

# Compensation Workbook

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**for Ministry Personnel**

February 2016

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Compensation Workbook for Ministry Personnel,  
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# Introduction

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Paid accountable ministry personnel routinely collaborate on matters of faith, spiritual health, and the day-to-day functioning of the local ministry unit (local ministry, ministry unit, pastoral charge, congregation, or other presbytery-accountable ministry). Yet, the sensitive and important issue of negotiating compensation usually occurs only once, when the minister accepts a new call or new appointment. Further negotiation may occur during the minister's service, but discussions are often limited to (mandatory) annual cost of living and years of service increases.

Although policies are in place regarding minimum levels of compensation, local ministry units throughout Canada handle the administration of compensation differently. This can be confusing and intimidating for ministers. It may lead to undisclosed negative feelings that are counterproductive to doing God's work.

This workbook has been developed to educate ministers on compensation policies and practices, and to help ministers navigate the various ways that local ministry units administer compensation. With this information, ministers can approach these discussions with confidence.

This resource is not intended for congregational designated ministers or other lay staff.

*"The elders who do good work as leaders should be considered worthy of receiving double pay, especially those who work hard at preaching and teaching. For the scripture says... A worker should be given their pay."*

*1 Timothy 5:17–18 (Good News Bible)*

# The United Church of Canada Compensation Policy

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The United Church of Canada's compensation policy, outlined in *The Manual* ([www.united-church.ca](http://www.united-church.ca), I. Pastoral Relations, Section 2.1 Remuneration for Ministry Personnel) requires a pastoral charge or other presbytery-accountable ministry to

- pay adequate remuneration to ministry personnel settled or appointed to it;
- review remuneration annually;
- ensure salary is paid at least monthly through the pastoral charge payroll service (administered by ADP);
- base the remuneration on the service (responsibilities) required from the minister, the circumstances of the local ministry unit, and the cost of living in the area; and
- ensure remuneration meets the minimum requirements set by the General Council for that year.

The minimum salaries are increased annually (January 1) by a percentage that reflects the average rise in the Canadian cost of living, and are provided in the “Minimum Salaries for Ministry Personnel” document ([www.united-church.ca](http://www.united-church.ca)). Also provided are the minimum amounts for mileage and continuing education and learning resources.

Some local ministry units approve increases to salaries at their annual general meeting after January 1. In these situations, once approved, the retroactive amount owing to January 1 should be calculated and processed (sent to ADP via applicable forms) on the next payroll following approval.

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

Participation in the United Church pension and benefits plans is mandatory if you are settled or appointed for 14 hours or more per week. “Pension Plan Summary” and “Benefits for Active Members” ([www.united-church.ca](http://www.united-church.ca)) provide information related to the United Church pension and benefits plans.

*“...pay proper respect to those who work among you, who guide and instruct you in the Christian life. Treat them with the greatest respect and love because of the work they do.”*

*Thessalonians 5:12–13 (Good News Bible)*

# Clergy Residence Deduction

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On income taxes, you are eligible for the Clergy Residence Deduction (CRD). You may instruct the local ministry unit to reduce your taxable income by the amount of the CRD and thereby reduce the amount of income tax deducted at source (pay by pay). To do so, you must obtain a “letter of authority” issued by the Canada Revenue Agency (CRA), and Revenu Québec (RQ) for ministers who work in Quebec. Otherwise, you claim the CRD when filing your personal tax return the following year.

To obtain a letter of authority, you must apply annually.

- federal (all ministry personnel): using CRA Form T1213, Request to Reduce Tax Deductions at Source; and, if applicable,
- ministers working in Quebec: using RQ Form TP-1016V, Application for a Reduction in Source Deductions of Income Tax

Once the CRA (and RQ if applicable) provides you with a letter of authority, pass it on to your treasurer. Your treasurer will then direct ADP to process housing subject to Employment Insurance only. The letter of authority is valid for the current calendar year only. The government must authorize this amount, and you must reapply each fall for the following calendar year.

If you live in the manse, you are not required to obtain government authorization to reduce your tax deductions with each pay for the free housing benefit you receive. However, you must confirm with your treasurer the amount you will claim for the CRD and/or provide your treasurer with a copy of the T1223 (Clergy Residence Deduction) form from the previous year.

