



Guidelines for the Remuneration of Parish Ministry Staff for 2016

What's new for 2016?

- The minimum stipend has been increased by 4.0% to \$64,810.

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1. Summary of Remuneration for 2016

Position	Section	Minimum stipend	Section	Superannuation*
Ministers	6	\$ 64,810	7	\$ 11,018
Assistant ministers & Lay ministers				
1 st and 2 nd year	6	\$ 55,088	7	\$ 9,916
3 rd and 4 th year		\$ 58,329		\$ 9,916
5 th and 6 th year		\$ 61,569		\$ 9,916
7 th and subsequent years		\$ 61,569		\$ 11,018
Youth and children ministers				
<i>Diploma</i>				
1 st to 3 rd year	6	\$ 42,126	7	\$ 8,263
4 th to 6 th year		\$ 48,607		\$ 8,263
7 th and subsequent years		\$ 55,088		\$ 9,365
<i>Advanced Diploma or Theological Degree</i>				
1 st and 2 nd year	6	\$ 55,088	7	\$ 9,916
3 rd and 4 th year		\$ 58,329		\$ 9,916
5 th and 6 th year		\$ 61,569		\$ 9,916
7 th and subsequent years		\$ 61,569		\$ 11,018
Student ministers <i>one full day per week</i>				
Studying for degree	18	\$ 8,101	7	Refer section 18.5
Studying for diploma		\$ 6,481		Refer section 18.5

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

Stipend sacrifice Generally, ministry staff can sacrifice 40% of the stipend to an MEA, with the member of the ministry staff able to set a lower percentage if that is desired, refer sections 6.11 to 6.17 and section 11.

Housing Generally, ministry staff should be provided with a residence, or provided an accommodation benefit – refer section 8.

Travel Generally, ministry staff should be provided with a motor vehicle, or provided a benefit comprising a fixed \$8,047 plus \$246/1,000km – refer section 9.

Other Entitlements

	Annual Leave Weeks/year	Long Service Leave Weeks/10 years	Personal/ Carer's Days/year	Parental Leave Days/year	Workers Comp Insurance
Ministers	4	10 prior to 31/12/2014 13 from 1/1/2015	n/a	n/a	No
Assistant ministers	4	10 prior to 31/12/2014 13 from 1/1/2015	n/a	n/a	No
Lay ministers	4	2 months	10	Yes	Yes
Youth & children ministers – ordained	4	10 prior to 31/12/2014 13 from 1/1/2015	n/a	n/a	No
Youth & children ministers – lay	4	2 months	10	Yes	Yes
Student ministers (1 day/week)	4 (pro-rata)	2 months	10 (pro-rata)	Yes	Yes
Section	12	13	14	14	15

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 2016. Individual parishes may choose to be more generous than paying the minimum. It is the responsibility of the parish council to fix the stipends, allowances and benefits for the minister, and, with the minister's consent, the stipends, allowances and benefits for the other 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 by the parish, housing arrangements for ministry staff and the nature of any other expenses that may be paid from an MEA. Refer [sample remuneration policy](#).
- 2.3 The following steps may help facilitate the process of determining the remuneration of ministry staff –
- Determine the entitlements for each ministry staff member in light of these Guidelines and after due consideration of their personal circumstances (refer [section 5](#)).
 - Determine the nature and extent of any ministry related expenses to be borne by the parish. (refer [sections 10 and 11](#))
 - Document the result of your discussions (eg, a minute or policy document) for each ministry staff member and communicate to the treasurer and/or office administrator responsible.
 - Complete the [sample Stipend Package calculator](#).
- 2.4 These Guidelines are only applicable to ministry staff in Anglican 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 refer to the '*Employment Relations Guidelines for Parishes*' available on the secure [SDS Extranet](#) (refer to your minister or wardens for access codes). This publication deals specifically with the legal framework of employing support staff as well as lay ministers, and contains sample letters of appointment designed to minimise the potential for disputes about the terms of the employment relationship.
- 2.6 The *Employment Relations Guidelines* also contain a proforma letter of welcome which can be used for Assistant ministers. As ordained ministry staff are office holders rather than employees it is not appropriate to use a letter of appointment for such personnel.
- 2.7 To access the online version of these Remuneration Guidelines –
- Open the Sydney Diocesan Secretariat web site - www.sds.asn.au
 - Click "For Wardens & Parish Councillors"
 - Scroll down and click on "2016 Remuneration Guidelines"

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, 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 [section 4](#)).

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 serving predominantly in pastoral or related duties is exempt from FBT. Exempt fringe benefits are not reported on annual payment summaries. Benefits paid to non-ministry staff (eg, office administrators) may be subject to FBT when the benefit paid is private in nature (eg, 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* or the *Authorisation of Lay Ministry Ordinance 2015* 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 Chapter 9 of the [Parish Administration Ordinance 2008](#).

Minister means a presbyter licensed to a parish as Rector (includes Acting Rector and Locum).

