

Minimum Salaries for Ministry Personnel (2017)

The United Church of Canada / L'Église Unie du Canada

New & Notable

- **Effective July 1, 2015**, where a manse is not provided, new calls and new appointments must be administered according to the new compensation model for ministry personnel.
- If more than one minister is serving at a ministry unit, all ministry positions must move to the new model when there is a new call or appointment for one of the positions on or after July 1, 2015.
- For existing calls and appointment renewals, compensation for those must move to the new model no later than July 1, 2018.
- If there is a change in status (i.e., the minister retires then returns as retired supply) or terms of the call/appointment (i.e., the hours are reduced or increased), then compensation must move to the new model when the change occurs.

With this new model, *where a manse is not provided*, ministers now receive a single comprehensive salary that incorporates what were formerly referred to as base salary and housing allowance. Ministers provided with a manse continue to receive a base salary plus use of the manse.

For more information on the new compensation model for ministry personnel, go to:
www.united-church.ca/leadership/church-administration/compensation-model.

When processing the minister's salary through the ministry unit payroll service (administered by ADP), it is *very important* that the correct ADP payroll form is used.

- The **New/Change Employee Sheet** is to be used when the minister lives in the manse, or has not yet transitioned to the new compensation model.
- The **Payroll Update Form** is to be used when the minister is paid in accordance with the new compensation model. Once the minister transitions to the new model, the Payroll Update Form is to be used for non-ministry personnel as well.

To obtain an up-to-date version of the ADP payroll form, call ADP Client Services (1-877-377-4784) or send your request to MinistryandEmployment@united-church.ca.

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Highlights

- Minimum salaries: **1.1% increase to the 2016 minimum salaries**
 - New compensation model (p. 4)
 - Ministers provided with a manse, or ministers who have not yet transitioned to the new compensation model (p. 5)
- Continuing Education & Learning Resources: **\$1,374 annually** (p. 10)
- Travel: **\$0.39 per kilometre** (p. 10)
- Visiting Ministry Personnel: **\$206 daily rate** (p. 11)

Ministry Compensation

Policies adopted by General Council and its Executive establish minimum annual salaries and reimbursements for ministry personnel who provide paid accountable leadership in pastoral charges, missions, and presbytery-accountable ministries (hereinafter referred to as “ministry unit”).

Although minimum annual salaries are in place, consideration should be given to the minister’s credentials (i.e., specialized skills, experience, and further education) and responsibility (i.e., size and number of congregation(s), leadership, and supervision).

In addition, with the new compensation model (manse is not provided), the minimum salary for each cost of living (COL) group reflects the median cost of living represented by housing values for the city, town, or rural community in which the ministry unit is located; if the particular town/city/community is at the high end of the cost of living range, or the minister chooses to rent and the cost of rent in the ministry unit location is exceptionally high, consideration should be given to providing compensation above the minimum.

The housing value ranges are as follows:

COL 1: up to \$150,000	COL 4: \$375,001 to \$525,000
COL 2: \$150,001 to \$250,000	COL 5: \$525,001 to \$700,000
COL 3: \$250,001 to \$375,000	COL 6: over \$700,000

Minimum Salaries

A. For ministers who have transitioned to the new compensation model, and where a manse is not provided

	Years of Eligible Service (Increment Category)					
	A - 1 to 2	B - 3 to 4	C - 5 to 7	D - 8 to 10	E - 11 to 13	F - 14 +
Cost of Living Group	Order of Ministry (includes diaconal/ordained ministers, presbytery/district appointed retired/united/ordained/diaconal supply, and interim ministers)					
1	\$45,589	\$47,196	\$48,801	\$50,408	\$52,014	\$53,619
2	\$48,064	\$49,670	\$51,276	\$52,883	\$54,489	\$56,094
3	\$51,261	\$52,867	\$54,473	\$56,080	\$57,686	\$59,291
4	\$55,076	\$56,683	\$58,288	\$59,896	\$61,501	\$63,107
5	\$59,407	\$61,014	\$62,619	\$64,227	\$65,832	\$67,438
6	\$64,563	\$66,170	\$67,775	\$69,383	\$70,988	\$72,594
	Recognized Designated Lay Ministry (includes interim ministers)					
1	\$44,441	\$45,993	\$47,550	\$49,102	\$50,657	\$52,210
2	\$46,915	\$48,468	\$50,025	\$51,577	\$53,132	\$54,685
3	\$50,112	\$51,665	\$53,222	\$54,774	\$56,329	\$57,882
4	\$53,928	\$55,481	\$57,038	\$58,589	\$60,144	\$61,697
5	\$58,259	\$59,812	\$61,369	\$62,921	\$64,476	\$66,028
6	\$63,415	\$64,968	\$66,525	\$68,077	\$69,632	\$71,185
	Student (includes designated lay minister applicants, former staff associates, intern/candidate/student supply, and ministers in training (Native Ministry))					
	Step 1 - 1 to 2	Step 2 - 3+	<p>COL Group Assignment</p> <p>All ministry units have been assigned to a cost of living (COL) group. To find the COL group for your ministry unit, go to www.united-church.ca; search and select "COL Group Assignment."</p>			
1	\$43,677	\$44,013				
2	\$46,152	\$46,488				
3	\$49,349	\$49,685				
4	\$53,164	\$53,500				
5	\$57,496	\$57,831				
6	\$62,652	\$62,987				