For further clarification on completing the government forms, search and select “Instructions for Completing CRA T1213 and RQ TP-1016-V” on [www.united-church.ca](http://www.united-church.ca).

To estimate how your take-home pay is affected by claiming the CRD at source, the Canada Revenue Agency has a “Payroll Deductions Online Calculator.” Refer to Appendix A for details.

# Understanding Payroll

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It is United Church policy that you receive your pay through the pastoral charge payroll service, administered by ADP (Automatic Data Processing Inc.). With over 60 years of experience, ADP is one of the world's largest outsource providers for payroll services.

With each pay processed, ADP generates a Statement of Earnings and Deductions (pay statement). Provincial employment legislation requires that employees receive a pay statement with every pay.

## *Treasurer (ADP administrator) responsibilities:*

- To provide you with your regular pay statement. If you are not receiving it for each pay period, ask your treasurer. If your treasurer is unsure how to obtain the pay statements, request that they contact ADP Client Services (1-877-377-4784) for assistance.
- To provide ADP with the form needed to process the annual (January 1) increase to minimum salaries and years of service (increment category) increases, plus any other salary related changes.

## *Treasurer and minister joint responsibility:*

- To ensure your pay is processed accurately, including your January 1 increase (based on the minimum salary schedule) and years of service (increment category) increases. "Understanding the Payroll Reports" ([www.united-church.ca](http://www.united-church.ca)) provides clarification related to the descriptors and amounts you will see on your pay statement.

## *Minister responsibility:*

- If you wish to have your taxable income reduced at source as per the clergy residence deduction (CRD) amount (pay by pay), obtain and submit the Canada Revenue Agency (and Revenu Québec, if applicable) letter of authority to the treasurer; or
- If you live in the manse, to confirm with your treasurer the amount you will claim for the CRD and/or provide your treasurer with a copy of the T1223 form from the previous year.

# The Local Ministry Unit Structure

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## Pastoral Charge

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The pastoral charge and its governing body fulfill their responsibilities with the help of committees, task groups, steering groups, teams, commissions, and other bodies.

As a minister settled or appointed to a pastoral charge, you are automatically a member of the governing body and all committees of the pastoral charge except for the following: a Joint Needs Assessment Committee, a Joint Search Committee, the Ministry and Personnel Committee, and the Nominations Committee.

*The Manual* ([www.united-church.ca](http://www.united-church.ca), B. Local Ministry Unit) provides detail regarding the organization of the pastoral charge and its committees. The following bodies are involved with compensation:

- The governing body (minister is a member)—has general oversight of the finances of the pastoral charge including fundraising, disbursement of funds, and budget approval by the pastoral charge. If discussions take place regarding your salary, you may be asked to leave.
- Joint Search Committee (minister is not a member)—oversees the search process for a new minister once the presbytery has declared a vacancy.
- Ministry and Personnel Committee (minister is not a member)—supports matters involving the pastoral charge staff; regularly reviews working conditions, responsibilities, and compensation; revises position descriptions as needed, conducts annual performance reviews; and ensures staff make use of opportunities for continuing education.
- Stewardship (minister is member)—if a committee is in place, educates the pastoral charge on the mission of the United Church, both locally and in the wider church, and on the funds needed for the mission and how they will be used; regularly reviews the balance of funds given for local purposes and funds given for the Mission & Service Fund.

## Mission and Other Presbytery-Accountable Ministry

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The governance requirements for pastoral charges do not automatically apply to missions or other presbytery-accountable ministries. Governance structures may be customized with the approval of presbytery.

Refer to *The Manual* ([www.united-church.ca](http://www.united-church.ca), B. Local Ministry Unit, Sections 2.2 and 2.3).

# Seeking a New Call or Appointment

If you successfully move through the interview process you will find yourself negotiating the terms of the call or appointment with a member (or members) of the search committee.

There are generally two scenarios:

1. You are offered a call or appointment at the minimum salary with standard terms included (outlined in *The Manual* ([www.united-church.ca](http://www.united-church.ca), I. Pastoral Relations, Section 2.1 Remuneration for Ministry Personnel)); or
2. You are offered a call or appointment at a percentage/amount above the minimum salary with standard terms included. Note that if you are offered an “amount” above the minimum, that amount will lose value with future salary increases. However, if you are offered a “percentage” above the minimum, the percentage amount relative to the salary will keep pace with future salary increases.