Ministry staff includes Ministers, Assistant ministers and Lay ministers.

MEA means Minister's Expense Account (refer [section 11](#)).

NES means the National Employment Standards in the Fair Work Act 2009

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](#).

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

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

SDS means Sydney Diocesan Secretariat.

TFN means Tax File Number.

4. Taxation treatment of ministry staff – overview

- 4.1 Payments to all members of the ministry staff are subject to PAYG withholding rules.
- 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 [section 11.14](#) 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 serving predominantly in pastoral or related duties are exempt from FBT. Exempt fringe benefits are not reported on annual payment summaries but may need to be reported to Centrelink when claiming certain benefits. Benefits may be provided through the appropriate use of an MEA (refer [section 11](#)).

- 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 (eg, 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.
- 4.7 The criteria used by Centrelink to assess the income of 'ministers of religion' (ie, parish ministry staff) in order to determine eligibility for some income support payments 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 income support payments from Centrelink.

For example, the assessment criteria used for applying for the Parenting Payment (administered under the Social Security Act) may include certain benefits paid (eg, housing and travel benefits provided), whereas the assessment criteria used for Family Tax Benefits A and B (administered under the Family Assistance Act) is more closely aligned to what benefits are assessed and reported under current tax legislation in respect of religious practitioners.

- 4.8 For further guidance, please refer to the [SDS Centrelink Benefits Assessment Guide](#). Ministry staff are solely responsible for declaring all assessable income and other cash and non-cash benefits received with Centrelink directly.

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 –
- (a) the payment of a stipend;
 - (b) contributions to a superannuation fund;
 - (c) the provision of housing or a housing benefit, or the payment of a housing allowance;
 - (d) the provision of a fully maintained motor vehicle or a travel benefit, or the payment of a travelling allowance;
 - (e) the payment of utilities such as gas, electricity and water, telephone (including mobiles) and internet charges, hospitality expenses, professional development costs, computer and office equipment, and other expenses pursuant to [section 10](#);
 - (f) the provision of annual leave, long service leave and other forms of leave, in certain circumstances.
- 5.2 Further information is available in the Parish Support Services brochure [About your Remuneration and Related Benefits – A guide for parish clergy in the Diocese of Sydney](#).
- 5.3 A sample [Parish Remuneration Policy](#) is available for recording and communicating the details of the remuneration for parish ministry staff.

6. Stipends

6.1 The minimum stipends for ministry staff in 2016 are detailed in the following table –

	% of Minister's Minimum Stipend	2015 Minimum stipend \$ pa	2016 Minimum stipend \$ pa
Ministers	100%	62,317	64,810
Assistant ministers and Lay ministers			
1st and 2nd year	85%	52,969	55,088
3rd and 4th year	90%	56,085	58,329
5th and subsequent years	95%	59,201	61,569
Youth and children ministers			
<i>Diploma</i>			
1st to 3rd year	65%	40,506	42,126
4th to 6th year	75%	46,738	48,607
7th and subsequent years	85%	52,969	55,088
<i>Advanced Diploma or Theological Degree</i>			
1st and 2nd year	85%	52,969	55,088
3rd and 4th year	90%	56,085	58,329
5th and subsequent years	95%	59,201	61,569
Student ministers			
Studying for degree	12.5%	7,790	8,101
Studying for diploma	10%	6,232	6,481

6.2 The actual stipend paid should be increased above the minimum stipend if the member of the ministry staff has more than 2 dependent children.

6.3 The amount by which the stipend should be increased is a matter for negotiation between ministry staff and the parish council.

6.4 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.

6.5 Where stipends are paid monthly they should be paid no later than the 15th of the month. A record of payment (ie, a pay slip) should be provided in all cases.

Part-time ministry staff

6.6 As a general rule, where ministry staff are serving part-time the recommended stipend is the relevant proportion of the appropriate full-time stipend (as per the above table). These rates are based on a 6 day working week for Ministers and Assistant ministers. For lay ministers, under the Fair Work Act an employer must not request or require a full-time employee to work more than 38 hours in a week unless the additional hours are reasonable. Refer sample [Stipend Package calculator](#).

For example, a permanent part-time diploma trained youth and children's minister in their 5th year in ministry works 4 days per week. The amount of stipend to be paid by the parish using the above amounts would be \$48,607 x 4/6 = \$32,405.

Youth and Children's ministry workers

6.7 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.

6.8 Youth and children's ministry workers graduating from Youthworks College will be at least Diploma qualified and may have, or may continue towards, an Advanced Diploma qualification. In the event that a youth and children's ministry worker does not gain an Advanced Diploma qualification then, in accordance with the stipend rates at section 6.1, the recommended minimum stipend payable will remain at 85% of the minimum stipend applicable to a minister.

- 6.9 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

- 6.10 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 (ie, 30 June).

What are stipend sacrifice arrangements?

