the SDS sample *'MEA Reconciliation and payment'* template can be accessed when using the online version of these Guidelines by clicking [here](#)*.

Taxation implications

- 10.11 If ministry related expenses are paid direct or precisely reimbursed to a member of the ministry staff through an MEA in the manner set out in this section, any benefit will be regarded by the ATO as an exempt benefit. As the payment is an exempt benefit no FBT will be payable and the member of the ministry staff is not liable to income tax on the value of the benefit. Further, exempt fringe benefits are not reported on annual payment summaries.
- 10.12 It is recommended that churchwardens and parish treasurers also refer to the [GST – A Guide for Parish Treasurers](#)* in relation to the availability of input tax credits of ministry expenses paid through an MEA. Where input tax credits are claimed for expenses paid through an MEA, the benefit of those credits should be added to the balance of the ministry staff member's MEA.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

Dedicated credit cards

- 10.13 Some parishes make use of a dedicated credit card for those expenses which may be paid from the MEA and have found that this simplifies the administration of the MEA. Some corporate credit cards provide detailed information about the GST component in every item charged to the card. In such cases the ATO may accept the credit card monthly statement as sufficient documentation to support the parish's claim for input tax credits (refer to GST Rulings [GSTR 2000/26*](#) and [GSTR 2000/26A*](#)). If any other credit card is used the member of the ministry staff holding the card should supply the original tax invoices supporting charges on the card to the parish to support the latter's claim for input tax credits.

Resignation, Retirement or Death

- 10.14 If the member of the ministry staff moves to another parish, any balance of the MEA not paid into an MEA operated by the new parish must be paid direct to the member of the ministry staff after PAYG tax has been deducted.
- 10.15 If the member of the ministry staff resigns, retires or dies any balance of the MEA not used to meet ministry related expenses is to be paid direct to the member of the ministry staff or their estate. This payment will attract income tax although concessional tax treatment may be available in some circumstances (professional advice should be obtained).

11. Utilities, Hospitality, Computers, Books & Conference Costs

- 11.1 A parish and the member of the ministry staff should agree in advance the extent to which the parish will pay for the expenses listed below by applying the following guidelines –
- i. A parish should pay for a portion of electricity and gas expenses if the rectory or residence is used for parish business.
 - ii. A parish should pay telephone expenses (including mobile phones) relating to rental and parish calls.
 - iii. A parish should pay hospitality expenses where a clear ministry of hospitality is exercised.
 - iv. A parish should pay book and conference costs (including professional development costs) to the extent that these costs clearly relate to ministry and fall within an agreed level of expenditure as determined by the parish council (in consultation with the ministry staff member).
 - v. A parish should provide the computer hardware, software, internet access and office furnishings and equipment that are required by the ministry staff to exercise their duties.
 - vi. Other ministry related expenses may be paid by agreement between the ministry staff member and the parish.

Guidelines for implementing these payments

- 11.2 The parish should make a direct payment of the agreed expenses, with the member of the ministry staff reimbursing the parish for any private expenditure component, or alternatively, the parish should precisely reimburse the member of the ministry staff for agreed expenses on production of receipts.

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- 11.3 Rather than paying the expense direct or reimbursing the member of the ministry staff, a parish may instead provide an agreed benefit or allowance to the member of the ministry staff that is administered through their MEA.

Taxation implications

- 11.4 The direct payment or precise reimbursement of expenses are treated as exempt benefits and are therefore not subject to tax under current tax legislation and do not need to be declared on the annual payment summary.
- 11.5 An allowance paid to a member of the ministry staff for these expenses is taxable income in the hands of the staff member, and PAYG deductions from those payments are required to be made and must be included on the annual payment summary as an allowance. However, the member of the ministry staff may be able to claim deductions for expenses they incur, in accordance with tax legislation, in their personal tax return.