The reality is some local ministry units can (or will) only pay at the minimum salary. Other local ministry units will consider paying a percentage/amount over the minimum salary.

Before your first interview, review the worksheets in this document (pages 15–23), summarized below: **reflection, research, and preparation**. The work you do in these areas will give you a sense of direction and confidence when discussing the terms of the call or appointment, including compensation.

## **Reflection—is this new ministry opportunity the right fit?**

To determine if a new ministry opportunity is the right fit, complete a profile of your skills, gifts, and passions and compare it with the needs of the local ministry unit. When the fit is right, your enthusiasm and confidence will shine, and discussions regarding compensation become less difficult.

**Worksheet #1 (page 15): Reflection—new ministry opportunity** will guide you through this exercise.

## **Research—financial needs**

When considering a new ministry opportunity, it is important to understand your financial situation (refer to **Worksheet #2 (page 17): Research—financial needs**). Although this information is personal and confidential, if your financial needs are above the minimum salary, it is helpful if you can clarify with confidence why you are asking for a salary above the minimum.

If the local ministry unit is only able to pay at the minimum, then you may determine that you cannot afford to accept a particular call or appointment.

## **Research—local ministry unit & community**

For an economic picture of your setting, research financial information about the local ministry unit and the local community (refer to **Worksheet #3 (page 20): Research—local ministry unit &**

**community**) prior to negotiating salary. You will get an idea of whether the local ministry unit might be willing to consider a salary above the minimum.

### **Preparation—compensation discussions**

You have confirmed through your reflection exercise, and the interview process, that the new ministry opportunity is the right fit. You understand your financial needs, and you have an idea of the local ministry unit's financial situation. Prior to discussing the terms of the call or appointment with the search committee representative(s), you will want to have some thoughts prepared regarding compensation negotiation (refer to **Worksheet #4 (page 22): Preparation—compensation negotiation**).

Keep in mind that a pre-determined budget will have been set at the beginning of the search process. However, if the search committee and the final applicant wish to negotiate outside of the set budget, the search committee can make a recommendation back to the governing body to approve an increase to the budget. Any major change to the budget will require the approval of the congregation.

# Approaching Negotiations with the Right Frame of Mind

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Your advocacy for fair compensation need not be combative or demanding. Instead, approach negotiation as a positive activity to be done in a manner that encourages:

- adequate income for you to fulfill your role without undue concern about current and future financial needs;
- fair consideration for your investment in education, talent, experience, and effort;
- appreciation for the demands of the position and degree of responsibility;
- responsible and caring action by the congregation; and
- a healthy and more vital relationship between you, the local ministry, and its mission.

## **Misconceptions when local ministry units negotiate ministers' salary**

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*"We can pay less because the minister's spouse is a high earner."*

Nowhere else in the working world are employee salaries reduced to account for spousal earnings. Your efforts are worth no less when your spouse earns a good income.

*"We can pay less because the minister has modest needs."*

Although you may live modestly, you may need to care for family members, or have plans for travel or unpaid service during retirement. A church has no right to pay a less-than-fair wage simply because it makes assumptions how you will spend the money.

*"We can pay less because the minister is young and has no family, is older and has established themselves, or is part-time and can earn more elsewhere."*

Fair and equitable compensation should be based on your education, talent, experience, effort, and responsibility. Non-work related factors should not influence what you are paid.

## **Misconceptions when ministers negotiate their salary**

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*“Congregation members will dislike me if I request a higher salary.”*

People appreciate honesty and would rather know how you are feeling than deal with unexpressed frustrations. You cannot have healthy relationships in a church when you carry a burden of undisclosed negative feelings. People pay more attention to what you do than what salary you ask for. People know that ministers are called to be God’s servants, but sometimes forget that servants deserve fair wages for their labours.

*“I’m a proclaimer of the gospel, I shouldn’t be preoccupied with such material concerns.”*

The scripture acknowledges time and again that church leaders must be cared for and compensated for their labour. Paying a fair wage is one way your congregation acknowledges that it respects its own ministry leaders. Being silent and passive can cause your feelings to emerge in defensive ways that are not productive to God’s work.

*“My church is poor. It can’t afford to do better.”*

Some churches are doing all they can financially. However, perception and reality may not always align. Use the tools at hand to determine if this is the case (refer to **Worksheet #3: Research—local ministry unit & community**).

