



REMUNERATION POLICY & PROCEDURE

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1 PURPOSE

- 1.1 To set out how the Diocese of North West Australia (“the Diocese”) will remunerate its workers.
- 1.2 To encourage ministry centres to carefully plan for the costs associated with a Minister’s remuneration and how to raise these funds.

2 SCOPE

- 2.1 This policy describes remuneration packaging and tax concessions offered to all workers including ordained ministry workers (clergy), lay ministry workers and administration staff.

3 POLICY STATEMENT

Stipends, wages and allowances

- 3.1 All workers are to be paid through the diocesan payroll system. The Diocese will recoup stipends from ministry centres through its Administration Cost Recovery system, by agreement with the ministry centre and to the extent that the ministry centre is able to pay.
- 3.2 Administration staff may be employed by the Diocese or a ministry centre. The Diocese or ministry centre will follow normal Australian employment practice, and pay wages at an agreed rate, independent of clergy stipend rates. Note that tax exemptions for religious workers do not apply to administration workers.
- 3.3 The Diocese will pay stipends and allowances to clergy and lay ministry workers at a rate reviewed by Diocesan Council from time to time. The Diocese will generally adopt the recommendations made by the Provincial Stipends Committee. Refer to the Remuneration Guidelines.

- 3.4 The Diocese will remunerate clergy and lay ministry workers according to their level of responsibility. For clergy, this is reflected as a percentage of the base stipend. This percentage is determined by Diocesan Council as part of the annual budget planning process. Refer to the Remuneration Guidelines.
- 3.5 Where ministry staff work part-time, stipends are pro rata based on the number of days per week worked. A standard working week for church workers is 6 days or 48 hours.
- 3.6 Where ministry staff have an independent source of income, they may agree to accept a stipend below the minimum rate.
- 3.7 A North West Location Allowance will be paid to compensate for the varying cost of living across the Diocese; and the cost of travel to/from location. It is determined as a percentage of the base stipend as follows:
- Geraldton, Dongara 4%
 - Mullewa, Northampton 5%
 - Kalbarri, Shark Bay, Carnarvon 6%
 - The Pilbara 7%
 - The Kimberley 8%
- 3.8 Following the completion of two years of service in a location, the ministry centre, Diocese or BCA will annually cover the cost of travel by clergy and their family to Perth or their 'home' town or city in Australia. Travel costs are defined as the return trip by economy air and/or car plus budget accommodation in transit, as agreed in advance with the ministry centre or Diocese or BCA.

Housing

- 3.9 The ministry centre provides housing to all clergy and lay ministry workers. Where there is no suitable rectory or church-owned house available, the ministry centre will rent a house, or pay a housing allowance. Where the cost of housing (rent payments or mortgage payments) is higher than the standard housing allowance, the ministry centre has the option of asking the minister to contribute the excess amount. Where the cost of housing is lower than the standard housing allowance, the ministry centre will pay the cost of housing.

Removal and relocation costs

- 3.10 The costs associated with the relocation of workers and the removal of their furniture and effects when joining the Diocese, or moving within the Diocese, are accepted as charges upon the receiving ministry centre or the Diocese or BCA, as agreed. The Diocese will contribute towards the cost of removal for retiring clergy and clergy who resign from the ministry due to ill health.

Motor vehicles

- 3.11 The ministry centre will provide either a motor vehicle or a motor vehicle allowance to clergy and lay ministry workers. The motor vehicle may be a fleet vehicle, or a vehicle owned outright by the Diocese or ministry centre. The amount of the allowance will be the standard motor vehicle allowance rate, set by the Provincial Stipends Committee.

Utilities and telephone

- 3.12 The ministry centre will pay water, electricity, gas, telephone (including mobile phones) and internet accounts on behalf of clergy and lay ministry workers. Where this expense is higher than what may be expected of an average household, an agreement may be made to cap the expense at an agreed annual amount. In that case the individual will pay those utility bills that are in excess of the agreed annual cap.