12. Centrelink Benefits

- 12.1 The criteria used by Centrelink to assess the income of a member of the ministry staff in order to determine eligibility for some income support payments and low income health cards are different from those in the current tax legislation. Therefore it is important that each ministry staff member has a clear understanding of what income items to declare when applying for various support payments from Centrelink.
- 12.2 For example, the assessment criteria used for applying for the parenting payment (administered under the Social Security Act) may include certain benefits paid (e.g., all forms of housing benefits provided), whereas the assessment criteria used for Family Tax benefits A & B payments (administered under the Family Assistance Act) is more closely aligned to what benefits are assessed under current tax legislation.
- 12.3 For further detailed guidance, please refer to the paper produced by the National Anglican Resources Unit (NARU) called '[Centrelink Income Assessment of Clergy](#)'.*

Note: The NARU document referred to at 12.3 should be used as a guide only. **Ministry staff are responsible for confirming all assessable income and other cash and non-cash benefits received with Centrelink.**

13. Annual Leave

Entitlement for ministers and assistant ministers

- 13.1 Ministers and assistant ministers are entitled to 4 weeks annual leave for each period of 52 weeks during which the minister or assistant minister is licensed to a parish. The parish must keep an accurate record of the annual leave accrued and taken.
- 13.2 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 churchwardens 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.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

- 13.3 During any period of annual leave, a minister or assistant minister must be paid his or her ordinary stipend and be provided with any allowances or benefits to which he or she may be entitled.

Public holidays

- 13.4 A minister or assistant minister should be allowed those public holidays which are generally provided to employees 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.

Resignation, retirement or death

- 13.5 Where a minister or assistant minister who has leave entitlement retires, resigns or dies, they or their legal personal representative (as the case may be) shall be paid a sum calculated by reference to the value of the stipend of such minister or assistant minister for the period of such leave entitlement. All allowances and MEA entitlements should be paid up to the date of retirement, resignation or death. PAYG tax should be deducted as applicable.

Moving to another parish within the Diocese

- 13.6 Where a minister or assistant minister resigns from a parish to take up a position in another parish, ideally, leave should be taken before resignation or be paid out in full at the resignation date. Taking unused annual leave between parishes will result in a forfeit of entitlements (e.g., superannuation) recovered through the Parish Cost Recoveries system for that time. Further, an event affecting one's health that occurs during a break between parishes and results in a claim being made under the Diocesan Stipend Continuance Plan (refer to [section 15](#)) may be at risk.
- 13.7 Further details may be found in the [Annual Leave Ordinance 1983*](#) or the Clergy Services brochure '[About your Annual Leave - A guide for parish clergy in the diocese of Sydney](#)'* that can be viewed when using the online version of these Guidelines.

Entitlement for lay ministers

- 13.8 Under the [Annual Holiday Act 1944*](#) ('the Act'), a lay minister is entitled to 4 weeks leave at the end of each year of the lay minister's employment with the parish. The lay minister must be paid his or her stipend during the period of annual leave and receive allowances or benefits to which he or she may be entitled.
- 13.9 The NSW Department of Industrial Relations can provide guidance on the provisions of the Act and can be contacted on 131 628 (website www.industrialrelations.nsw.gov.au*) or simply view the legislation and guidelines when using the online version of these Guidelines by clicking [here](#)*.
- 13.10 An '[annual leave calculator](#)' can be accessed on the NSW Industrial Relations web site when using the online version of these Guidelines by clicking [here](#)*.

Leave Loading

- 13.11 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.

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14. Long Service Leave

Entitlement for ministers and assistant ministers

- 14.1 Ministers and assistant ministers are entitled to long service leave under the [General Synod - Long Service Leave Canon 1992*](#) ('the Canon'). In general terms, the leave entitlement is 10 weeks for 10 years of service. Entitlements may be carried from one parish or organisation to another if the required contributions are paid to the Anglican Church of Australia Long Service Leave Fund ('the Fund').
- 14.2 The annual contributions to the Fund are presently paid by the Synod and are recovered from parishes through the Parish Cost Recoveries System. When a minister or an assistant minister takes long service leave, the parish must continue to pay the stipend, appropriate allowances or benefits at the current rate. Approval for leave must be sought from the regional Bishop. Once approved and the Bishop has informed SDS Clergy Services, a claim is made on the Fund through SDS Clergy Services and the proceeds of the claim are passed on to the parish to enable it to engage temporary assistance while the minister or assistant minister is on leave.
- 14.3 A 'supplementary allowance' is also paid by the Fund to ministers and assistant ministers on long service leave and must be passed on by the parish to them after PAYG tax has been deducted.

