

## **PASTORS STIPEND/ALLOWANCES RECOMMENDATIONS – 2018**

**Dear Pastors and Treasurers,**

In accordance with the “Recommended Pastoral Stipends Policy”, we provide the following recommended minimum stipends and benefits payable to pastors, effective from **1 January 2018**.

Background information to these recommendations may be found in the Final Report of the Stipends Working Party, April 2007.

These recommendations are based on an urban Adelaide context and churches are encouraged to take into account the realities of the cost of living in their setting when determining stipend rates for their staff. Churches and pastors are free to agree to stipend/benefit packages different from the recommended levels.

In considering these recommendations, should you have any questions or need any assistance, **PLEASE** do not hesitate to contact our Accountant, Bridget Townsend, on (08) 8357 1755 or email [btownsend@sabaptist.asn.au](mailto:btownsend@sabaptist.asn.au).

### **1. STIPEND/BENEFITS - RECOMMENDED WEEKLY PAYMENT:**

*Please note that calculations are based on 38 hours in a work week (7.6 hours per day).*

#### **Stipend and Travel Allowance – where a house is not supplied by the church**

<b><u>BAPTIST CHURCHES OF SA ACCREDITED PASTORS</u></b>	<b><u>\$ per week</u></b>
<b>Stipend 1:</b> Less than 4 completed years of pastoral ministry since accreditation Plus Travel Allowance	<b>1,136.65</b> <b><u>139.17</u></b> <b><u>1,275.82</u></b>
<b>Stipend 2:</b> More than 4 years of pastoral ministry since accreditation Plus Travel Allowance	<b>1,210.62</b> <b><u>139.17</u></b> <b><u>1,349.79</u></b>
<b>Stipend 3:</b> Pastor providing senior leadership in a ministry situation evidencing a high level of congregational ministry, numerical and financial growth and development, but that has not yet attained Level 4 Plus Travel Allowance	<b>1,309.23</b> <b><u>139.17</u></b> <b><u>1,448.40</u></b>
<b>Stipend 4:</b> Senior Pastor of a large, pastorally multi-staffed church having a diverse and multi-faceted ministry Plus Travel Allowance	<b>1,481.75</b> <b><u>139.17</u></b> <b><u>1,620.92</u></b>

## **CONSIDERATIONS FOR NON-ACCREDITED PASTORAL MINISTRY:**

In the case of non-accredited or student pastors, the circumstances vary to such an extent that it is difficult to recommend a specific percentage of the recommended package. The pastoral work expectations and the circumstances of the pastor or student should be taken into account in determining the percentage variation to be applied. The attached schedule (Schedule 1 Non-Accredited Pastoral Stipend Package Guidelines) provides some guidelines to help assess which stipend package level may be suitable for your situation.

<b><u>NON-ACCREDITED PASTORS</u></b>		<b>\$ per week</b>
<b>Level 1:</b>	Less than 2 years of Ministry experience (No qualification and/or completing ministry qualification) Plus Travel Allowance	<b>726.96</b> <b><u>139.17</u></b> <b><u>866.13</u></b>
<b>Level 2:</b>	2 to 5 years in Ministry experience (C4 in associated qualification and/or completing undergraduate ministry degree) Plus Travel Allowance	<b>869.50</b> <b><u>139.17</u></b> <b><u>1,008.67</u></b>
<b>Level 3:</b>	5 years or more of Pastoral experience (With Undergraduate Ministry Qualification but not Baptist Churches of SA accredited) Plus Travel Allowance	<b>982.20</b> <b><u>139.17</u></b> <b><u>1,121.37</u></b>

Please note that all pastoral/staff appointments must comply with the Fair Work Act 2009 and all appropriate State legislation regardless of the recommendations made herein – refer <http://www.fairwork.gov.au>.

### **Where a house is supplied by the church:**

No specific recommendation is made as to the value to be attributed to the provision of a manse and the consequent stipend adjustment. It is expected that an appropriate arrangement relevant to the particular circumstances will be negotiated between church and pastor reflective of the prevailing market and community standards. Further assistance from our office is recommended. The exempt benefit component of the stipend should be reduced by the amount determined.