*“The church’s mission giving will go down if my salary goes up.”*

It is better for a church to support its own ministry than to sacrifice your salary for wider mission giving. Your church’s first priority is to appropriately provide for its members and pastoral leaders. They are essential for church growth and effective mission giving.

# Tips for Constructive Negotiations

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- Conduct negotiations in a spirit of good will and positivity.
- If you are invited to begin the session with a prayer, pray that God's Spirit will lead all present in the discussion.
- Know what you want and what you absolutely need, and prioritize your requests. It is important to have thought through these matters before the negotiation begins. Seeming to be unprepared diminishes your credibility. (If you are unprepared, they may think, "How important can this be? They didn't even know what they wanted.")
- Whenever possible, point out the positive impact your requests will have on you and the local ministry unit's ministry. We are all partners in ministry. Money and ministry are connected.
- Be an active listener and try to understand the logic of others' positions; restate your understanding of your counterparts' understanding to gain added credibility.
- Be realistic in your expectations. You may not be able to achieve all your goals at once. Expect to give up on some requests and compromise on others.
- Understand that in some local ministry units, money anxiety is real and discussions about money are not easy.

*"...the Lord has ordered that those who preach the gospel should get their living from it."*

*Corinthians 9:14 (Good News Bible)*

# Annual Performance and Compensation Review

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The Ministry and Personnel Committee's responsibility is to regularly review the working conditions, responsibilities, and compensation of staff; revise position descriptions as needed; conduct annual performance reviews; and ensure staff make use of opportunities for continuing education. Pastoral charges handle these responsibilities differently. Some have a formal review process, while others have none.

If the pastoral charge has no process in place, they should. You may wish to advocate for one. The "Ministry and Personnel (M&P) Committee Guidelines" ([www.united-church.ca](http://www.united-church.ca)) has been developed for M&P Committee members to help clarify their roles and build positive, trusting relationships. Included are recommended practices for position descriptions, pastoral evaluations, and annual reviews. These are important tools to move the pastoral charge's ministry and mission forward in a healthy, vibrant, and progressive manner.

Although ministers serving in missions or other presbytery-accountable ministries may not have governance structures, the concepts provided in the "Ministry and Personnel Committee Guidelines" can be adapted.

Perhaps when you were first called or appointed to a local ministry unit, the financial situation could not support a salary above the minimum. However, over the years, the ministry has expanded and you find yourself overseeing more responsibility and/or leadership than when you first arrived. Or perhaps you have acquired accreditation in a specialized area of ministry. It is through the annual performance review that goals achieved can be recognized, and increases to compensation above the minimum can be negotiated. The worksheets provided in this workbook will be helpful to use as a guide prior to compensation related discussions.

## Worksheet #1: Reflection—new ministry opportunity

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What ministry activities make me feel the most alive, or the closest to God, or in the flow? Think about some specific activities that lead you to this conclusion.

Who are the people with whom I minister most effectively (i.e., children, teens, marginalized people)?

Where have I focused my continuing education time and resources? Has this helped me to develop interests into real skills and credentials? if so, in what areas?

What do people compliment me for?

What ministry activities drain me of energy?

Based on your answers on the previous page, identify the particular skills, gifts, and passions that you bring to each of the categories listed below using specific examples of how you live out your vision. Then, identify what you believe are the needs of the local ministry unit and compare.

The Toronto Conference developed a workbook which provides a general description of each category listed below with very good questions to consider. See the *Toronto Conference Ministry Personnel Seeking a New Call or Appointment Handbook* ([www.torontoconference.ca/el-mp-forms.php](http://www.torontoconference.ca/el-mp-forms.php)) and refer to pages 23–26.

My skills and gifts	Local ministry unit—skills and gifts needed
Growing in Faith	
Justice, Outreach, and Sharing the Good News	
Leadership	
Wider Relationships	
Pastoral/ Spiritual Care	
Belonging/ Extravagant Welcome/Wellness	
Stewardship	
Worship	

## Worksheet #2: Research—financial needs

If you are new to ministry, or you expect your salary to change significantly (e.g., you are moving from part-time to full-time), you can approximate the salary you will need (desired salary) to cover your expenses by completing the four steps in this worksheet.

