

Minimum Salaries & Reimbursements for Ministry Personnel (2019)

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

New and Notable

Calculation for year of credited seniority service

Effective January 1, 2019, the calculation for a year of credited service for paid accountable ministry work has changed from 750 hours in one calendar year to 728 hours in one calendar year (14 hours per week). For years in which paid accountable ministry work is less than 728 hours, the hours worked can be banked if the yearly paid work is more than 416 hours (8 hours per week); once 728 hours of paid work is reached, a year of credited service will be calculated for the purpose of moving through the salary seniority categories.

Triennial reassessment of cost of living groups

All pastoral charges are assigned to a cost of living (COL) group based on the median home value (obtained through realtor.ca) in the city, town, or rural community in which the **pastoral charge** is located. Every three years the median home value is reassessed, and if determined that a specific median home value in a location has changed significantly, the pastoral charge may be reassigned to a lower or higher cost of living group. The first assignment to cost-of-living groups occurred in the spring of 2014 (implemented January 2015). The first **reassessment** occurred in the Spring of 2018 (delayed by 1 year to ensure all pastoral charges have transitioned to comprehensive salary). If a pastoral charge is in a higher cost of living group, the new salary will be effective January 1, 2019. If the pastoral charge is in a lower cost of living group, the current minister's salary may not be reduced, but will be frozen until the range catches up to that salary. For more detail, go to: www.united-church.ca; search & select: COL group assignment. The new groups will be available online in July.

Remote manse allowance

Effective January 1, 2019, ministry personnel living in a manse in a designated remote location are entitled to a remote manse allowance. For 2019, the annual amount is \$2,550.

Normal heating cost for manse

Effective January 1, 2019, where ministry personnel pay for utilities, the normal heating cost paid by ministry personnel has increased from \$500 to \$800 per year, with the pastoral charge responsible for any heating costs above this.

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Overview

- Minimum salaries: **1.6% increase to the 2018 minimum salaries**
- Continuing Education and Learning Resources: **\$1,415 annually**
- Travel: **\$0.40 per kilometre**
- Visiting Ministry Personnel: **\$212 daily rate**
- Remote Manse Allowance: **\$2,550**
- Manse heating cost to be paid by ministry personnel: up to **\$800 annually**

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 other ministries (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 2006 the General Council affirmed the principle of regionally-based minimum salaries reflecting local cost of living. This principle was implemented in 2015 with pastoral charges assigned to cost of living groups base on median home values. Where a 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 must rent and the cost of rent in the ministry unit location is exceptionally high, consideration should be given to providing compensation above the minimum.

For more detail on how cost of living groups are determined, refer to the Addendum. The cost of living groups for 2019 will be posted on the website in late July.

Annual Cost of Living Increases

Effective January 1 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. The minimum salary rates that take effect on January 1, 2019, reflect the average rise in the Canadian cost of living as of December 31, 2017. For 2019, the annual cost of living increase will be 1.6%. Refer to the following link: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ46a-eng.htm>

If 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. If there is no formal agreement in place, pastoral charges are not required to provide a cost-of-living increase as long as the salary is above the new minimum.

Increases for ministry personnel 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. For example, if part-time service is $\frac{3}{4}$ time, the salary is $\frac{3}{4}$ of the full time salary. **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.

A. Minimum Salaries

	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	46,967	48,621	50,276	51,931	53,586	55,239
2	49,517	51,171	52,826	54,481	56,136	57,789
3	52,811	54,465	56,120	57,775	59,430	61,083
4	56,741	58,395	60,050	61,705	63,360	65,013
5	61,204	62,858	64,513	66,168	67,823	69,476
6	66,516	68,171	69,826	71,481	73,136	74,789
	Recognized Designated Lay Ministry					
1	45,783	47,383	48,987	50,586	52,188	53,787
2	48,333	49,933	51,538	53,136	54,738	56,337
3	51,627	53,227	54,831	56,439	58,032	59,631
4	55,557	57,157	58,761	60,360	61,962	63,561
5	60,020	61,620	63,225	64,823	66,425	68,024
6	65,333	66,933	68,537	70,135	71,738	73,337
	Candidate (includes all candidates in appointments)					
	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." This is available July 2018.</p>			
1	44,997	45,343				
2	47,547	47,893				
3	50,841	51,187				
4	54,771	55,117				
5	59,234	59,580				
6	64,546	64,893				