- 6.11 A stipend sacrifice arrangement is one where a member of the ministry staff foregoes the payment of a portion of their cash stipend. In return, the parish council agrees to make certain payments to third parties on behalf of the ministry staff member, or to provide other non-cash benefits (refer [section 11](#)). 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.
- 6.12 Salary sacrifice is a common practice in the wider community. In some circumstances stipend sacrifice arrangements may 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.
- 6.13 It is important to note that while non-cash benefits provided 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 Centrelink income support payments – refer [section 4](#).

Limits on stipend sacrifice arrangements

- 6.14 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 parishes observe 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.
- 6.15 Further, it is recommended that the maximum level of stipend sacrificed to an MEA should be 40% of the stipend allocated to the member of the ministry staff (apart from superannuation contributions – refer [section 7.10](#)), with the member of the ministry staff able to set the level at a lower percentage if that is desired.
- 6.16 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 (refer [section 11.5](#)) and it is recommended that in cases of doubt, the wardens refer to [Income Tax Ruling – TR 92/17](#) and seek professional advice.
- 6.17 Administrative staff employed by parishes do not qualify for these arrangements.

National Minimum Wage

- 6.18 The Fair Work Act 2009 applies to Anglican Churches. The Act contains series of National Employment Standards which stipulate certain minimum conditions of employment that must be provided to all employees. One of the standards is a National Minimum Wage.
- 6.19 Since 1 July 2015 the National Minimum Wage has been \$17.29 per hour for full-time and part-time employees with a 25% loading for casuals. You must pay your employees at or above the National Minimum Wage. In some cases a Modern Award may also apply to the employee and may stipulate a higher minimum wage that must be paid.

- 6.20 The National Minimum Wage is reviewed with effect from 1 July each year, so please check the [Fair Work Australia](#) web page for the latest rates.
- 6.21 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 [Cost Recoveries Framework Ordinance 2008](#) have been paid.

7. Superannuation

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

	2015 Contribution \$ pa	2016 Contribution \$ pa
Ministers	10,594	11,018
Assistant ministers and Lay ministers		
1st to 6th year	9,535	9,916
7th and subsequent years	10,594	11,018
Youth and children ministers		
<i>Diploma</i>		
1st to 6th year	7,945	8,263
7th and subsequent years	9,005	9,365
<i>Advanced Diploma or Theological Degree</i>		
1st to 6th year	9,535	9,916
7th and subsequent years	10,594	11,018

- 7.2 The above superannuation contribution amounts are in addition to the payment of a stipend and exceed the minimum contribution level required to be paid under the Superannuation Guarantee Legislation.
- 7.3 Superannuation contributions for ministers and assistant ministers are recovered from the parish through the PCR system. The licensing details of the ministry staff member provided to the Diocesan Registry by the Minister must accurately reflect the part-time status where applicable in order for superannuation to be charged correctly.
- 7.4 Choice of superannuation fund is available to ministers and assistant ministers under the terms of the [Sydney Diocesan Superannuation Fund Amendment Ordinance 2005](#). Under the Ordinance ministers and assistant ministers can exercise one Choice Notice (*form*) nominating a complying Alternative Fund per 12 months. For further information refer to the Parish Support Services brochure '[About your Superannuation - A guide for parish clergy in the Diocese of Sydney](#)'.

Part-time ministry staff

- 7.5 As a general rule, where ministry staff are serving part-time the recommended superannuation is the relevant proportion of the appropriate full-time superannuation based on a 6 day working week.

For example, a permanent part-time diploma trained youth and children's minister in their 5th year in ministry works 3 days per week. The amount of superannuation paid by the parish would $\$8,263 \times 3/6 = \$4,132$.

Lay ministers

- 7.6 Superannuation for lay ministers must be paid directly by the parish to the relevant complying [superannuation fund of the lay minister's choice](#).
- 7.7 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 9.5% of taxable stipend (ie, the net stipend after amounts sacrificed to an MEA) as per the [Superannuation Guarantee Legislation](#). However, it is recommended that contributions for lay ministers be paid at the fixed rates detailed in section 7.1 which approximate to 17% of the recommended stipend (before any sacrifice to an MEA).

- 7.8 For lay ministers and other staff subject to the Superannuation Guarantee Legislation, contributions are not required where the person is –
- paid less than \$450 in a calendar month, or
 - aged under 18 and working less than 30 hours per week.
- 7.9 For more information on employer superannuation obligations refer to the ATO website - www.ato.gov.au/super.

Additional Superannuation Contributions through Stipend sacrifice

- 7.10 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 life. In light of this, it is acknowledged that ministry staff can sacrifice an additional amount of stipend (over and above the 40% referred to in [section 6.15](#)) to increase superannuation contributions.
- 7.11 Please note that any such additional stipend sacrifice superannuation contributions must be paid direct to the ministry staff member's superannuation fund by the parish.
- 7.12 Eligible staff can make additional after-tax superannuation contributions that may entitle them to a co-contribution from the government. Refer to www.ato.gov.au/super for further information.
- 7.13 Recent changes to the treatment of superannuation contributions may impact the entitlement of clergy to certain Centrelink benefits. Please refer to the [SDS Centrelink Benefits Assessment Guide](#) for more details.
- 7.14 It is recommended that ministry staff seek professional financial advice before proceeding to make additional superannuation contributions.