If you are currently serving as a United Church minister and considering a new call or appointment, you can make a simpler calculation. Complete the “Possible Expenses” (left-hand column) below in Step 1 twice. First enter your current expenses, and then your projected expenses in the new location. If you find that your projected total expenses will be significantly higher, that gives you an idea of whether you will need to negotiate a higher salary, and by how much.

**Note:** If you are a member of the United Church benefits plan, you may wish to access a financial planner through the Employee Assistance Program (EAP). For information, contact Shepell (1-800-387-4765).

### Step 1: Determine Your Net Income Shortage

Possible Expenses	Amount	Net Income (do not include desired salary)	Amount
mortgage / rent		net income from other sources (if applicable) i.e. spouse's employment income, grants, pension, etc.	
property taxes			
utilities			
transportation (lease/loan, gas, repair)			
insurance (auto, home)			
education loan payment			
child care expense			
food			
clothing		<b>Total Income</b>	
home improvements		<i>Note:</i> reimbursable work related expenses (i.e., continuing education, mileage, personal telephone) should not be included as possible expenses.	
vacations			
entertainment & gifts			
savings		<b>SUMMARY:</b>	
		<b>Total Expenses</b>	
other		<b>Total Net Income</b>	–
<b>Total Expenses</b>		<i>Total expenses – total net income =</i> <b>INCOME SHORTAGE</b>	=

## Step 2: Calculate Government and United Church Deductions

In addition to your net income shortage, your desired salary needs to take into consideration payroll deductions for United Church and government remittances. This is tricky, since they are calculated as a percentage of your salary. As your salary increases, so do the deductions and so does your tax rate. Therefore, some trial and error may be necessary to test different tax rate scenarios. Government tax rates, depending on your salary and province, range from 20% to 50%. A good place to start is to calculate remittances based on a tax rate of 30%.

To begin, let's assume a 30% tax rate. Multiply your net income shortage by 1.3 to get a salary assumption.

$$\begin{array}{ccc} \text{_____} & \times 1.3 = & \text{_____} \\ \text{net income shortage} & & \text{salary assumption (30\% tax rate)} \\ \text{(from Step 1)} & & \text{usually referred to as gross salary} \end{array}$$

Now, use the amount of that salary assumption to complete the United Church, Canada Revenue Agency, and if applicable, Revenu Québec remittance amounts.

**United Church**—search and select: Budgeting Tools for Treasurers—calculating pension & benefit deductions ([www.united-church.ca](http://www.united-church.ca))

Mandatory United Church Pension	<input type="text"/>
Mandatory Long-Term Disability (to age 64½)	<input type="text"/>
Optional Health & Dental*	<input type="text"/>
Optional Life Insurance—member*	<input type="text"/>
Optional Life Insurance—spouse*	<input type="text"/>
Optional Accidental Death & Dismemberment*	<input type="text"/>
(*if applicable)	

**Canada Revenue Agency**—search “CRA Payroll Deductions Online Calculator” at [www.cra-arc.gc.ca](http://www.cra-arc.gc.ca). Refer to Appendix A for instructions related to claiming the clergy residence deduction at source.

Income Tax	<input type="text"/>
Canada Pension Plan	<input type="text"/>
Employment Insurance	<input type="text"/>

**Revenu Québec**—search “WinRAS—Calculation of Source Deductions and Employer Contributions” at [www.revenuquebec.ca](http://www.revenuquebec.ca).

Income Tax	<input type="text"/>
Canada Pension Plan	<input type="text"/>
Employment Insurance	<input type="text"/>
<b>TOTAL DEDUCTIONS:</b>	<input type="text"/>

### Step 3—Compare Deductions with Salary Assumption (30% tax rate)

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You multiplied your net income shortage by 1.3 to add 30% to cover United Church and government remittances. Was 30% the right amount? Compare your net income shortage with your total deductions, as follows.

$$\begin{array}{ccccccc} \underline{\hspace{2cm}} & \times 1.3 = & \underline{\hspace{2cm}} & - & \underline{\hspace{2cm}} & = & \underline{\hspace{2cm}} \\ \text{net income shortage} & & \text{salary assumption} & & \text{total deductions} & & \text{calculation result} \\ \text{(from Step 1)} & & \text{(30\% tax rate)} & & \text{(from Step 2)} & & \end{array}$$

If the calculation result is

- *zero*, then the salary assumption (30% tax rate) should be your minimum desired salary. This salary should be enough to cover your income deficit.
- *negative*, then go back to Step 2. Calculate United Church and government remittances based on a higher percentage (e.g., 35%).
- *positive*, you may wish to go back to Step 2 and calculate United Church and government remittances based on a lower percentage (e.g., 25%).