**It is recommended that the stipend be paid as 50% taxed and 50% Exempt Benefit (non-taxed).**

## **2. EXEMPT BENEFIT PAYMENTS:**

Exempt Benefits apply only to pastors “*who are engaged in pastoral duties or activities that are directly related to the practice, teaching or propagation of religious beliefs.*” The benefits are income tax exempt and therefore are not required to be reported on the PAYG Payment Summary issued by the church. However, items paid from non-taxed income cannot be claimed by a pastor as a deduction in their annual taxation return.

### **Administration:**

It is recommended that Exempt Benefits be paid by the church into a “Pastoral Expenses Account,” under the name of the church. The signatories may be the same as for other church accounts, although for this account may also include the pastor. The church and the pastor should agree in advance the types of benefits to be paid from this account. Supporting documentation, properly authorised, should always be provided, as with other church payments. Since it is a church account, any GST included in payments from this account can be claimed back through the church’s Business Activity Statement. **No** cash withdrawals should be made from this account as this contravenes legal requirements.

Part or all of the benefit can also be paid directly into a pastor’s home mortgage or other loan account.

### Types of Benefits:

It is recommended that benefits be applied firstly to ministry related expenses such as books, journals, office expenses (including purchase of computers, internet service provider costs and furniture), subscriptions, continuing education expenses, hospitality and motor vehicle expenses (if not taken as an allowance, refer 3 below). Examples of other expenses which can be included are, home mortgage payments, electricity and gas accounts, council rates, home insurance, school fees, private health contributions and unrecouped medical accounts.

### 3. MOTOR VEHICLE ALLOWANCE PAYMENTS:

The pastor may elect for her/his Travel Allowance to be paid as either:

- A taxed allowance (in addition to the taxed stipend). This may occur when the pastor chooses to fund vehicle expenses from taxed income in order to claim a motor vehicle deduction in his/her income-tax return. If this arrangement is adopted, the travel allowance should be separately identified on the PAYG Payment Summary; or
- An Exempt Benefit (in addition to the exempt benefit portion of stipend). No tax deduction is available under this method, and the allowance does not appear on the PAYG Payment Summary.

The recommended Travel Allowance assumes that the pastor provides a vehicle for ministry work, and allows for 11,000 kilometres per annum of ministry-related travel at the rate determined by the ATO, currently 66 cents per km. In a situation where the annual rate of travel is expected to vary substantially from 11,000 kilometres it is recommended that pastor and church negotiate an acceptable adjustment.

### 4. OTHER PAYMENTS:

#### Telephone and Internet/Email:

It is recommended that the church pay all out of pocket costs associated with work-related telecommunications. It is envisaged that this would be achieved through a process of negotiation and periodical review between pastor and church.

### 5. SUPERANNUATION:

It is recommended that the Superannuation Guarantee paid by the church be 9.5% of the notional gross stipend from which the Baptist Churches of SA recommended stipend as derived. It is also recommended that the church contribution be matched by a personal contribution by the pastor of a minimum of 5% of the above stipend. Rates are as follows:

	\$ per week 9.5% Superannuation Guarantee	\$ per week 5% Pastor's contribution
<b>Baptist Churches of SA Accredited Pastors</b>		
Stipend 1:	121.20	63.79
Stipend 2:	128.23	67.49
Stipend 3:	137.60	72.42
Stipend 4:	153.99	81.05
<b>Non-Accredited Pastors</b>		
Level 1:	82.28	43.31
Level 2:	95.82	50.43
Level 3:	106.53	56.07

Pastors may choose to make their personal contribution either as a 'member contribution' from after-tax stipend, or by 'salary sacrifice'. If the latter option is chosen, the taxed stipend component should be reduced by the 'salary

sacrifice' amount, and this amount, when remitted to the superannuation fund, be designated 'employer contribution'.

The church has a *minimum* legal obligation to pay a Superannuation Guarantee Contribution (SGC) of 9.5% of Taxable 'Salary' into a Complying Superannuation Fund.

**NOTE: The Superannuation Guarantee rate is 9.5% as currently legislated. The Government amendments in 2014 to the legislation mean that the rate will remain at 9.5% until 30 June 2021 and then increase by 0.5 percentage points each year until it reaches 12%. (see [https://www.ato.gov.au/rates/key-superannuation-rates-and-thresholds/?page=23#Super\\_guarantee\\_percentage](https://www.ato.gov.au/rates/key-superannuation-rates-and-thresholds/?page=23#Super_guarantee_percentage) )**

## **6. LEAVE:**

The Federal Fair Work Act 2009 provides all employees with a safety net of minimum terms and conditions of employment thru the National Employment Standards (NES). There are 10 minimum workplace entitlements in the NES and this can be obtained from [www.fairwork.gov.au](http://www.fairwork.gov.au). These entitlements shall be provided to stipended pastors .