Minimum Salaries for Ministry Personnel (2017)

B. For ministers provided with a manse, or who are in an existing call or renewed appointment with a housing allowance, having not yet transitioned to the new compensation model

Order of Ministry					
A - 1 to 2	B - 3 to 4	C - 5 to 7	D - 8 to 10	E - 11 to 13	F - 14 +
\$35,689	\$37,296	\$38,901	\$40,509	\$42,114	\$43,720
Recognized Designated Lay Ministry					
A - 1 to 2	B - 3 to 4	C - 5 to 7	D - 8 to 10	E - 11 to 13	F - 14 +
\$34,541	\$36,094	\$37,651	\$39,203	\$40,757	\$42,310
Student					
Step 1 - 1 to 2	Step 2 - 3+				
\$33,778	\$34,113				

Occupancy of Manse / Housing Allowance

As part of the terms of settlement, call, or appointment, ministers must be provided with the use and occupancy of the manse, or a cash housing allowance *if they have not yet transitioned to the new compensation model*. If the minister serves part-time and a manse is provided, the minister is entitled to full-time occupancy and use of the manse.

If compensation has not yet transitioned to the new model, a ministry unit providing a cash housing allowance will pay the fair rental value (FRV) of accommodation comparable to that which would have been provided as a manse in the area (FRV value must be supported by data).

Federal requirements concerning income tax and pension contributions require the housing allowance or FRV of the manse (including utilities paid by the ministry unit), be equal to/greater than 20% of the minister's salary. If it is not, an adjustment or top-up is required which must be recalculated when there is a change to the minister's salary. For example:

	Minister's Annual Salary	Calculation for Annual Housing Amount	Federal Housing Minimum Required (20% of salary)	Minimum "Paid" Housing
Minister Lives in Manse	\$40,000	The annual FRV of the manse (including utilities paid by the ministry unit) is \$7,000.	The federal requirement for housing is \$8,000.	An annual top-up of \$1,000 must be paid to the minister.
Minister Receives Housing Allowance	\$40,000	The FRV of an accommodation comparable to the manse is \$7,000.	The federal requirement for housing is \$8,000.	The minimum housing amount of \$8,000 must be paid to the minister.

Annual Cost of Living Increases

Minimum salaries 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 prior to the effective date of the new salaries (i.e., the minimum salary rates that take effect on January 1, 2017, reflect the average rise in the Canadian cost of living as of December 31, 2015; via google, search & select: “consumer price Index historical summary”, refer to 2015 rate).

In situations where the salary in the pastoral relationship agreement specifies a percentage or amount above the minimum, the applicable minimum plus the agreed upon percentage or amount above the minimum is to be maintained with future annual cost of living and years-of-service increases.

Increases for ministers not actively at work (i.e., Long-Term Disability, Restorative Care Program, and Maternity/Parental Leave) *are effective the first day the minister is back to work.*

Part-Time Service

Salaries are pro-rated according to the percentage of service provided, compared to full-time service (40 hours per week).

Example:

Minister works 30 hours per week.

Percentage of hours worked = 75% (30 of a possible 40)

Multiply applicable full-time salary by .75

Pension and Benefits Eligibility

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

Pastoral Charge Payroll Service (ADP)

Payroll for ministers in pastoral relationships earning more than \$5,000/year must be processed through the pastoral charge payroll service (administered by ADP). It is also available at minimal cost for all other employees of the ministry unit.

Mission Support (Aid-Receiving) Ministries

When a ministry unit has insufficient financial resources to meet its operating expenses, including minimum salary, an application for a Mission Support grant may be made through the Conference in which the ministry unit is located. For further details, contact your Conference office.

Progressing through the Minimum Salary Schedules

All periods of service in paid, accountable ministerial roles resulting from a presbytery appointment, Conference or General Council appointment, a call, or an action of a Conference Settlement Committee are included in the calculation of years of eligible service. Also included is time spent on leave (vacation, education, sabbatical, maternity, parental, and medical).