8. Housing and accommodation

- 8.1 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.
- 8.2 If any full-time member of the ministry staff is not provided with a residence the parish should provide an accommodation benefit or pay a housing allowance of a reasonable value, as agreed between the ministry staff member and the parish council.
- 8.3 Where a parish agrees to provide an accommodation benefit to a member of the ministry staff it may do so by –
- (a) directly making payments to a landlord in respect of rent payable for a property in which the member of the ministry staff resides; or
 - (b) 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
 - (c) 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, or a payment by them to a landlord in respect of rent paid for a property in which they reside.
- 8.4 Any questions concerning the application of these Guidelines, or proposed special accommodation arrangements, should be referred to the Regional Bishop.

- 8.5 Where a member of the ministry staff is serving in a permanent part-time capacity, the provision of housing will need to be determined between the ministry staff member and the parish council.
- 8.6 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.
- 8.7 The direct payment of a housing allowance to ministry staff (ie, a payment other than those described in section 8.3) 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 could be used. Refer [section 4.4](#).

9. Motor vehicles and travel benefits

- 9.1 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 recommended diocesan scale.

Use of a motor vehicle owned and maintained by the parish

- 9.2 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.
- 9.3 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 (eg, unlimited kilometres, use during annual or long service leave, etc) be agreed upon and documented by the parish council.

Travel benefit/allowance

- 9.4 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/RACV.
- 9.5 For 2016 that scale comprises a **fixed** component of \$8,047 per annum (2015 - \$8,047) to cover lease/loan payments including interest, nominal depreciation, registration, insurance, etc, plus a variable component reimbursed at the rate of \$246 (2015 - \$246) for every 1,000 kilometres of ministry related travel (estimated or actual) by the member of the ministry staff in the year to cover other running costs, such as fuel, service, and tyres.
- 9.6 As a general rule, where ministry staff are serving part-time the recommended fixed component is the relevant proportion of the full-time recommendation based on a 6 day working week. The variable component should be provided at the same rate provided to full-time ministry staff.
- 9.7 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.
- 9.8 The parish may provide travel benefits (which are normally paid from 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 (eg, fuel, maintenance receipts). Such travel benefits are exempt benefits and not subject to tax under current tax legislation.
- 9.9 Any other amounts paid in cash to the member of the ministry staff are allowances and therefore subject to PAYG tax. While such a travel allowance is taxable, the member of the ministry staff may then be able to claim deductions for travel expenses they incur in their personal tax return. 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. Refer [section 4.4](#).
- 9.10 Refer to the '[SDS Motor Vehicle Purchasing guide](#)' on the [SDS Extranet](#) 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.

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

- 10.1 The parish council and the member of the ministry staff (both full-time and part-time) should agree in advance the extent to which the general funds of the parish will pay for the ministry related expenses listed below by applying the following guidelines –
- (a) A parish should pay for an agreed portion of electricity and gas expenses if the rectory or residence is used for parish business.
 - (b) A parish should pay telephone expenses (including mobile phones) relating to rental and parish calls.
 - (c) A parish should pay hospitality expenses where a clear ministry of hospitality is exercised.
 - (d) 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).
 - (e) 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.
 - (f) Other ministry related expenses may be paid by agreement between the ministry staff member and the parish council.
- 10.2 Any portion of the above ministry related expenses that are not paid from the general funds of the parish could be paid from the staff member's MEA, if they so choose.
- 10.3 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 authorising the balance be paid from their MEA. Alternatively, the parish should precisely reimburse the member of the ministry staff for agreed expenses on production of receipts.
- 10.4 The direct payment or precise reimbursement of expenses from an MEA will be treated as exempt benefits and are therefore not subject to tax under current tax legislation.
- 10.5 Any other amounts paid in cash paid to a member of the ministry staff for these expenses is an allowance that is taxable income in the hands of the staff member, and therefore subject to PAYG withholding. However, the member of the ministry staff may then be able to claim deductions for expenses they incur in their personal tax return.

11. Minister's Expense Account (MEA)

- 11.1 A Minister's Expense Account is a way of keeping account for the minister of benefits provided by the parish (eg, travel, housing, etc) plus amounts sacrificed from the stipend, and the expenses paid from that account. 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 the amount sacrificed should not exceed 40% of the stipend allocated. Refer [sections 6.14 and 6.15](#).
- 11.2 Further, the tax legislation neither specifies nor limits the type of benefit which may be provided to a member of the ministry staff. However, it is important that parishes observe reasonable limits on the provision of such benefits. The type of expenses which may be paid from an MEA on behalf of a member of the ministry staff include (but are not limited to) –
- (a) Expenses in relation to the purchase, financing and operating costs of a motor vehicle (including a bicycle) 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.
 - (b) Costs associated with the provision and upkeep of the residence in which the member of the ministry staff lives; eg, rent, loan repayments, electricity, water, gas, council rates, insurances, security monitoring and building maintenance. Where a loan has a redraw facility any amount redrawn should not exceed the amounts previously repaid from sources other than the MEA.

