



Baptist Churches
of South Australia

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PASTORS STIPEND/ALLOWANCES RECOMMENDATIONS – 2023

Dear Pastors and Treasurers,

Each year, Baptist Churches SA provides a minimum recommended ministers stipend package as the basis for payment to pastors and other church ministry workers. These recommendations are currently based upon the Teacher’s Award and have been approved by Assembly Board annually since 2007.

In accordance with the “Recommended Pastoral Stipends Policy”, please find attached the BCSA recommended minimum stipends and benefits payable to pastors, effective from **1 January 2023**.

A straight 4.6% increase has been applied to the 2022 stipend recommendations in line with Fair Work Ombudsman wage increase for awards on 1 July 2022. Exception: a 2.35% increase has been applied to Non-Accredited Stipend Level 1 as the Minimum Wage increase of 5.1% was previously applied on 1 July 2022.

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. However, please note that all pastoral and staff appointments must comply with the Fair Work Act 2009 and all appropriate state legislation regardless of the recommendations made – refer to <http://www.fairwork.gov.au> for more information.

Please note the additional recommendations of best practice provision for Parental Leave, and for payment for Professional Supervision of pastors, which is being phased in as a requirement for Accredited Pastors between 2023 and 2025.

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.

Yours in Christ’s service,

A handwritten signature in blue ink that reads "Melinda".

Rev Dr Melinda Cousins
Director of Ministries

USING THE PASTORAL STIPEND RECOMMENDATIONS

Towards the end of each year, Baptist Churches of SA distribute these “Pastors Stipend/Allowances Recommendations” which are applicable from 1 January the following year.

The use of the term ‘stipend’ instead of ‘salary’ is an intentional choice to reflect the unique nature of the relationship between pastoral staff and their church. For more information on this refer to the document “[Pastoral Stipends – A Perspective](#)” which is available on the BCSA website.

The “Pastors Stipend/Allowances Recommendations” are designed to be the starting point for discussions between the church leadership and the pastoral staff of the church. They form the minimum recommended stipend package.

If your church does not carry out a regular review of the stipends of pastoral staff, we offer the following questions to help foster open dialogue:

- Do we regularly discuss the appropriateness of the stipend and benefits we offer our pastoral staff?
- Do we discuss the package offered or simply implement the minimum recommended by Baptist Churches of South Australia?
- There are four stipend levels for accredited Pastors and three for non-accredited, when was the last time we reviewed the appropriateness of the level that we pay our staff?

The levels in the recommendations include brief descriptors to assist in determining which level is most appropriate. These are a guide only and should not be set as rigid boundaries between levels. It is appropriate, even recommended, to periodically review levels, or even percentage increases within levels, based on faithful service, experience gained, changed circumstances etc.

If you require any further assistance regarding the recommendations or about conducting a review of pastoral staff, then please feel free to contact the BCSA office and an appropriate team member will assist you.

1. STIPEND/BENEFITS - RECOMMENDED MINIMUM WEEKLY PAYMENT

Please note that calculations are based on 38 hours in a work week (7.6 hours per day), and these stipends are where a house is not supplied by the church.

Baptist Churches of SA Accredited Pastors				
		\$ per week	Plus Travel Allowance	Total
Stipend 1	Less than 4 completed years of pastoral ministry since accreditation	1,266.81	164.47	1,431.28
Stipend 2	More than 4 years of pastoral ministry since accreditation	1,349.78	164.47	1,514.25
Stipend 3	Pastor providing senior leadership in a ministry situation evidencing a high level of congregational ministry, numerical and financial growth and development, but has not yet attained Level 4	1,460.44	164.47	1,624.92
Stipend 4	Senior Pastor of a large, pastorally multi-staffed church having a diverse and multi-faceted ministry	1,660.91	164.47	1,825.39

Considerations for Non-Accredited Pastoral Ministry

In the case of non-accredited or student pastors, 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 should be taken into account in determining the percentage variation to be applied. The attached Schedule 1 Non-Accredited Pastoral Stipend Package Guidelines provides some guidelines to help assess which stipend package level may be suitable for your situation.

Non-Accredited Pastors				
		\$ per week	Plus Travel Allowance	Total
Level 1	Less than 2 years of Ministry experience, no qualification and/or completing ministry qualification	834.72	164.47	999.20
Level 2	2 to 5 years of Ministry experience, C4 in associated qualification and/or completing undergraduate ministry degree	967.29	164.47	1,131.76
Level 3	5 or more years of Pastoral experience, Undergraduate Ministry Qualification but not BCSA accredited	1,093.59	164.47	1,258.06

2. EXEMPT BENEFIT PAYMENTS

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

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 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.