Once ordered or recognized, ministers commencing service in a ministry unit will be paid based on the Increment Category A minimum salary. Students commencing service in a ministry unit (effective January 1, 2014) will be paid based on the minimum salary at Step 1; following two years of service, students will be eligible for the Step 2 minimum salary.

A year is credited when a minimum of 750 hours of paid work in one calendar year is completed.

Example:

A new minister starts their first paid accountable ministerial role in July, and completes 750 hours of eligible service by November in the same year. Eligible service towards the second credited year would start January of the next calendar year.

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

Progression to new increment categories always commences January 1, following successful completion of required paid accountable ministry service for the preceding increment category.

Example:

A minister who completes two years of eligible service by June 30 would move to category B effective January 1 of the next calendar year.

Clergy Residence Deduction (CRD) – Source Credit

If the minister wishes the ministry unit to reduce their taxable income by the amount of the CRD and thereby reduce the amount of income tax deducted at source (pay by pay), the minister must obtain a “letter of authority” every year issued by the Canada Revenue Agency – CRA (and, for ministers who work in Quebec, Revenu Québec – RQ). Otherwise, the minister can claim a refund of the qualifying taxes paid when filing their personal tax return the following year.

To obtain a letter of authority, ministers must apply annually each fall for the next calendar year:

- federally using the CRA Form T1213, Request to Reduce Tax Deductions at Source
- and, for ministers who work in Quebec, using the RQ Form TP-1016-V, Application for a Reduction in Source Deductions of Income Tax

Once the CRA (and RQ if applicable) provides a letter of authority, the treasurer can direct ADP to process the authorized amount subject to Employment Insurance only using the applicable ADP payroll form.

Ministers living in a manse are not required to obtain government authorization to reduce their tax deductions with each pay for the housing benefit they receive. However, the treasurer must confirm that the minister will file the CRD Form T1223 form with their personnel tax return.

The new compensation model does *not* change eligibility for this deduction. A resource for completing the T1213 / TP-1016-V is available at www.united-church.ca, search and select: “Instructions for Completing Form T1213 / TP-1016-V.”

Reimbursable Expenses

The ministry unit is responsible for the following:

- **Continuing Education and Learning Resources:** In consultation with the ministry unit, the cost of attending workshops/conferences, purchasing books, acquiring spiritual direction and obtaining electronic and other resources relevant to providing ministry leadership (full-time annual amount \$1,374).
- **Travel:** Where use of a car is required, logged travel at least at the minimum per kilometre rate set annually by the Executive of the General Council (minimum per kilometre rate \$0.39).

The travel rate calculation is based on the Treasury Board of Canada's Travel Directory. The formula is 75% of the average kilometric rate of 13 provinces and territories. For 2017, the version dated January 1, 2016, was used for calculation purposes. The National Joint Council website is:

www.njc-cnm.gc.ca/directive/index.php?lang=eng&svid=97-34

- **Telephone:** The cost of the telephone and long-distance charges for church-related business (personal long-distance charges are the responsibility of the minister).
- **Costs Associated with Moving:** For calls and appointments (including candidates who sought their own call or appointment), the receiving ministry unit is responsible (includes related expenditures such as mileage, accommodation, and meals for the minister and her or his immediate family).
For order of ministry candidates (and immediate family) who are transferred and settled, the receiving ministry unit and the General Council Office are jointly responsible. Ministry units participating in settlement in the current year are required to contribute \$1,500 to the settlement pool.

For more detail on reimbursements, refer to the United Church Financial Handbook for Congregations, Chapter 4: www.united-church.ca/sites/default/files/resources/handbook_financial-congregations.pdf

Visiting Ministry Personnel

From time to time, ministry personnel may be invited to provide worship leadership and preaching, pastoral care and visitation, and/or other services to a local ministry unit when the incumbent ministry personnel is on vacation, study leave, or other short-term leave. Such services are intended to cover only one or two Sundays or weekends at a time. An ongoing need for these services must be reviewed by the presbytery to determine if an appointment should be made.

For 2017, the minimum daily rate is \$206. This covers a full working day, or any portion thereof, and is not linked to any specific number of hours served. The rate is based on the new compensation model increment category F minimum salary (which includes housing). The parties may negotiate a higher daily amount but cannot negotiate a lower amount than the daily rate.

In addition, the ministry unit must reimburse the visiting ministry personnel for travel and incidental expenses (i.e. meal allowance and accommodations, as necessary).

This minimum daily rate is applicable to ministry personnel only; the General Council has no authority to establish rates of compensation for lay people engaged by a congregation.

Note: The Canada Revenue Agency requires the completion of a T4A for annual aggregate amounts over \$500 paid to an individual. Refer to the [Financial Handbook for Congregations](#) (Section 4.8.2) for details.