- (c) Education, professional development, supervision, mentoring and professional debriefing costs for the member of the ministry staff, including but not limited to books, DVDs, etc, conference fees.
- (d) 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 (eg, parish offertory, CMS, etc) and other expenses incurred in respect of a member of the ministry staff's duties.
- (e) Education expenses of the ministry staff member's dependent children.
- (f) Private health insurance premiums for the ministry staff member and family.
- (g) Personal contributions to superannuation. Refer [section 7.10](#).
- (h) Other expenses of the ministry staff member that are approved by the parish council.

11.3 In many of the above categories, expenses may be paid by the parish from the wardens' general account independently of any stipend, allowances or benefits provided to the member of the ministry staff. Refer [sections 10.1 and 10.2](#).

11.4 Payment from an MEA must relate to expenses incurred during the period the minister or assistant minister is licensed, to or a lay minister is employed by, the parish.

Part-time ministry staff

11.5 Where ministry staff are serving in a permanent part-time basis the provision of an MEA will need to be determined with the agreement of the parish council. Generally speaking, it is suggested that ministry staff serving on a limited basis in the parish (ie, predominately working in a non-ministry related job) would not be entitled to an MEA. Alternatively, a ministry staff member working 3 days in the parish and studying full-time at a theological college is more likely to qualify as a "religious practitioner" – refer [section 6.16](#).

Administrative arrangements

11.6 All amounts transferred to an MEA, for whatever reason (eg, Stipend sacrifice, Travel benefits, Housing benefit, etc), 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 fall within the guidelines in section 11.2. The SDS sample [MEA Reconciliation and Payment](#) template includes proforma reimbursement and third party payment forms.

11.7 The MEA need not be a separate bank account – but should be a separate ledger account in the wardens' 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 wardens) but never the sole signatory. Where a separate bank account is maintained, amounts should be transferred to the MEA on a regular basis (ie, when the stipend is paid).

11.8 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 wardens, although in practice such interest may be added to the balance of the MEA for the benefit of the member of the ministry staff.

11.9 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 wardens must record the same liability and ensure that the balance in the parish's general bank account is sufficient to cover the liability.

11.10 It is important that ministry staff supply to the wardens or treasurer documents to support expenses claimed from the MEA. If such documents are not supplied the payment to the member of ministry staff should be treated as a taxable allowance. Such documents must be kept for audit purposes for at least five years so that if the member of the ministry staff or the parish is the subject of a tax audit, proof exists that payments to the member of the ministry staff were precise reimbursements for expenses incurred.

11.11 The accumulated balance in an MEA is to be carried forward from year to year. 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, eg, purchase of a new motor vehicle.

11.12 Ministry staff should be regularly updated on the available balance of their MEA. The SDS sample [MEA Reconciliation and Payment](#) template can assist parishes with this.

11.13 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. The member of the ministry staff holding that card should supply the original tax invoices supporting charges on the card to the parish to support the latter's claim for both reimbursement and input tax credits.

Taxation implications

11.14 If the agreed expenses of the minister 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 (refer Taxation Ruling – [TR 92/17](#)). 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. Exempt fringe benefits are not reported on annual payment summaries, but may need to be reported to Centrelink when claiming certain benefits (refer [sections 4.7 and 4.8](#)).

11.15 It is recommended that wardens and parish treasurers also refer to the [GST – A Guide for Parish Treasurers](#) in relation to the availability of input tax credits relating to 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.

11.16 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 GST Ruling – [GSTR 2000/26](#)).

Resignation, Retirement or Death

11.17 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.

11.18 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).

12. Annual Leave

Entitlement

12.1 Ministers, Assistant ministers (under the *Annual Leave Ordinance 1983*) and Lay ministers (under the *Fair Work Act 2009*) – both full-time and part-time – are entitled to 4 weeks annual leave for each period of 52 weeks during which the member of the ministry staff is licensed to or employed by a parish. The parish must keep an accurate record of the annual leave accrued and taken. For part-time staff the 4 weeks entitlement is 4 of that person's normal working weeks (eg, 4 times 3 working days for someone paid 3/6 of a full-time stipend).

12.2 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 minister and wardens and only after suitable arrangements have been made for a person or persons to perform the duties in that person's absence.

12.3 During any period of annual leave, a member of the ministry staff must be paid his or her ordinary stipend and be provided with any allowances or benefits to which he or she may be entitled. For more information in relation to Lay ministers refer to the *Employment Relations Guidelines for Parishes* on the secure SDS Extranet.

