

THE UNITED CHURCH OF CANADA/L'ÉGLISE UNIE DU CANADA MINIMUM SALARY AND ALLOWANCES FOR MINISTRY PERSONNEL (2011)

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

- pastoral charges and missions
- outreach ministries
- incorporated ministries

Throughout this document, "ministry unit" will be used to refer to the paid accountable leadership roles indicated above.

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

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NOTE

The term "ministry personnel" has a distinct meaning within The United Church of Canada and is defined in *The Manual, 2010*. Refer to Section 001 for a complete list of ministry personnel definitions:

<http://www.united-church.ca/manual>.

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

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MINIMUM SALARY SCHEDULES

All minimum salary figures are increased annually by a percentage equal to the average percentage rise in the cost of living within Canada for the year ending December 31 one year and one day prior to the effective date of the new salaries (i.e., the minimum salary rates that will take effect on January 1, 2011, reflect the average rise in the Canadian cost of living as of December 31, 2009).

For 2011, the minimum salaries reflect a 0.3% increase over the 2010 minimum salary levels. The United Church also encourages the practice of increasing salaries annually by an amount equal to or greater than the cost-of-living increase, even if the minister's salary is set above the category minimum. The following chart provides the minimum salaries for ministry personnel, effective January 1, 2011.

2011 TYPE OF MINISTRY LEADERSHIP	YEARS OF ELIGIBLE SERVICE (INCREMENT CATEGORY)					
	1-2 (A)	3-4 (B)	5-7 (C)	8-10 (D)	11-13 (E)	14 + (F)
ORDER OF MINISTRY ¹	\$32,260	\$33,712	\$35,164	\$36,617	\$38,068	\$39,519
RECOGNIZED DESIGNATED LAY MINISTERS ²	\$31,221	\$32,626	\$34,032	\$35,436	\$36,841	\$38,245
DESIGNATED LAY MINISTERS ³	\$30,532	\$31,906	\$33,280	\$34,654	\$36,029	\$37,402
INTERN SUPPLY ⁴	\$31,221	\$32,626	\$34,032	\$35,436	\$36,841	\$38,245
CANDIDATE SUPPLY	\$31,221	\$32,626	\$34,032	\$35,436	\$36,841	\$38,245
STUDENT SUPPLY	\$30,532	\$31,906	\$33,280	\$34,654	\$36,029	\$37,402

1 Order of Ministry includes Diaconal and Ordained Ministers (including those serving as Retired Supply and United Supply), and Order of Ministry serving as Interim Ministers.

2 Recognized Designated Lay Ministers includes former Lay Pastoral Ministers, and Recognized Designated Lay Ministers serving as Interim Ministers.

3 Designated Lay Ministers includes former Lay Pastoral Ministers in Training and former Staff Associates, and Designated Lay Ministers serving as Interim Ministers.

4 Service during an Intern Supply is considered part of the educational preparation and does not count as service for salary increment purposes.

Progressing through the Minimum Salary Schedule

Eligible service is based on years of service in a paid, accountable ministerial role within the church. For salary increment purposes, all periods of service in ministry personnel positions resulting from a presbytery appointment, a call, or an action of a Conference Settlement committee are included in the calculation of years of eligible service. However, service in the role of Intern Supply, National Intern, and Student Supply fulfilling an internship requirement are exceptions, and not included in the calculation of eligible service.

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A year is credited when a minimum of 750 hours of paid work in one calendar year is completed. Example: a new minister starts their first paid accountable ministerial role in July, and completes 750 hours of eligible service by November in the same year. Eligible service towards the second credited year would start January of the next calendar year.

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

Time spent on leave (vacation, education, sabbatical, maternity, parental, and medical, including that which results in the use of the Restorative Care Plan), counts as eligible service for minimum salary increment purposes.

Pension and Benefit Eligibility

With the exception of National Interns, funded by the National Internship Program by way of stipend through General Council Office, all ministry personnel and Congregational Designated Ministers are required to participate in the United Church pension and group benefits plans if they are paid for an average of 14 hours or more per week.

Pro-ration for Part-Time Service

In circumstances where part-time ministerial leadership is provided, the minimum salary amount is pro-rated according to the percentage of service provided, compared to full-time service. The figures shown in the table above reflect full-time service, which for calculation purposes is defined as 40 hours per week.