Resignation

- 14.4 Where a minister or assistant minister resigns, please contact [SDS Clergy Services](#) in order that any leave entitlement is dealt with appropriately.

Retirement or death

- 14.5 Where a minister who has a leave entitlement retires or dies, they or their legal personal representative (as the case may be) will be paid a sum from the Fund for the period of such leave entitlement. The supplementary allowance is not payable in these circumstances. Please contact [SDS Clergy Services](#) in order for the claim to progressed through the Fund.
- 14.6 The parish must pay all allowances and MEA entitlements up to the date of retirement or death and PAYG tax deducted as applicable.

More information

- 14.7 Further details on long service leave entitlements for clergy can be found in the Clergy Services brochure '[About your Long Service Leave - A guide for parish clergy in the diocese of Sydney](#)'* when using the online version of these Guidelines.
- 14.8 Information on the operation of the Anglican Church of Australia Long Service Leave Fund can be obtained from the Clergy Services Officer, Colin Murphy, on 9265 1560 or cjm@sydney.anglican.asn.au

Entitlement for lay ministers

- 14.9 Lay ministers are entitled to long service leave under the [Long Service Leave Act 1955*](#) ('the Act') and the [Long Service Leave Ordinance 1973*](#)('the Ordinance'). The leave entitlement under the Act is 2 months (8.67 weeks) for the first 10 years of service and a further 1 month (4.33 weeks) for each subsequent 5 years service.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

- 14.10 When a lay minister takes long service leave, the parish must pay the stipend, allowances and benefits at the current rate for the duration of the leave.
- 14.11 The NSW Department of Industrial Relations can provide guidance on the provisions of the Act and can be contacted on 131 628 (website www.industrialrelations.nsw.gov.au*) or simply view the legislation and guidelines when using the online version of these Guidelines by clicking [here](#)*.
- 14.12 A '[long service leave calculator](#)' can be accessed on the NSW Industrial Relations web site when using the online version of these Guidelines by clicking [here](#)*.

Requirement to make provision for long service leave in parish accounts

- 14.13 The requirements under the Ordinance stipulate that the churchwardens of the principal church in each parish must certify in the parish's [Annual Financial Return](#) that adequate provision has been made to cover any liability the parish may have for long service leave for lay ministry staff and other support staff (e.g., office administrator).

Moving to another parish within the Diocese

- 14.14 The Ordinance also specifies that if a lay minister transfers to another parish or organisation constituted by ordinance or resolution of Synod, the parish concerned must pay to the parish or organisation to which the lay minister is transferring, 2% of the product of the stipend or salary (per annum) of the lay minister at the time of the transfer *and* the period of his or her continuous service in parishes and/or organisations in the Diocese, expressed in years and fractions thereof.

Resignation, retirement or death

- 14.15 Where a lay minister who has a long service leave entitlement (generally 10 or more years) retires, resigns or dies, they or their legal personal representative (as the case may be) shall be paid a sum calculated by reference to the value of the stipend of such lay minister for the period of the leave entitlement. All allowances and MEA entitlements should be paid up to the date of retirement, resignation or death and PAYG tax deducted as applicable.
- 14.16 In some cases an entitlement may be payable for service of less than 10 years. To confirm if an entitlement is owed, reference should be made to the document "[Long service leave – A guide to long service leave entitlements](#)" published by the NSW Office of Industrial Relations and by using the long service leave calculator referred to above.

Lay ministers proceeding to ordination

- 14.17 It is recommended that upon ordination the accumulated long service leave provision of a lay minister (calculated with reference to section 14.15) be used to purchase 'service' of not less than what the provision will purchase (expressed in years and days) in the Anglican Church of Australia Long Service Leave Fund.
- 14.18 Where a lay minister has **more than 10 years lay service** and proceeds to ordination, tax and long service leave legislation requires that the accumulated long service leave benefit (the provision put aside by the parish – refer to [section 14.13](#) above) be paid out to the lay minister (after deducting the appropriate amount of PAYG), as ordination deems that the lay minister has effectively 'ceased employment'.
- 14.19 Further details on the above can be obtained from Steve Lucas, Manager, Legal Services on 9265 1647 or szl@sydney.anglican.asn.au.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

15. Workers compensation, the Stipend Continuance Plan and Sick Leave

Ministers and Assistant Ministers

Workers Compensation

- 15.1 Schedule 4 of the [Workers Compensation Regulations 2003](#)* specifies certain classes of 'ministers of religion' that are 'deemed workers' for the purposes of the [Workers Compensation Act 1987](#)*. However, ordained ministry staff in the Sydney Diocese are not included in the list and, accordingly, are not entitled to benefits under that Act. Therefore, they should not be included in the annual form completed for the parish's workers compensation insurer.