12.4 An '[annual leave calculator](#)' is available to assist parishes.

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

Leave in excess of entitlement

- 12.6 Leave in excess of the 4 week annual entitlement may be taken by a member of the ministry staff with the consent of the wardens. Typically, this may be for such things as attendance at CMS Summer School, an overseas trip to meet missionaries in the field, or an overseas trip to undertake further study.
- 12.7 Attendance at sessions of the Synod of the Diocese or General Synod to which the member of the ministry staff has been summoned is not annual leave.

Public holidays

- 12.8 A member of the ministry staff should be allowed those public holidays which are generally provided to employees except where normal ministry activities are expected to be undertaken (eg, 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.

Resigning and moving, retirement or death

- 12.9 Where a member of the ministry staff who has leave entitlement resigns, retires 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 and allowances of that person for the period of such leave entitlement up to the date of resignation, retirement or death. PAYG tax should be deducted as applicable.
- 12.10 Where a member of the ministry staff resigns from a parish to take up a position in another parish, leave should be taken before resignation or must be paid in full, calculated by reference to the value of the stipend and allowances at the resignation date. For Ministers and Assistant ministers, taking leave between parishes (while not licensed to either parish) will result in there being no entitlements accruing (eg, superannuation, long service leave, or sickness & accident fund benefits) for the period of that leave and may put at risk any potential claim under the Diocesan Stipend Continuance Plan (refer [section 15](#)).
- 12.11 Where a parish terminates the licence or employment of a member of the ministry staff and makes a payment in lieu of the required notice, the payment should be calculated by reference to the stipend, housing, and fixed travel allowance; but not the variable component of the travel allowance or any other work-related allowances.
- 12.12 Further details may be found (as appropriate) in the [Annual Leave Ordinance 1983](#), the [Fair Work Act 2009](#), or the Parish Support Services brochure '[About your Annual Leave – A guide for parish clergy in the Diocese of Sydney](#)'.

13. Long Service Leave

Entitlement for Ministers and Assistant ministers

- 13.1 Ministers and assistant ministers serving 'full-time' are entitled to long service leave under the [General Synod – Long Service Leave Canon 2010](#) (the 'Canon').
- 13.2 In general terms, the leave entitlement is 10 weeks for 10 years of full-time equivalent service prior to 1 January 2015, and 13 weeks for 10 years of service after that date. 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'). For Ministry staff contributions are paid by the Synod and recovered from parishes through the PCR system.
- 13.3 A Minister should first advise the wardens that he wishes to take leave and then seek written approval from the Regional Bishop. An Assistant minister should first seek the approval of the Minister to take leave and then seek written approval from the Regional Bishop.

- 13.4 Once the leave has been approved and the Bishop has informed SDS Parish Support Services, SDS makes a claim on the Fund 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.
- 13.5 When a minister or an assistant minister takes long service leave, the parish must continue to pay the stipend and appropriate allowances or benefits at the current rate.
- 13.6 A 'sabbatical allowance' is also paid by the Fund to Ministers and Assistant ministers taking long service leave and must be passed on by the parish to them after PAYG tax has been deducted. The Minister or Assistant minister may choose to sacrifice up to 40% of the 'sabbatical allowance' to an MEA. The 'sabbatical allowance' is only paid to those who have an entitlement under the Canon.
- 13.7 The leave entitlement for a Minister or Assistant minister serving part-time is the same as those serving full-time (ie, 10 weeks for every 10 years of full-time equivalent service prior to 1 January 2015, and 13 weeks for 10 years of service after that date). Thus if a Minister or Assistant minister serving at 50% time was to "purchase" 6 years of 50% part-time service (2009 to 2014) in the Fund in 2015, they would be credited with 3 years full-time equivalent service, and would accrue the appropriate amount of leave and become entitled to the leave in 2022.

Resigning, retiring or death

- 13.8 In the first instance, where a minister or assistant minister plans to resign or retire, they should contact SDS Parish Support Services for advice in relation to any leave entitlement.
- 13.9 Where a minister who has a leave entitlement resigns, retires or dies, they or their legal personal representative (as the case may be) will be paid a sum from the Fund based on the period of such leave entitlement. The sabbatical allowance is not payable in these circumstances. Contact SDS Parish Support Services to initiate a claim on the Fund.
- 13.10 Further information in relation to long service leave entitlements and the operation of the Fund can be found in the Parish Support Services brochure *'About your Long Service Leave – A guide for parish clergy in the Diocese of Sydney'* or by contacting SDS Parish Support Services.

Entitlement for Lay ministers

- 13.11 Lay ministers (both full-time and part-time) are employees for the purpose an entitlement 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.
- 13.12 When a Lay minister takes long service leave, the parish must continue to pay the stipend, allowances and benefits at the current rate for the duration of the leave.
- 13.13 The [NSW Department of Industrial Relations](#) can provide guidance on the provisions of the Act and a 'long service leave calculator'.
- 13.14 Under clause 7 of the Ordinance Standing Committee has resolved that the wardens of the principal church in each parish must certify in the parish's Prescribed Financial Statements 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 (eg, office administrator).