Example

A Designated Lay Minister with 8 years of service (Category D) begins a pastoral relationship of 30 hours' work per week. Establish the percentage of hours being worked, i.e., 30 of a possible 40 = $\frac{3}{4}$ or 75%. Then, multiply the appropriate minimum salary figure (Designated Lay Minister, Category D = \$34,654) by that percentage, and round up to the nearest dollar: $\$34,654 \times 0.75 = \$25,990.50$; round up to \$25,991. The minimum salary offered to this minister would be \$25,991.

HOUSING ALLOWANCE

Ministry personnel serving pastoral charges must be provided with a manse or a cash housing allowance as part of their terms of settlement, call, or appointment.

Refer to [Section 4.8.1](#) in the *Financial Handbook* to obtain the following details:

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

- housing allowance and clergy residence deduction
- responsibilities for pastoral charge providing a manse
- responsibilities for pastoral charges providing a cash housing allowance
- ministry couples: housing allowance and clergy residence deduction
- housing allowance and ADP payroll processing codes

Compliance with Federal Legislation Concerning Income Tax and Pension Contributions (20% rule)

As per United Church policy and federal legislation concerning income tax and pension contributions, the housing allowance, or the fair rental value assigned to the manse (manse value), must be equal to or greater than 20% of the ministry personnel's salary.

Ministry Personnel Living in a Manse

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

Examples

1. A recently commissioned and settled minister is earning a salary of \$32,260 and living in a manse with a fair rental value of \$8,400 per year. The minimum manse value is 20% of the salary: $\$32,260 \times 0.2 = \$6,452$.

The manse value in this example is greater than 20%, so the policy conditions have been met.

Examples continued

2. A recently ordained and settled minister is earning a salary of \$32,260 and living in a manse with a fair rental value of \$6,000 per year. The minimum manse value, as calculated above, is \$6,452. Therefore, the policy conditions have not been met. The ministry unit is obligated to pay a yearly top-up: $\$6,452 - \$6,000 = \$452$ per year (\$37.67 per month).

The top-up in this example would be \$452 per year, and would be paid in monthly instalments.

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

Ministry Personnel in Receipt of a Cash Allowance

Housing allowance is equal to the fair rental value of suitable accommodation which would have been provided as a manse in the area, and must not be valued at less than 20% of the salary paid to ministry personnel. The 20% minimum applies even if the fair rental value of accommodation comparable to a manse in the vicinity of the ministry unit is determined to be less than 20% of the ministry personnel's salary.

Examples

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1. A United Supply Minister with 14+ years of eligible service (Category F = \$39,519) accepts an appointment to a pastoral charge where the fair rental value of accommodation comparable to a manse is valued at \$6,000. The minimum housing allowance is 20% of salary: $\$39,519 \times 0.2 = \$7,904$.

The established fair rental value of \$6,000 falls short of the minimum required. As a result, the housing allowance that must be paid in this circumstance is 20% of salary, or \$7,904.

2. An Ordained Supply Minister, with a salary of \$36,617, accepts an appointment to a pastoral charge offering a housing allowance of \$7,800 per year. The minimum housing allowance is 20% of salary: $\$36,617 \times 0.2 = \$7,323$.

The allowance offered is \$477 more than the minimum required, and complies with the policy.

Note - In situations where the value of the housing allowance is equal to 20% of the ministry personnel's salary, the housing allowance must be increased by the cost-of-living percentage increase (0.3% for 2011) equal to the annual salary increase to retain the minimum value of 20% as the salary increases.

Pro-ration for Part-Time Service

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

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

Example

The housing allowance (based on fair rental value and the 20% rule) for full-time ministry in a specific appointment is set at \$18,000 per year. A part-time ministry personnel works 20 hours per week (50% of full-time). The housing allowance must be pro-rated accordingly: $\$18,000 \times 0.5 = \$9,000$.

The housing allowance offered to a half-time minister would be 50% of that offered to a full-time minister, or \$9,000.

ALLOWANCES AND REIMBURSEMENTS

In addition to salary and housing, ministry personnel receive monetary support for continuing education and learning, telephone, travel, and moving if applicable, as part of their compensation package.

