

Minimum Salaries for Ministry Personnel (2018)

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

New and 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 (use form: Covenant for Call, Settlement, or Appointment – PR 450).
- 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.

Ministry personnel provided with a manse continue to receive a base salary plus use of the manse (use form: Record of Appointment – PR 433 AP or Record of Call – PR 435 RC).

Process for Moving to the New Compensation Model

Contact General Council Office (1-800-268-3781), Carmen Flores – cflores@united-church.ca, ext. 3166, or Diane Collier – dcollier@united-church.ca, ext. 3148.

General Council Office staff will review transition payroll data for accuracy and submit it to ADP on behalf of the ministry unit, audit the payroll processed by ADP to ensure that changes were made, and notify the payroll administrator to confirm successful completion.

Special Note: To allow sufficient time for the review and audit processes in place, four weeks' notice is required before the new format payroll can be run.

Contents

Ministry Compensation.....	3
Annual Cost of Living Increases.....	3
A. Minimum salaries: New Compensation Model (Manse not Provided)	4
B. Minimum Salaries: Manse Provided, or Minister Has not Yet Moved to New Compensation Model and Receives Housing Allowance	5
Progressing through the Minimum Salary Schedules.....	6
Clergy Residence Deduction (CRD): Source Credit	7
Reimbursements.....	8
Visiting Ministry Personnel	8

Highlights

- Minimum salaries: **1.4% increase to the 2017 minimum salaries** (pp. 3–5)
- Continuing Education and Learning Resources: **\$1,393 annually** (p. 8)
- Travel: **\$0.39 per kilometre** (p. 8)
- Visiting Ministry Personnel: **\$209 daily rate** (p. 8)

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 responsibilities (i.e., size and number of congregations, 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 2: \$150,001 to \$250,000	COL 3: \$250,001 to \$375,000
COL 4: \$375,001 to \$525,000	COL 5: \$525,001 to \$700,000	COL 6: over \$700,000

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, 2018, reflect the average rise in the Canadian cost of living as of December 31, 2016; via Google, search and select: “consumer price index historical summary”; refer to 2016 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.**

For part-time service, salaries are pro-rated according to the percentage of service provided compared to full-time service, 40 hours per week (i.e., if minister works 30 hours/week, multiply full-time salary by .75 (that is, 30 hours divided by possible 40 hours). **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.

Minimum Salaries for Ministry Personnel (2018)

A. Minimum Salaries: New Compensation Model (Manse 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 and ordained ministers)					
1	\$46,227	\$47,857	\$49,484	\$51,114	\$52,742	\$54,370
2	\$48,737	\$50,365	\$51,994	\$53,623	\$55,252	\$56,879
3	\$51,979	\$53,607	\$55,236	\$56,865	\$58,494	\$60,121
4	\$55,847	\$57,477	\$59,104	\$60,735	\$62,362	\$63,990
5	\$60,239	\$61,868	\$63,496	\$65,126	\$66,754	\$68,382
6	\$65,467	\$67,096	\$68,724	\$70,354	\$71,982	\$73,610
	Recognized Designated Lay Ministry					
1	\$45,063	\$46,637	\$48,216	\$49,789	\$51,366	\$52,941
2	\$47,572	\$49,147	\$50,725	\$52,299	\$53,876	\$55,451
3	\$50,814	\$52,388	\$53,967	\$55,541	\$57,118	\$58,692
4	\$54,683	\$56,258	\$57,837	\$59,409	\$60,986	\$62,561
5	\$59,075	\$60,649	\$62,228	\$63,802	\$65,379	\$66,952
6	\$64,303	\$65,878	\$67,456	\$69,030	\$70,607	\$72,182
	Student (includes designated lay ministry applicants and student supply). For Supervised Ministry Education (SME) placements, contact: RMcGauley@united-church.ca .					
	Step 1 1 to 2 years	Step 2 3+ years	<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	\$44,288	\$44,629				
2	\$46,798	\$47,139				
3	\$50,040	\$50,381				
4	\$53,908	\$54,249				
5	\$58,301	\$58,641				
6	\$63,529	\$63,869				

B. Minimum Salaries: Manse Provided, or Minister Has not Yet Moved to New Compensation Model and Receives Housing Allowance

Order of Ministry (includes diaconal and ordained ministers)					
A - 1 to 2	B - 3 to 4	C - 5 to 7	D - 8 to 10	E - 11 to 13	F - 14 +
\$36,189	\$37,818	\$39,446	\$41,076	\$42,704	\$44,332
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 +
\$35,025	\$36,599	\$38,178	\$39,752	\$41,328	\$42,902
Student (includes designated lay ministry applicants & student supply). For Supervised Ministry Education (SME) placements, contact: RMcGauley@united-church.ca					
Step 1 1 to 2 years	Step 2 3+ years				
\$34,251	\$34,591				

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 that must be recalculated when there is a change to the minister's salary. For example:

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

Note: A minister provided with the use and occupancy of the manse, serving part-time, is entitled to full-time occupancy of the manse.

Progressing through the Minimum Salary Schedules

All periods of service in paid, accountable ministerial roles resulting from a presbytery appointment, a 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).

Students commencing service in a ministry unit 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. Once ordered or recognized, ministers commencing service in a ministry unit will be paid based on the Increment Category A 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 toward 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

Each year, ministry personnel can claim the Canada Revenue Agency (CRA) Clergy Residence Deduction (CRD) when filing their personal tax return. To claim the CRD, Form T1223 must be jointly completed by the employee and employer in February, for the previous tax year. Note the CRD form does not need to be submitted with the minister's tax return, but must be available if the CRA requests to see it. The Clergy Residence Deduction (T1223) can be obtained online (Google: T1223), and provides:

- Part A – Employee information (to be completed by the employee)
- Part B – Conditions of employment (to be completed by the employer)
- Part C – Calculation of deduction (to be completed by employee)

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 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 claim the CRD when completing 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."

Reimbursements

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 (refer to “Highlights,” page 2, for the full-time annual amount).
- **Travel:** Where use of a car is required, logged travel at least at the minimum per km rate set annually by the Executive of the General Council (refer to “Highlights,” page 2, for the minimum per km rate). The travel rate calculation is based on the National Joint Council’s Travel Directive. The formula is 75% of the average kilometric rate of 13 provinces and territories. For 2018, the version dated January 1, 2017, is used for the calculation. The National Joint Council website is www.njc-cnm.gc.ca/directive/d10/v10/s97/en.
- **Telephone:** The cost of the telephone and long-distance charges for church-related business (personal long-distance charges are the responsibility of the minister).

For more detail, go to www.united-church.ca; search & select “Financial Handbook for Congregations”, search “reimbursements” and “Taxable Allowance or Expense?”

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 whether an appointment should be made.

Refer to “Highlights,” page 2, for the minimum daily rate. 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 cost of living group 1, increment category F minimum salary. 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).

The 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 including Licensed Lay Worship Leaders (LLWL).

Note: The Canada Revenue Agency requires a T4A to be completed for annual aggregate amounts over \$500 paid to an individual. ADP will produce a T4A on request (the amount will show in box 48, Fees for Services).