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 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.

3. TRAVEL ALLOWANCE PAYMENTS

The pastor may elect for the 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 their 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 78 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.

Professional Pastoral Supervision:

It is recommended that the church pay reasonable costs for professional supervision of the pastor and allocate time for this to take place as part of their duties. BCSA's current recommendation is for provision of approx. \$1,000 per year, with any additional cost to be negotiated between the pastor and church. BCSA has adopted a Supervision Support Program Policy. If there are particular reasons this cost is a challenge for the church, please contact BCSA to discuss options.

5. SUPERANNUATION

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

- 10.5% SGC from 1 July 2022 to 30 June 2023
- 11% SGC from 1 July 2023 to 30 June 2024

NOTE: The Government amendments in 2014 to the legislation mean that the rate will remain at 10.5% until 30 June 2023 and then increase by 0.5 percentage points each year until it reaches 12%. ([refer here](#))

It is recommended that the Superannuation Guarantee Contribution (SGC) paid by the church be the required % of the notional gross stipend from which the Baptist Churches of SA recommended minimum stipend is 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:

Superannuation Guarantee Contribution - \$ per week

	1 January 2023 to 30 June 2023		1 July 2023 to 30 December 2023	
	10.5% Superannuation Guarantee	5% Pastors contribution	11% Superannuation Guarantee	5% Pastors contribution
Stipend 1	150.28	71.56	157.44	71.56
Stipend 2	159.00	75.71	166.57	75.71
Stipend 3	170.62	81.25	178.74	81.25
Stipend 4	191.67	91.27	200.79	91.27

Non-Accredited Level 1	104.92	49.96	109.91	49.96
Non-Accredited Level 2	118.83	56.59	124.49	56.59
Non-Accredited Level 3	132.10	62.90	138.39	62.90

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, should be designated 'employer contribution'.

6. LEAVE

The Federal Fair Work Act 2009 provides all employees with a safety net of minimum terms and conditions of employment through the National Employment Standards (NES). There are 10 minimum workplace entitlements in the NES, which can be obtained from 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. 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 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.

Parental: All employees who have completed twelve (12) months continuous service are entitled to unpaid parental leave for up to twelve (12) months. Additionally, the Federal Government Paid Parental Leave (PPL) Scheme is intended to support employers as a way of complementing employer provided leave, recognising that taking time off to care for a child is part of the usual course of life for parents, and promoting both equality between men and women, and balance between work and family life. This is paid at the rate of the National Minimum Wage for up to eighteen (18) weeks for the primary carer ([Parental Leave Pay](#), paid to the employer), the last six (6) weeks of which can be negotiated to be taken flexibly (e.g. working reduced hours); and two (2) weeks for a spouse/partner ([Dad and Partner Pay](#), paid directly to the employee).

BCSA encourages churches to go beyond these minimum requirements in supporting and valuing pastors, and in modelling the value placed on both ministry and parenting. It is recommended that best practice is for churches to provide a "top up payment" for pastoral employees who are entitled to PPL, which is the difference between the National Minimum Wage amount and the employee's normal remuneration, for the period of PPL. For primary carers, this is payment of their usual salary, offset by the Parental Leave Pay received by the church, for up to 18 weeks. For spouses, this is payment of the difference between the National Minimum Wage and their normal remuneration to the employee for 2 weeks. Churches should also have a conversation with the employee about other considerations.

7. PART TIME POSITIONS

The recommended minimum 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
Examples	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
Scope		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.
Experience		0 – 2 years Ministry Experience	2 – 5 years Ministry experience	5+ years of Ministry/Pastoral experience
Training		- No qualification - Undertaking ministry/youth qualification	- Certificate 4 in associated area - Completing undergraduate ministry degree	- Undergraduate Ministry Qualification
Recommendation		<p>Role benchmark against the Modern Awards - Social, Community, Home Care and Disability Services Award http://awardviewer.fwo.gov.au/award/show/MA000100</p> <p>NOTE: NOT entitled to exempt benefit as there are 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 is calculated at 67% of Stipend 1 of Baptist Churches of SA Accredited Pastors.</p> <p>In addition, churches should cover youth ministry costs. It is suggested that churches include in the package additional coverage of a portion of studying costs.</p>	<p>Level 2 of Non-accredited Pastors (Youth Ministry) recommendation is calculated at 76% of Stipend 1 of Baptist Churches of SA Accredited Pastors.</p> <p>Further adjustment can be made for less responsibility, experience and training.</p> <p>In addition, churches should cover youth ministry costs. It is suggested that churches include in the package additional coverage of a portion of studying costs.</p>