Continuing Education and Learning Resources

It is expected that the Continuing Education and Learning Resources amount will be applied by ministry personnel, in consultation with the pastoral charge, to the cost of attending workshops or conferences, purchasing books, and obtaining electronic and other resources relevant to providing ministry leadership. The minimum annual amount for ministry personnel working full-time is \$1,250.

Refer to [Section 4.9.1](#) in the Financial Handbook to obtain details:

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

Travel

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

Refer to [Section 4.9.3](#) in the Financial Handbook to obtain details:

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

Telephone

Ministry personnel serving pastoral charges must be provided with a telephone in their home, the basic cost of which is the responsibility of the pastoral charge. Long-distance charges incurred for church-related business are also the responsibility of the pastoral charge. Personal long-distance charges are the responsibility of the ministry personnel.

Moving

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

Refer to [Section 4.9.5](#) in the Financial Handbook to obtain details:

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

Settlement Costs for Candidates for the Order of Ministry

Moving costs for candidates for the Order of Ministry, and their immediate family, who are transferred from the college where they graduated to the pastoral charge where they are settled are the combined responsibility of the pastoral charge and the General Council Office. The required pastoral charge contribution toward the settlement pool is \$1,500.

Refer to [Section 4.9.6](#) in the Financial Handbook to obtain details:

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

Taxable Allowances, Taxable Benefits, and Expenses and ADP Payroll Processing Codes

It is recommended that payments to ministry personnel for Continuing Education and Learning Resources, Travel, and Telephone be processed as reimbursable expenses (supported by proof of the expense), and therefore would not be subject to any Canada Revenue taxes.

Refer to [Section 4.9.4](#) in the Financial Handbook to obtain details:

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

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VISITING MINISTRY PERSONNEL

Honoraria

It is appropriate to treat payments to visiting ministry personnel, as well as other visitors such as licensed lay worship leaders, workshop facilitators, visiting musicians, etc., as honoraria. Honoraria are cash payments, with no deductions taken at source.

Refer to [Section 4.8.2](#) in the *Financial Handbook* to obtain details:

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

Weekend Supply, and Worship Leadership and Preaching

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

The ability and willingness of the ministry unit to offer compensation greater than these minimum amounts is both commendable and welcomed. The rate of pay for these short-term assignments should be agreed upon by the ministry personnel and the pastoral charge prior to the service, at the time of scheduling.

Weekend Supply	\$228 per weekend (minimum remuneration based on approximately 12 hours of effort), plus travel reimbursement (per 2011 Automobile Travel rate) and incidental expenses (i.e., meal allowance and accommodation as necessary).
Worship Leadership and Preaching	\$114 per occasion (minimum remuneration based on approximately 6 hours of effort), plus travel reimbursement (per 2011 Automobile Travel rate) and incidental expenses (i.e., meal allowance and accommodation as necessary).

Refer to [Section 4.8.2](#) in the *Financial Handbook* to obtain details:

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

MISSION SUPPORT (AID-RECEIVING) MINISTRIES

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

PASTORAL CHARGE PAYROLL SERVICE PROCESSING

The United Church of Canada policy requires that the payroll be processed through ADP, the payroll service provider, for ministry personnel in pastoral relationships earning more than \$5,000/year. As such, calls, appointments, and/or settlements should only be approved if the pastoral charge is processing their pay through the payroll service, in accordance with the standard terms outlined on the forms.

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

- Order of Ministry, Candidate Supply, Intern Supply, Student Supply, Diaconal Supply, Ordained Supply, Interim Ministers, and Retired Supply
- lay persons under presbytery appointment as Designated Lay Ministers

Refer to Section 001 in *The Manual, 2010* for a complete list of ministry personnel definitions:

<http://www.united-church.ca/manual>

Refer to the *ADP Payroll Reports Guide* for abbreviations used by ADP:

<http://www.united-church.ca/files/minstaff/pastoral/payroll/understanding.pdf>

Refer to *Earning & Deduction Codes* for the complete list of codes used by ADP:

<http://www.united-church.ca/files/minstaff/pastoral/payroll/codes.pdf>

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