### Step 4—Compare Desired Salary with Cost of Living (COL) Group Minimum

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You now have a good idea of the salary you need to cover your income deficit. Next, compare this amount with the minimum salary you could be offered.

$$\begin{array}{ccc} \underline{\hspace{2cm}} & - & \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\ \text{desired salary} & & \text{COL group minimum} & & \text{difference} \\ \text{(from Step 3)} & & & & \end{array}$$

If the difference is

- *negative*, then this number is the amount you might aim to negotiate above the minimum.
- *zero* or *positive*, then the minimum salary should cover your income deficit.

## Worksheet #3: Research—local ministry unit & community

### Research Sources

- *The United Church of Canada Year Book & Directory*.  
Volume I provides statistical financial information for pastoral charges;  
Volume II provides directories of staff at General Council Office and Conferences,  
a directory of presbytery officers, and ministry personnel placement and contact  
information. Pastoral charges, presbyteries, and Conferences receive copies annually,  
and publications can be purchased at [www.ucrdstore.ca](http://www.ucrdstore.ca).
- Joint Needs Assessment Report and local ministry unit website.
- Presbytery officers, Conference staff, prior ministers.
- City/town: websites, chamber of commerce, board of trade, economic development  
council, statistics Canada, realtor association websites, and [realtor.ca](http://realtor.ca).

Community	
Community trends and economic condition	
Community demographics (median income, age, type of work, etc.)	
Salaries of pastoral staff of similar-size churches (United Churches and other denominations)	

Local Ministry Unit	
Size of the congregation and amount of your responsibility; average weekly attendance	
Congregation profile: size, demographics, involvements, length of time in congregation	
Annual reports and budget trends	
Salary history	
Financial condition (assets, liabilities, income, expenses)	
Number of households: under pastoral care/ financially supporting	
Total givings raised	
Is there potential for more giving units? or increases?	
Decision making style	

## Worksheet #4: Preparation—compensation negotiation

### Possible justifications for a salary above the minimum

**Housing**—all local ministry units have been assigned to cost of living (COL) groups based on the median housing values for the city, town, or rural community in which the local ministry unit is located. To find your COL group, search and select: “COL Group Assignment” ([www.united-church.ca](http://www.united-church.ca)). The COL group housing value ranges are:

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

If the median housing value of the city/town/community of your local ministry unit is at the high end of the COL housing value range, or you will be renting and the cost of rent in the local ministry unit location is exceptionally high, this can be a reason to negotiate a salary higher than the minimum.

To determine the median housing value, go to [www.realtor.ca](http://www.realtor.ca). Search your local ministry unit city/town (using no filters), scroll in so that only the listings of the city/town are showing, divide total listings (upper left side of screen) by 2 for median listing number, go to that listing number.

Enter COL Group and housing value range.	
Enter median housing value, and assess where it lies within the COL group range.	
Review the findings from the <b>Worksheet #2: Research—financial needs</b> . Are your needs such that a salary above the minimum is necessary?	
<b>SALARY OF MOST RECENT MINISTRY ROLE</b> (If the salary was above minimum, you can advocate for keeping it the same. Keep in mind if you are moving to a higher/lower COL group, the minimum salary will be higher/lower and your expectation may need to be adjusted).	
<b>RESPONSIBILITY</b> (e.g., there is a large congregation/many points, there is greater level of responsibility/supervision, there are several different missions to oversee)	
<b>SPECIAL GIFTS</b> (special skills/gifts/ education/experience that the local ministry unit is looking for)	
<b>Minimum salary I am looking for</b>	

### Other possible points of negotiation...

(if the economic situation of the local ministry unit and community are such that it is likely they will pay at the minimum)