Hospitality, computers, books & conference costs

- 3.13 The ministry centre and the Minister should agree in advance the extent to which the general funds of the parish will pay for ministry-related expenses including: hospitality expenses (where a clear ministry of hospitality is exercised); books; conference and ministry development costs (to the extent that these costs clearly relate to ministry and fall within an agreed level of expenditure as determined by the Parish Council);

computer hardware and software; and office furnishings and equipment that are required by the Minister to exercise his duties.

Income Tax

- 3.14 The stipend or salary paid to a worker is assessable income. PAYG deductions will be deducted by the Diocese at the rates shown in the ATO's published tax tables and remitted to the ATO in accordance with the requirements of the tax legislation via the Diocese's Business Activity Statement (BAS). A PAYG Payment Summary will be issued by the Diocese at the end of the tax year (i.e. 30 June).

Remuneration packaging and tax concessions

- 3.15 Under the *Fringe Benefits Tax Assessment Act*, registered religious institutions are entitled to pay tax exempt benefits to religious practitioners, in respect of pastoral duties or directly related religious activities. Although this law does not restrict the amount of tax-exempt benefits (refer Taxation Ruling TR 2019/3), most Australian churches have decided to voluntarily limit this amount, for the sake of moral leadership.
- 3.16 The Diocese can provide up to 30% of stipend as a tax-exempt benefit. This is achieved by salary sacrificing up to 30% of stipend into a salary sacrifice bank account, managed by the Diocese, or another account such as home mortgage.

In addition to salary sacrificing a portion of stipend, the Diocese or ministry centre can also provide the following elements as tax-exempt benefits:

- Housing allowance
- Utilities, internet and phones
- Motor vehicle or motor vehicle travel allowance
- Salary sacrificed personal super contributions
- The GST component of expenses paid from a salary sacrifice account.

Superannuation

- 3.17 The Diocese will pay superannuation into each worker's nominated super fund. The amount of super is the Australian Superannuation Guarantee (currently 9.5%) plus an additional super contribution (currently 4%) from the Diocese and/or the ministry centre. The Diocese encourages all its workers to make salary sacrificed super contributions, currently at a rate of 6% of gross stipend. Workers can elect to pay more than the minimum contributions and (especially for workers nearing retirement) they are encouraged to do so.

Long Service Leave

- 3.18 Where workers are eligible to belong to the Anglican Long Service Leave Fund, as is the case for clergy, the Diocese will accrue and pay long service leave contributions directly to the Fund, at the rate determined by the Fund.
- 3.19 Where workers aren't eligible to the Anglican Long Service Leave Fund, as is the case for lay ministry workers and administration staff, the Diocese will accrue and pay long service leave entitlements at a rate not lower than the minimum required by Australian law, to be reviewed by Diocesan Council from time to time.

Surplice fees, gifts and extra payments

- 3.20 Any extra payments or benefits of a personal nature that are in addition to the remuneration described above are to be reported in writing to the Bishop (and for BCA Field Staff, the BCA National Director) if it is more than \$250. This includes surplice fees, occasional service fees, honorariums or gifts of cash or in kind (including holidays or holiday accommodation). It does not include donations that are made to the ministry centre or Diocese or BCA.

Interim Ministries

- 3.21 Interim Ministers-in-Charge or *locum tenens* may be volunteers or may be remunerated, depending on what agreement has been made between the individual and the parish. The ministry centre will reimburse travel costs and other agreed out-of-pocket costs to locums.
- 3.22 Where a locum is to be remunerated, a part-time stipend will be paid, based on the standard stipend for the area, pro-rated for the agreed number of days per week. This will be paid by the parish and/or the Diocese, depending on each circumstance.

4 RESPONSIBILITIES

Compliance, monitoring and review

- 4.1 The Diocesan Council is responsible for compliance of this policy. The Diocesan Registrar, assisted by the Diocesan Financial Officer, will monitor and review policy compliance on behalf of the Council.

Reporting

- 4.2 No additional reporting is required.