B. Minimum Salaries for ministers provided with use of a manse

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 +
36,768	38,423	40,077	41,733	43,387	45,041
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 +
35,585	37,185	38,789	40,388	41,989	43,588
Candidate (includes all candidates in appointments)					
Step 1 1 to 2 years	Step 2 3+ years				
34,799	35,144				

Remote Manse Allowance

Ministry personnel living in a manse in a remote location are entitled to a remote manse allowance. **For 2019, this is \$2,550.** For more detail, refer to the Addendum.

Manse Heating

If ministry personnel pay for manse utilities, the normal heating cost paid by ministry personnel has increased to a **maximum of \$800 per year starting in 2019**, with the pastoral charge responsible for any heating costs above this. For more detail, refer the Addendum.

Federal requirements concerning income tax and pension contributions require the fair rental value (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	Annual Manse + Utilities	Federal Housing Minimum Required (20% of salary)	Minimum "Paid" Housing (MANSETOP)
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.

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 in a call or appointment made by a regional council or the denominational council are included in the calculation of years of eligible service. Also included is time spent on leave (vacation, education, sabbatical, maternity, parental, and medical).

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.

Candidates commencing service in a ministry unit will be paid based on the minimum candidate salary at Step 1; following two years of service, candidates 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.

The calculation for a year of credited service for paid accountable ministry work is 728 hours of paid work in one calendar year (14 hours per week).

For years in which paid accountable ministry work is less than 728 hours (14 hours per week) but more than 416 hours (8 hours per week), the hours worked can be banked. Once 728 hours of paid work is reached, a year of credited service will be calculated.

Example:

A new minister starts their first paid accountable ministerial role in July, and completes 728 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.

Clergy Residence Deduction (CRD)

Each year, ministry personnel may 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. The CRD form does not need to be submitted with the minister's tax return, but must be available if the CRA requests 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 and signed by the employer)
- Part C – Calculation of deduction (to be completed by employee)

If the minister would like the ministry unit to reduce their taxes at source (pay by pay), the minister must obtain a "letter of authority" every year from 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 upcoming 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 or RQ provides a letter of authorization, the treasurer will advise ADP to reduce taxes at source.

Ministers living in a manse are not required to obtain government authorization to reduce their taxes at source (pay by pay) for any housing benefit they receive. However, the treasurer must confirm that the minister will claim the CRD amount when completing their personnel tax return.

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. **The full-time annual amount is \$1,415, and is pro-rated for part-time hours.**
- **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. **For 2019, this rate is \$0.40 per kilometre.** 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 2019, the version dated January 1, 2018, 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".

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. These services are intended to cover only one or two Sundays or weekends at a time. An ongoing need for these services must be discussed with the regional council or the Denominational Council to determine whether an appointment should be made.

The minimum daily rate is \$212. 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. 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 that a T4A 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).

Addendum

Remote Manse Allowance

\$2,550 for 2019

The 39th General Council 2006 requested that a method be established to compensate ministry personnel serving in high cost, remote areas.

For ministry personnel living in a manse, the following policy was approved:

- Effective January 1, 2019, a remote manse allowance be provided for ministry personnel living in the manse, serving in designated remote locations;
- The calculation for the allowance to be the difference between the Increment Category A, cost of living group 1 and cost of living group 2 minimums for any given year;
- Funding for the allowance to be administered through the minister's resident pastoral charge first, the regional council or the denominational council e;
- If the minister's resident pastoral charge, and regional council or the Denominational Council are not able to accommodate the full allowance, an application to the Compassionate Assistance Fund can be made for the balance.