Stipend Continuance Plan

- 15.2 Where a minister or assistant minister, under the age of 65, becomes totally disabled, the Stipend Continuance Plan (SCP) provides the minister or assistant minister with an amount equal to 75% of a standard stipend package applicable at the date of the disability. The benefit payable will be reduced by any other amount already paid or payable in the future in relation to the injury or sickness.
- 15.3 Payments under the SCP commence 90 days after the permanent disability occurs and continue until age 65 or earlier death. Payments are indexed in line with the annual movements in CPI or at the rate of 5% per annum, whichever is the lesser. The cost of the SCP is recovered from the parish via the Parish Cost Recoveries system.
- 15.4 The SCP does not cover all expenses (such as certain medical expenses) which are incurred by a minister or assistant minister and so each minister and assistant minister should ensure that they have adequate medical and hospital cover. A basic cover is provided by Medicare.

Ministers moving to another Diocese

- 15.5 If a minister or assistant minister leaves the service of the Diocese, they may apply to the Insurer within 60 days of leaving to have their SCP cover continued in their new situation.
- 15.6 Requests for further information may be directed to the SDS Clergy Services Officer, Colin Murphy, on 9265 1560 or cjm@sydney.anglican.asn.au or view the Clergy Services brochure '[About your Income Protection Cover - A guide for parish clergy in the diocese of Sydney](#)'* when using the online version of these Guidelines.

Sick leave

- 15.7 If a minister or assistant minister is unable to perform his or her duties due to sickness or accident, the parish must continue to pay the agreed stipend until the minister or assistant minister recovers or a course of action can be mutually agreed upon (e.g., early retirement). In the case of prolonged illness financial assistance may be available to the parish through the Sickness and Accident Fund (refer to [section 16](#) below).

Lay Ministers

Workers Compensation

- 15.8 Lay ministers as employees are "workers" for the purposes of the Workers Compensation Act. Therefore, the parish must purchase workers compensation insurance cover for all lay ministers and other support staff (e.g., office administrator). **This is a legal obligation of the parish.**

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

- 15.9 Certain entitlements received by lay ministry staff while tax and FBT exempt (and not declared on annual payment summaries, e.g., travel and housing benefits) must be included for workers compensation purposes.
- 15.10 For assistance with determining the entitlements paid or provided to lay ministry and other staff that must be included in a workers compensation declaration, please refer to the *‘Wages Definition Manual’* published by [NSW WorkCover*](#) (in particular page 15), which can be viewed when using the online version of these Guidelines by clicking [here*](#).
- 15.11 Click [here](#) to access the SDS sample *‘Parish Workers Compensation declaration template’* that will assist the parish in calculating the amount of stipend/salary, benefits etc. to declare when completing the annual workers compensation form. Please note that the parish auditor should review the declaration forms prior to sending to the parish’s workers compensation insurer.

Sick leave

- 15.12 There are no legislated entitlements for sick leave for employees other than under federal or state awards or by agreement. Therefore, sick leave entitlements for lay ministry staff must be set by the parish council but noting the following.
- 15.13 The *‘Employment Relations Guidelines for Parishes’* (refer to [section 2.5](#)) include standard appointment letters for lay ministry staff and refer to providing 6 days in the first year and 8 days in each year thereafter (cumulating). However, the parish council may determine a greater amount such as that granted under the federal award which provides 8 days in the first year and 10 days in each year thereafter (cumulating).

16. The Diocesan Sickness and Accident Fund

Parish claim for costs

- 16.1 The Diocese operates a [Sickness and Accident Fund*](#) (‘the SAF’) under which a parish may be reimbursed for some of the additional costs incurred while a minister or assistant minister is unable to carry out his or her normal duties. No claim can be made on the SAF for the first 28 days (14 days for total incapacity) of an absence. Thereafter benefits are payable for absences up to a maximum of 6 months for partial incapacity and 12 months for total incapacity.