Extra vacation days above the 1 month minimum (family weekend off spring and fall; if at a distance from family: a week to travel home, compensatory time off after Christmas and Easter)	
Education and learning resources remuneration and time off for professional development above the minimum (e.g., to obtain a degree/specialized accreditation)	
Funds for computer/mobile phone/iPad above minimum personal telephone (especially if the church expects e-mails/calls to be answered at all times)	
Part-time hours, with agreement that you will have another job and what the hours for the 2nd job will be, and/or negotiate Sundays off (i.e., if work 75% time, 1 Sunday off, if work 50% time, 2 Sundays off)	
Flexible hours, working from home, no office hours	
Extra support from the congregation, e.g., to run Bible study courses	
Confirm/discuss time away for presbytery and Conference commitments	
Extra income to cover your group benefits remittances	
Snow removal/lawn care	

# Compensation Stories

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The following stories are true, but the names are changed. The tales are illustrative of approaches ministers have taken in working with their compensation.

## **Solo Diaconal Minister—small remote pastoral charge**

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In Tina's final year at the Centre for Christian Studies someone said to her, well, if you're being settled you just have to take what they offer you. She absolutely disagreed and she put that into practice when she received the first copy of her terms of settlement. She went through every item of the terms and listed her questions, which she then discussed with the chair of Ministry and Personnel.

Tina went into the discussion with the full understanding that things like salary, continuing education, telephone costs, etc., as laid out by The United Church of Canada are only minimums and that it was her right to request more than the minimum for these items. Fortunately, the pastoral charge had already committed to a set amount above minimum (and they have maintained that as she has moved through the salary categories).

Tina's negotiations focused on clearer language on other items. For example when she read a phrase like "minister's travel will be paid" she asked for clearer language because it did not say who would be paying. Depending on whether it was a meeting or a vacation, different levels of the church were responsible and she requested that this be laid out in writing.

There was also a term stating that while travel to meetings would be covered, it was understood that she would coordinate her study leave with presbytery meetings. She got the impression that the presbytery chair was surprised when she requested this language be changed. So the final terms stated that her travel to meetings and study leave would be paid. But in order to limit costs in the past, study leave was attached to other meetings/vacations. The new language clarified that although this was a past precedent, she was not limited to being reimbursed for study leave or vacation if she did not attach them to other trips.

## **Solo Ordained Minister—struggling urban pastoral charge**

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When George was settled to an urban pastoral charge that could only afford three-quarter time, a presbytery representative from the Education and Students Committee joined him at the negotiation meeting. Although the charge was unable to afford to pay fulltime wages, the presbytery representative asked if they could afford 5% above the minimum as the urban area in which the church was located was an expensive area. The presbytery representative asserted that many churches in the area paid above the minimum wage because of the cost of living in the area. Though the pastoral charge asked whether this meant George would actually be working 5% more time, the presbytery representative asserted, that no, the expectation was simply that the charge would pay 5% over the minimum for 30 hours/week.

The pastoral charge requested that George preach every Sunday, excluding his vacation and study leave. Though the position was 75% time, they felt it would be too difficult to find someone else to lead services once a month, plus, they wanted the consistency of having the same person every Sunday. George agreed to this, with the expectation that this would mean he would be attending fewer weekday meetings and events, even though no job description was provided.

After a full year of ministering with the congregation, George requested an annual performance review with the Ministry and Personnel Committee. The M&P Committee did not feel comfortable offering criticism and therefore delayed the meeting by several months. When the meeting was set, George sent a job description that he felt reflected what he was doing. When the hours of service were added up, it was clear George was working more than 30 hours a week. The congregation still wanted weekly services, but the M&P Committee was hesitant to cut anything from the job description. Though George received his annual cost of living increase, when George moved from one category to the next, his salary was not increased because the M&P Committee saw that he was already being paid more than the minimum for his new category. George reminded the committee that they had agreed to pay 5% above the minimum salary. But because they had not agreed to carry this practice on, George was hesitant to persist, as his salary was already the highest expense the church had.

In retrospect, George realized that he should have clearly negotiated at the very start what his three-quarter time should look like, especially as he had to find a second job to compensate for the reduced hours. George also realized that he should have gotten in writing that the church agreed to pay 5% above the minimum in whichever category he was in so that his income would increase as he moved categories. If George had sought support and advice from the Conference personnel minister, he might have realized these things sooner. But he felt like he could not escalate these financial issues as he didn't think the church could afford more.