Records management

- 4.3 The Registry maintains all records relevant to administering this policy using its recordkeeping system.

5 DEFINITIONS

- 5.1 Terms not defined in this document may be found in the Diocesan Glossary.

6 RELATED LEGISLATION AND DOCUMENTS

Fringe Benefits Tax Assessment Act 1986

Taxation Ruling TR 2019/3

<https://www.ato.gov.au/law/view/document?docid=TXR/TR20193/NAT/ATO/00001>

Fringe benefits tax – a guide for employers

<https://www.ato.gov.au/law/view/document?DocID=SAV%2FFBTGEMP%2F00021>

Remuneration Guidelines

7 QUESTIONS & FEEDBACK

- 7.1 Church members who have any questions about this regulation or who wish to provide feedback about this document should contact the Diocesan Registrar at registrar@anglicandnwa.org.

8 APPROVAL AND REVIEW DETAILS

Certifications and Assent	Details	Signature	Date
Chair of Committees	Certified as printed in accordance with the regulation as reported		
Registrar	Certified as passed by the Synod or Diocesan Council or Diocesan Council Executive		
Bishop	Assented		

Approval and Amendment History	Details
Original Approval Authority and Date	Diocesan Council 24/06/2020
Next Review Date	24/06/2026
Notes	This document consolidates and replaces Policy Nos 2.1, 2.2, 2.6, 2.7 & 6.11 in the Diocesan Administration Manual, which was last updated on 20/02/2017.

9 APPENDICES

1. Personal Information Form – Paid Worker
2. Expenses Reimbursement Claim Form – Diocese
3. Expenses Reimbursement Claim Form – Parish
4. Travel Reimbursement Claim Form – Diocese or Parish
5. Stipend Sacrifice Benefit Account Reimbursement Claim Form

PERSONAL INFORMATION FORM for paid workers

Name:

Banking Information

Name of Account Holder	
Bank Name and Address	
BSB (must be 6 digits)	____ _
Bank Account Number (as detailed on bank statement)	____ _
E-mail address for payslips	

Emergency Contact Information

Next of Kin	
Relationship	
Contact Number	
Second Contact	
Relationship	
Contact Number	

EXPENSE REIMBURSEMENT CLAIM FORM – DIOCESE

To: Diocese of North West Australia

From: (Name of Claimant)

I request that you reimburse me for the expenses as detailed below.

Invoices/receipts to support this claim are attached.

I certify that the expenses(s) were directly incurred on behalf of the Diocese.

Invoice Date	Supplier's Name	Purpose	Amount Claimed \$	GST \$
		TOTAL		

PAYMENT TO BE MADE TO:

Bank Account: BSB

 Account Number

 Account Name

CLAIMANT SIGNATURE Date

REGISTRY SIGNATURE Date

TRAVEL REIMBURSEMENT THROUGH DIOCESAN PAYROLL

To: Diocese of North West Australia (ABN 24 224 030 235)

From: (Name of Claimant)

I request that you reimburse me for the travel expenses as detailed below.
 I have in my possession supporting documentation or other records to support this claim.
 I certify that the expenses(s) were directly incurred on behalf of the Diocese or Parish.

Travel Date	Purpose of Travel	Distance travelled (km)	Amount claimed (35c/km)
	TOTAL	km	\$

CLAIMANT SIGNATURE Date

REGISTRY SIGNATURE Date

STIPEND SACRIFICE BENEFIT ACCOUNT REIMBURSEMENT CLAIM FORM

NAME _____

BENEFIT ACCOUNT NUMBER 3000 ____ _

ITEMS TO BE REIMBURSED:

DESCRIPTION OF BENEFIT	TOTAL	GST
NAME OF SUPPLIER	\$	\$
(attach original supporting documents)		
TOTAL CLAIMED		

PAYMENT TO BE MADE TO:

(a) ACF Account Number

(b) Bank BSB

Account Number

Account Name

(c) BPAY Biller Code

Reference Number

CLAIMANT SIGNATURE Date

REGISTRY SIGNATURE Date