Minister and assistant minister claim for personal medical expenses incurred

- 16.2 Where a minister or assistant minister (including Acting Rectors and Locums licensed to the parish) incurs personal medical, hospital or related expenses following an accident which occurred in the course of performing normal ministry duties, they may seek to recover up to \$5,000 from the SAF, after deducting refunds recoverable from Medicare and/or their private health fund.
- 16.3 A **sickness and accident claim form** can be downloaded when using the online version of these Guidelines by clicking [here*](#).
- 16.4 Further details may be found in the [Sydney Diocesan Sickness and Accident Fund Ordinance 1969*](#) and enquiries about the SAF should be made to the SDS Clergy Services Officer, Colin Murphy, on 9265 1560 or cjm@sydney.anglican.asn.au.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the ‘interactive online version’ of these Guidelines (refer to section 2.6 for access instructions).

17. Parental, Carers and Bereavement Leave

Ministers and assistant ministers

- 17.1 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

- 17.2 All lay ministry staff with at least 12 months of continuous service are entitled to maternity leave, paternity leave or adoption leave (as appropriate) under the Industrial Relations Act 1996. The NSW Department of Industrial Relations can provide guidance on the provisions of the Act and can be contacted on 131 628. Otherwise view the legislation and NSW state award entitlements when using the online version of this Circular by clicking [here](#)*.
- 17.3 Commonly, federal and state awards across Australia grant 2 to 3 days bereavement leave and 5 days carer's leave. **Note:** Carer's leave is taken from accrued sick leave.

18. Nomination Ordinance 2006

Parishes are reminded that under clause 5(1)(b) & (c) of the [Nomination Ordinance 2006](#)* a parish only has rights of nomination if during the financial year before the vacancy occurred the rector was paid at least the minimum stipend, was paid a travelling allowance or provided with a travel benefit in accordance with the diocesan scale, was provided with the free use of a residence approved by the Archbishop, and at the date of the occurrence of the vacancy all cost recoveries charges (including any arrears) due and payable by the parish under the [Assessments and Charges Ordinance 1975](#)* have been paid.

19. Part Time Pastoral Workers

- 19.1 Part time pastoral workers, whether clergy or lay, who are remunerated for their services should be paid at the rate of \$150 per day, subject to any relevant award. The worker should also be paid a travelling allowance at the rate of 78 cents per kilometre to cover any travel costs incurred while performing their duties.
- 19.2 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.
- 19.3 Part-time workers must also be included under the parish's workers compensation insurance policy.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

20. Student Ministers

20.1 The recommended remuneration for student ministers for 2009 is -

Working one full day per week	\$ pa
Studying for degree	6,334
Studying for diploma	5,067
If a student minister works more than one full day then the rate payable is a pro-rata amount of the full day rate.	

20.2 Travel costs (whether private vehicle or public) should be paid by the parish. 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. Therefore consideration should be given to paying for the travel time.

20.3 Arrangements should be made to ensure student ministers are provided with appropriate hospitality. For example, appropriate breaks should be provided especially in long working days. Preparation time adds to the total time incurred in service for the parish and should be allowed for when the amount of payment is considered.

20.4 Superannuation contributions are payable if the remuneration exceeds \$450 in any month (refer to [section 7](#)).

20.5 Student ministers must also be included under the parish’s workers compensation insurance policy.

20.6 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 (refer to [section 4.3](#)) 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.

20.7 More information on employer superannuation obligations can be viewed when using the online version of these Guidelines by clicking [here](#)* or refer to the ATO website - www.ato.gov.au/super* for further information.

21. Remuneration for occasional services

21.1 The recommended rates for ministers or assistant ministers who take occasional services are -

	\$
For one service	75
For two or more services in a half day	100
For a whole day	150

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the ‘interactive online version’ of these Guidelines (refer to section 2.6 for access instructions).