Resigning and moving, retirement or death

- 13.15 Under clause 7 of the Ordinance Standing Committee has also specified 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 (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.
- 13.16 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 and allowances of such Lay minister for the period of the leave entitlement, and PAYG tax deducted as applicable.

13.17 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.

Proceeding to ordination

13.18 It is recommended that upon ordination the accumulated long service leave provision of a lay minister (calculated with reference to section 13.12) be used to purchase the period of that 'service' expressed in years and days, up to the value of that provision, in the Anglican Church of Australia Long Service Leave Fund. Further information may be obtained from SDS Parish Support Services.

13.19 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 be paid to the Lay minister (after deducting the appropriate amount of PAYG), as ordination deems that the lay minister has effectively 'ceased employment'.

14. Other Leave

Personal/Carer's leave

14.1 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 and allowances until the minister or assistant minister recovers or a course of action can be mutually agreed upon (eg, early retirement). In the case of prolonged illness financial assistance may be available to the parish through the Sickness and Accident Fund (refer [section 16](#)).

14.2 Lay ministers and other staff are employees under the NES in the [Fair Work Act 2009](#) and accordingly are entitled to –

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

Although the parish council may determine a greater amount than that granted by this standard.

Maternity and parental leave

14.3 There are no prescribed parental leave entitlements for ordained ministry staff and therefore they will need to discuss with the parish council the taking of leave in these instances.

14.4 All lay ministry staff (both full-time and part-time) are employees for this purpose, thus those with at least 12 months of continuous service are entitled to maternity leave, paternity leave or adoption leave (as appropriate) under the NES in the [Fair Work Act 2009](#).

Study/Professional development leave

14.5 There are no prescribed entitlements for ministry staff, but staff are encouraged to discuss their plans with parish council with a view to all parties agreeing to a suitable arrangement.

15. Workers compensation and the Stipend Continuance Plan

Ministers and Assistant Ministers

15.1 Ordained ministry staff in the Sydney Diocese are not "employees" or "deemed workers" for the purposes of the Workers Compensation Act. Accordingly they are not entitled to benefits under that Act and should not be included in the annual declaration form completed for the parish's workers compensation insurer.

- 15.2 Where a Minister or Assistant minister, under the age of 65, is assessed as medically disabled (and unable to continue in their current role), the Diocesan Stipend Continuance Plan (SCP) provides the Minister or Assistant minister with an amount equal to 75% of their stipend package applicable at the date of the disability. The amount payable under the SCP will be reduced by any other amount already paid or payable in the future in relation to the injury or sickness, or partial employment.
- 15.3 Payments under the SCP commence 90 days after the permanent disability occurs and continue until assessed as able to return to work, age 65 or earlier death. Payments are indexed in line with the annual movements in CPI to a maximum rate of 5% per annum. The cost of the SCP is recovered from the parish via the PCR system.
- 15.4 The SCP does not cover expenses (such as medical expenses) which are incurred by a minister or assistant minister, so each minister and assistant minister should ensure that they have adequate medical and hospital cover. A basic cover is provided by Medicare.
- 15.5 To be eligible to participate in the SCP, a Minister or Assistant minister must be licensed to a parish for more than 15 hours per week (ie, a minimum of 2 full days).
- 15.6 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.
- 15.7 Further information in relation to the SCP can be found in the Parish Support Services brochure ['About your Income Protection Cover - A guide for parish clergy in the Diocese of Sydney'](#) or by contacting SDS Parish Support Services.

Lay Ministers

- 15.8 As employees Lay ministers (both full-time and part-time) 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 staff. This is a legal obligation of the parish. For further information refer to the *'Employment Relations Guidelines for Parishes'* the secure [SDS Extranet](#).
- 15.9 Certain benefits received by Lay ministers while tax and FBT exempt (and not declared on annual payment summaries, eg, travel and housing benefits, superannuation) must be included for workers compensation purposes. For assistance with determining which benefits paid or provided to lay ministry and other staff must be included in a workers compensation declaration, refer to the *'Wages Definition Manual'* published by NSW WorkCover and the supporting worksheet in the SDS sample *'Parish Workers Compensation declaration template'*.
- 15.10 Where the total amount of wages and benefits paid to **all** lay staff is less than \$7,500 per annum no workers compensation policy is required.

16. The Diocesan Sickness and Accident Fund

- 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.
- 16.2 Where a Minister or Assistant minister 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 any funds recoverable from Medicare and/or their private health fund.
- 16.3 [Click here](#) for a sickness and accident claim form.
- 16.4 Further information in relation to the operation of the SAF can be found in the [Sydney Diocesan Sickness and Accident Fund Ordinance 1969](#) or by contacting SDS Parish Support Services.