### **Annual:**

It is recommended that pastoral staff appointments be provided five (5) weeks leave (pro rata), including five (5) Sundays, paid in accordance with the agreed stipend/benefit package (introduced 1 January 2014). There is no Leave Loading.

Annual Leave can accrue to a maximum of six (6) weeks at which point the church may direct the pastor to take their leave.

### **Personal/Carer's:**

Ten days leave per annum (pro rata), accumulative.

### **Long Service:**

Leave is based on employment history (full-time/part-time), with a minimum service of ten years required before leave can be taken. Continuous full time service for ten years will accrue thirteen weeks entitlement. Baptist Churches of SA provides a Fund to assist churches and pastors with LSL accrual (refer Baptist Churches of SA website for further details).

### **Compassionate:**

All permanent employees have an entitlement of two (2) days of paid compassionate leave for each permissible occasion.

## **7. PART TIME POSITIONS:**

The recommended stipend/benefit package is intended to apply to pastors working full time. Churches engaging a pastor on a part time basis should adjust the package on a pro-rata basis.

## Schedule 1 Non-Accredited Pastoral Stipend Package Guidelines

No Pastoral Duties		Pastoral Duties		
	Community Services Worker	Level 1 Internship / Field Placement Student	Level 2 Pastoral Support	Level 3 Associate Pastor
<b>Includes</b>	Youth Co-ordinator, Chaplain, School outreach worker, Street Work	Intern, Student Youth Minister	Youth Worker, Children’s Worker, Youth Director, Pastoral Care Worker	Youth Pastor, Pastoral Care Pastor, Families Pastor
<b>Scope</b>		Run a program, disciple students	Lead and develop a ministry team; supervise and develop a program. Under the direct supervision of a Pastor Leader.	Full associate pastoral responsibility within the sphere of ministry. Direct and develop ministry teams; Mentor Team Leaders; Provide Bible teaching, Spiritual Direction, Ministry Strategy and development. Under the direct supervision of the Senior Pastor.
<b>Experience</b>		0 – 2 years Ministry Experience	2 – 5 years Ministry experience	5+ years of Ministry/Pastoral experience
<b>Training</b>		<ul style="list-style-type: none"> <li>- no qualification</li> <li>- completing ministry/youth qualification</li> </ul>	<ul style="list-style-type: none"> <li>- Certificate 4 in associated area</li> <li>- Completing undergraduate ministry degree</li> </ul>	<ul style="list-style-type: none"> <li>- Undergraduate Ministry Qualification</li> </ul>
<b>Recommendation</b>	<p>- Role benchmark against the Modern Awards - Social, Community, Home Care and Disability Services Award <a href="http://awardviewer.fwo.gov.au/award/show/MA000100">http://awardviewer.fwo.gov.au/award/show/MA000100</a></p> <p>NOTE: NOT entitled to exempt benefit as there is no pastoral duties or any other duties or activities directly related to the practice, study, teaching and propagation of religious belief</p>	<p>Level 1 of Non-accredited Pastors (Youth Ministry) recommendation in Point 8 is calculated at 61% of Stipend 1 of Baptist Churches of SA Accredited Pastors.</p> <ul style="list-style-type: none"> <li>- Cover youth ministry costs</li> <li>- Suggestion: include in package covering portion of studying costs</li> </ul>	<p>Level 2 of Non-accredited Pastors (Youth Ministry) recommendation in Point 8 is calculated at 75% of Stipend 1 of Baptist Churches of SA Accredited Pastors.</p> <p>further adjustment for less responsibility, experience and training: recommendation</p> <ul style="list-style-type: none"> <li>- Cover youth ministry costs</li> <li>- Suggestion: include in package covering portion of studying costs</li> </ul>	<p>Level 3 of Non-accredited Pastors recommendation in Point 8 is calculated at 85% of Stipend 1 of Baptist Churches of SA Accredited Pastors.</p> <p>- If accredited Pastor, base on full accredited Pastoral Stipend rate (see Point 1)</p>