- 21.2 This recommendation applies to assist in determining the remuneration to be paid by a parish to a minister or assistant minister, not licensed to that parish, who takes a service in a church in that parish.
- 21.3 Where a minister or assistant minister is invited to take, or assist in, services in a church outside their parish any payment for the services of that minister or assistant minister *should be made to the parish* to which the minister or assistant minister is licensed or employed rather than to the minister or assistant minister himself or herself.
- 21.4 If the total return journey of the minister or assistant minister taking the occasional service is not more than 75 kilometres, a travelling allowance of 78 cents per kilometre should be paid. If further kilometres are travelled, the amount of the travelling allowance should be determined at a rate mutually agreed upon between the parish and the minister or assistant minister concerned.
- 21.5 Consideration should be given to reimbursing tolls incurred and providing meals where necessary.
- 21.6 As pension benefits may be reduced according to other income received, the recommended rates are open to negotiation between the minister or assistant minister and the parish.

Interim Rectors and Locum Tenens Appointed under Clause 59 of the Church Administration Ordinance 1990

- 21.7 The daily rate is \$150 but is subject to negotiation by the parties concerned. An adequate amount for the reimbursement of travelling costs should be negotiated. In appropriate circumstances consideration may be given to providing a travel benefit in lieu of paying a travel allowance (refer to [sections 8.5 to 8.14](#)).

22. Special PAYG withholding rules

Payments for locums/relieving services

- 22.1 The parish is required to withhold tax and prepare an individual PAYG payment summary for all locums and clergy who take occasional services and include these in its annual reporting, which will mean that they should obtain an employment declaration from the individuals or at least collect and retain name and TFN details.
- 22.2 The only exception is if the individual provides services for not more than 2 days in the quarter there is no requirement to withhold tax from the payments, but the parish will still need to prepare an annual payment summary for this individual.

Travel Allowances

- 22.3 A parish is not required to withhold tax on the first 5,000 kilometres of travel allowance it pays annually to each payee **provided** –
- i. the payee is expected to incur expenses that may be able to claimed as a tax deduction at least equal to the amount of the allowance, and the payee is able to substantiate the deduction claimed;
 - ii. the amount and nature of the allowances is shown separately in the accounting records of the parish; and
 - iii. the rate paid is no more than the [rates prescribed by the ATO](#) for the relevant income year.

* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).

***NOTE:** It is recommended a travelling allowance of 78c per kilometre be paid, which is generally greater than the rates prescribed by the ATO from time to time. If so, the parish is required to withhold tax on the *whole* of any travel allowance paid.

22.4 The parish is required to include the allowance on the individual's annual PAYG payment summary in the allowance section.

22.5 The comments in 22.3 and 22.4 above relate only to travelling allowances; a travel benefit provided to a member of the ministry staff in accordance with the recommendations for MEA's in [section 10.2\(i\)](#) is not subject to PAYG.

Other Allowances

22.6 A parish will not be required to withhold tax on other allowances paid provided the payee is able to match with tax deductions that are at least equal to the value of the allowance. The payee must be able to substantiate the tax deductions claimed and the amount and nature of the allowance must be shown separately in the accounting records of the parish.

22.7 The parish will be required to include the allowance on the individual's annual PAYG payment summary.

Senior Australians Tax Offset

22.8 Members of the ministry staff over the pension age (65 for men and 63 for women) may be eligible for the [Senior Australians Tax Offset](#)*. Provided the tax offset is not claimed elsewhere, they would claim the tax offset from one payer (e.g., the parish) when they fill in a new withholding declaration and the parish should then use the special tax table for senior Australians.

22.9 An individual can only claim the tax offset through one payer (e.g., the parish), however the individual can make an application to the ATO enabling them to vary the amount of tax paid through a number of payers. If they choose to do this option, the individual must lodge an application for variation of amounts to be withheld under PAYG Withholding with the ATO. It is up to the individual member of the ministry staff to advise their payers to claim the approved variation.

More information can be found in the ATO publication called '[Senior Australians Tax Offset](#)' which can be found on the ATO's web site – www.ato.gov.au*

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Feedback:	Your comments and suggestions on these Guidelines would be most welcome – click HERE to access the Feedback form.
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* All Ordinances, taxation rulings, web sites and other documents marked with an asterisk (*) can be viewed by using the 'interactive online version' of these Guidelines (refer to section 2.6 for access instructions).