# Appendices

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## **Appendix A: Claiming the Clergy Residence Deduction at Source**

To estimate how your take-home pay is affected by claiming the Clergy Residence Deduction (CRD) at source, you can use the Canada Revenue Agency “Payroll Deductions Online Calculator.” Use the Online Calculator to compare deductions if you claim the CRD at source or do not claim the CRD at source. The following instructions will help you navigate through the CRA Online Calculator pages.

### **1st page: Payroll Deductions Online Calculator**

*Disclaimer*

Select: I accept

### **2nd page: Payroll Deductions Online Calculator**

*Type of calculation*

Select: salary

### **3rd page: Salary calculation: Step 1 of 3**

*Province or territory of employment*

Select: applicable province/territory

*Pay period frequency*

Select: monthly (12/year)

*Date the employee is paid*

Select: date you are using the calculator

### **4th page: Salary calculation: Step 2 of 3**

*Salary or wages income per pay period*

Enter: monthly salary

*Vacation pay*

Leave blank

*Add a bonus or retroactive payment*

Leave blank

*Select any of the following that apply*

Do not select any

*For a member of the clergy, select one of the following:*

*Housing benefit*

Select this option if you live in manse

*Housing allowance*

Select if you receive a housing allowance

*No housing benefit or allowance*

Select if you do not receive a housing allowance or live in the manse, but intend to claim the CRD at source (applicable when paid in accordance with the new compensation model)

No selection

Select to calculate CRA deductions when the CRD is *not* claimed at source (compare to CRA deductions when the CRD is claimed at source)

## 5th page: Salary calculation: Step 2 of 3

*When housing benefit has been selected...*

*Clergy housing benefit*

Enter: monthly manse benefit amount

*Utilities (paid by employer)*

Enter: monthly utilities amount

*Your employee has given you Form T1223 or letter confirming amount they will claim for the CRD*

Check box to confirm

*Clergy residence deduction*

Enter: monthly manse benefit amount plus monthly utilities amount (paid by employer)

*When housing allowance has been selected...*

*Clergy housing allowance*

Enter: monthly housing allowance amount

*Utilities allowance*

Usually not applicable, leave blank

*Your employee has given you a letter of authority approved by a tax services office*

Check box to confirm

*Clergy residence deduction*

Enter: CRA letter of authority approved amount (CRA form T1223 calculation)

*When no housing benefit or allowance has been selected...*

*Your employee has given you a letter of authority approved by a tax services office*

Check box to confirm

*Clergy residence deduction*

Enter: CRA letter of authority approved amount (CRA form T1223 calculation)

## **6th page: Salary calculation: Step 3 of 3**

TD1 Federal & TD 1 Provincial Tax Credit Return

Canada Pension Plan

Employment Insurance

Do not enter any amounts;  
Go directly to "Calculate" (bottom of page)

## **7th page: Result**

Provides monthly federal and provincial tax,  
Canada Pension Plan, and Employment Insurance  
deduction amounts.

## Appendix B: Summary of Resources

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Go to [www.united-church.ca](http://www.united-church.ca), and search and select the following:

- The Manual
  - Remuneration for Ministry Personnel, including expenses:
    - I. Pastoral Relations Section 2.1
  - B. Local Ministry Unit
- Minimum Salaries for Ministry Personnel
- Pension Plan Summary
- Benefits for Active Members
- Understanding the Payroll Reports
- Ministry and Personnel (M&P) Committee Guidelines
- United Church Resource Distribution
  - To order the United Church Year Book
- New Compensation Model for Ministry Personnel
  - Communications related to the development and implementation of the new compensation model for ministry personnel

### Contact Information

#### *1st Contact: Pastoral Charge*

- Treasurer (ADP administrator) for questions related to payroll
- Ministry and Personnel Committee for questions related to compensation, performance, and annual reviews

#### *2nd Contact: Presbytery Secretary*

(who will redirect questions /concerns to the appropriate presbytery representative)

- if pastoral charge is not able to assist

#### *3rd Contact: Conference Personnel Minister*

- if presbytery is not able to assist

#### *4th Contact: General Council Office (1-800-268-3781)*

- if Conference is not able to assist
- Pastoral Relations: Program Coordinator, Ministry Personnel Leadership, ext. 3147
- Payroll: Compensation Program Coordinator, ext. 3118