17. Interim Rectors, Locums and Part-time Pastoral Workers

- 17.1 Interim Rectors, Locums and part-time pastoral workers should be remunerated with reference to the relevant full-time stipend and benefits on a pro-rata basis (based on a 6 day working week). A travelling allowance at the rate of 80 cents per kilometre to cover any travel costs incurred while performing their duties should also be paid.
- 17.2 Provision for ministry related expenses, superannuation, and leave entitlements (on a pro-rata basis) should be provided where appropriate and agreed upon by the worker and the parish council.

18. Student Ministers

- 18.1 The recommended remuneration for student ministers for 2016 is –

	% of Minister's Minimum Stipend	2015 \$ pa	2016 \$ pa
Working one full day per week			
Studying for degree	12.5%	7,790	8,101
Studying for diploma	10%	6,232	6,481

- 18.2 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. Consideration should therefore be given to paying for the travel time.
- 18.3 Under the *Fair Work Act 2009* a national minimum wage is established effective 1 July each year. The minimum (adult) national pay rate for the period 1 July 2015 to 30 June 2016 is \$17.29 per hour, thus the above recommended remuneration allows for no more than 9.0 hours per week if studying for a degree, and 7.2 hours if studying for a diploma. As this value will be reviewed 1 July each year, please check the [Fair Work Australia web page](#) for the latest rates. It may be necessary to increase the monthly pay or adjust the hours of work should the national minimum wage increase.
- 18.4 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.
- 18.5 Superannuation contributions are payable if the remuneration exceeds \$450 in any month (refer to [section 7](#)).
- 18.6 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 [section 4.3](#)) provided –
- 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
 - the benefit is only applied to paying fees and the provision of accommodation/board.

19. Remuneration for occasional services

19.1 The recommended rates for Ministers or Assistant ministers who take occasional services but are not licensed to the paying parish are –

	\$
For one service	90
For two or more services in a half day	120
For a whole day	180

19.2 Where a Minister or Assistant minister is invited to take, or assist in, services in a church outside the parish to which they are licensed or employed, any payment for their services should be made to that parish rather than to the Minister or Assistant minister concerned.

19.3 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 80 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.

19.4 Consideration should be given to reimbursing tolls incurred and providing meals where necessary.

19.5 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.

20. Minister's Moving Costs

20.1 When a Minister or Assistant minister is appointed to an office or position in a parish it is the responsibility of the parish to bear the cost of moving the furniture and furnishings of that Minister or Assistant minister and his or her family from the place at which they were residing prior to the appointment to the residence at which they will be residing while performing the duties of that office or position.

20.2 The [Clergy Removals Fund Ordinance 2003](#) provides for the parish to be reimbursed for some or all of the Minister or Assistant minister's moving costs, but only if –

- (a) the cost has been borne by the parish, and
- (b) the Regional Bishop determines that the parish is under financial hardship.

20.3 When a member of the clergy retires or dies, the [Clergy Removals Fund Ordinance 2003](#) provides for the member of the clergy or their surviving spouse to be reimbursed for some or all of their moving costs.

21. Special PAYG withholding rules

21.1 The parish is required to withhold tax and prepare an individual PAYG payment summary for all locums and other clergy who take occasional services, and include these in its annual reporting. This will mean that the parish should obtain an employment declaration from the individuals or at least collect and retain name and TFN details.

21.2 The only exception is that 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.

21.3 A parish is not required to withhold tax on the first 5,000 kilometres of travel allowance it pays annually to each payee **provided** –

- (a) the payee is expected to incur expenses that may be able to be claimed as a tax deduction at least equal to the amount of the allowance, and the payee is able to substantiate the deduction claimed;

- (b) the amount and nature of the allowances is shown separately in the accounting records of the parish; and
- (c) the rate paid is no more than the [rates prescribed by the ATO](#) for the relevant income year.

However the Diocesan recommended travelling allowance of 80c per kilometre is currently greater than the rates prescribed by the ATO so, the parish is required to withhold tax on the whole of any travel allowance paid at the Diocesan rate. The comments in this paragraph relate only to a travel allowance, and do not apply to a travel benefit provided to a member of the ministry staff in accordance with the recommendations for MEAs in section 11.

- 21.4 A parish will not be required to withhold tax on other allowances paid provided the payee is able to match them 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.
- 21.5 Irrespective of whether tax has been withheld, the parish is required to include the allowance on the individual's annual PAYG payment summary in the allowance section.
- 21.6
- 21.7 Senior members of the ministry staff may be eligible for the [Seniors and Pensioners Tax Offset](#). Provided the tax offset is not claimed elsewhere, they would claim the tax offset from one payer (eg, the parish) when they fill in a new withholding declaration and the parish should then use the special tax table for senior Australians.
- 21.8 An individual can only claim the tax offset through one payer (eg, 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 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.

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