A location is considered remote, if at least one of the following apply:

- No all-weather road access, and no/very limited scheduled air or rail passenger services;
- All-weather road access, however, over 250 km (or 2 ½ hours drive via Mapquest) from a population centre more than 5,000;
- All locations north of 60 degrees latitude;
- All locations in Labrador.

Manse Heating

Maximum of \$800 per year starting in 2019

In 1956 (17th General Council), it was decided that where the cost of heating a manse goes above a level that should be regarded as normal heating costs (\$200 at that time), the pastoral charge provide the difference. The amount was increased from time to time, and sometime in the 1980s the normal heating cost amount increased to \$500. Since then, there has been no further increase. This policy was put into place to protect ministry personnel living in manses with aged or inefficient heating systems and/or poor insulation from having to pay exorbitantly high heating bills.

Continuing with the policy created in 1956, the following proposal was approved by General Council Executive in March 2018:

- Effective January 1, 2019, increase the normal heating cost amount paid by ministry personnel from \$500 to \$800 per year, with the pastoral charge responsible for any heating costs above this;
- The determination of the normal heating cost amount to be generally based on the cost to heat a 2-story detached home (approximately 2,000 square feet), age of home 40-50 years, with a mid-efficiency gas furnace;
- From time to time, staff will review the normal heating cost amount and make a recommendation to the Permanent Committee Ministry and Employment Policies and , or equivalent, when an adjustment is necessary.

Assignment to Cost of Living (COL) group – Methodology

All pastoral charges are assigned to cost of living (COL) groups based on the median home value, obtained through realtor.ca, in the city, town, or rural community in which the pastoral charge is located. Every three years the median home value is reassessed, and if determined that a specific median home value in a location has changed significantly (greater than 25% into the next lower/higher COL group range), the pastoral charge may be reassigned to a lower/higher COL group. A pastoral charge COL group may only change by one group in a triennial review.

The median home value ranges used in the Spring 2018 reassessment:

- COL 1 up to \$158,100
- COL 2 \$158,101 to \$263,500
- COL 3 \$263,501 to \$395,300
- COL 4 \$395,301 to \$553,400
- COL 5 \$553,401 to \$737,800
- COL 6 over \$737,800

- Using listings from Realtor.ca, the median home value and number of listings for each city, town, or rural community is documented. The median home may include 2 and 3 bedroom condos, semi-detached and detached dwellings, and townhouses. If the median home is not suitable (i.e., too run down, only 1 bedroom), the value of the next suitable home listed is used.
- If the location has a significant number of listings to determine a reasonable median home value, the search is town proper, and outskirt/rural homes are not included.
- If the location does not have a significant number of listings to determine a reasonable median home value, the search is regional and neighboring small towns and/or outskirt/rural homes are included.
- In locations where there are an insufficient number or no homes listed, pastoral charges will be assigned to COL 1 until further discussion can occur with the regional representative.
- In smaller locations that have an extremely high median home value in comparison to a neighboring location(s), the median home value of the closest neighboring location (determined by Google Maps drive time) will be used. If the pastoral charge in the high median home value location requires the minister to live close to the church, the minister may negotiate a higher salary. In locations where the median home value is skewed by a disproportionate amount of multi-million dollar homes listed, with no neighboring locations, the median home value may be adjusted appropriately.
- In locations with a high volume of sales, the realtor.ca tool does not allow for a median home value to show. Therefore, the location will be sectioned and judgement used to arrive at a reasonable median home value.

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- In designated remote locations, if the median cost of housing of the location was within the top 25% of the COL group range, the COL group is adjusted up to the next COL group. To be remote, the location must have at least one of the following:
 - no all-weather road access, and no/very limited scheduled air or rail passenger services
 - all-weather road access, however, over 250 km (or 2 ½ hours drive via Google Maps) from a population centre more than 5,000
 - all locations north of 60 degrees latitude, and all locations in Labrador