

Clergy Remuneration Information

Date: November 2017
To: Churchwardens, Treasurers, and Active Clergy
From: The Human Resources Department

A. Changes for 2018

1. The Cost of Living Adjustment (COLA)

The Cost of Living Adjustment for 2018 is 2.1%. The minimum stipend scale (see point # 4 below) has been updated for 2018.

Why is the August CPI the basis for COLA?

It has been the practice for many years to use the Ontario August Consumer Price Index (“CPI”) amounts as a benchmark when reviewing annual compensation. For 2018, Diocesan Council determined that the CPI for Toronto will be used. Using the same month on an annual basis allows consistency year over year. Even though August may appear early there are a number of factors that make August the most practical month. The August amount which is released in late September allows Diocesan Council to make a decision in October. This decision is then communicated and allows the parishes to know in November the amount that has been chosen and allows parishes to make accurate budget decisions for the following year. The timing allows for documentation updates at the Diocese and allows payroll to make the appropriate changes for January.

Annual Clergy Stipend Adjustments

The stipend of clergy paid at the minimum level will be automatically adjusted on January 1 to reflect the annual increase for years of service.

For clergy paid above the minimum stipend scale, the Diocese requires the attached Appendix E form to be completed. No changes will be made unless this form is signed and received from the Churchwardens. Churchwardens who wish to give an increase above the minimum stipend scale are urged to do so, by completing section A of Appendix E and submitting the form to the Diocesan Payroll Office by January 5, 2018 in order to ensure that any adjustment becomes effective as of January 2018.

2. Unit Rate

For clergy who are paid on a unit basis, the minimum remuneration in 2018 is \$104.14 per unit. For more detail please refer to the [Parish Human Resources Manual](#). Appropriate statutory deductions must be made and remitted to the government, however, no other benefits are provided to clergy who are paid on a unit basis.

3. Summary of Costs

The following chart summarizes the various components of clergy remuneration costs/benefits. Please note that all information provided in this table is based on stipend and is in annual amounts unless otherwise stated. Further detail on these benefits is provided in Appendix B.

The rates listed below are subject to change. If there are any discrepancies between the information provided and the official plans, the official plans will rule in all cases.

Type of Cost	Clergy Portion	Parish Portion
Long-Term Disability Plan	not applicable	3.3% + tax
General Synod Pension Plan	7.95%	19.8%
Pregnancy and Parental Leave	not applicable	0.36%
Post-Retirement Benefits	not applicable	3.75%
Short-Term Disability	not applicable	\$96
Professional Development (CEP)	not applicable	\$450
Canada Pension Plan Premium	4.95% to max. of \$2,593.80	4.95% to max. of \$2,593.80
Employment Insurance Premium	1.66% to max of \$858.22	2.324% to max of \$1,201.51

Medical Benefit and Group Life Insurance Premiums		
Medical Benefit Premium 2018		
Single	\$1,077.54	\$1,077.54
Married	\$2,584.44	\$2,584.44
Family	\$3,096.42	\$3,096.42
Group Life Insurance Premium 2018		
Single	\$147.96	\$147.96
Married (Family)	\$156.32	\$156.32

4. The Minimum Stipend Scale

<i>Years of service</i>		<i>2017</i>	<i>2018</i>
0	At Ordination as Deacon	34,455	35,179
1	January 1, following year	35,797	36,549
2	January 1, next year	39,040	39,860
3	January 1, next year	39,586	40,417
4	January 1, next year	40,127	40,970
5	January 1, next year	40,685	41,539
6	January 1, next year	41,232	42,098
7	January 1, next year	41,810	42,688
8	January 1, next year	42,384	43,274
9	January 1, next year	42,975	43,877
10	January 1, next year	43,571	44,486
11	January 1, next year	44,183	45,111
12	January 1, next year	44,789	45,730
13	January 1, next year	45,398	46,351
14	January 1, next year	46,039	47,006
15	January 1, next year	46,682	47,662
16	January 1, next year	47,344	48,338
17	January 1, next year	48,005	49,013
18	January 1, next year	48,676	49,698
19	January 1, next year	49,352	50,388
20	January 1, next year	50,042	51,093

B. Other Finance and Budget Information

1. Travel

The cost of operating a car is subject to fluctuations in operating costs, primarily fuel. The Diocese regularly reviews the travel reimbursement rate for diocesan volunteer and staff by considering the policies of other dioceses, comparable not-for-profit organizations, and the Canada Revenue Agency guidelines.

It is the responsibility of the Churchwardens and clergy to set an appropriate travel reimbursement rate for ministry-related travel for parish travel. Parish circumstances differ significantly throughout the Diocese, whether it is rural, multi-point or urban. These circumstances can mean a difference in reimbursement amounts. The rate should never be lower than the rate set by Diocesan Council which is 52 cents per kilometer for the first 5,000 km and 46 cents per km thereafter. (Effective January 1, 2012). The rates are not adjusted annually, however at the time of the increase in 2012 the average gasoline price was 127.5 cents per litre.

Travel between home and church is not eligible for reimbursement. A log must be kept for all church related travel and include addresses at the beginning and end of the trip, the total kilometers, and the reason for travel. Expense claim forms must include the same information or have attached a photocopy of the relevant pages of the travel log.

There are tax implications if the reimbursement rate exceeds what is deemed reasonable by the Canada Revenue Agency (CRA). If the amount exceeds that rate, the entire allowance will be deemed a taxable benefit, and must be included in one's report of taxable income. In turn the individual may then be able to claim automobile expenses by filing Form T2200, which may be obtained from the diocesan payroll office (call 416-363-6021 / toll-free, 1-800-668-8932, ext. 239). In 2017, the maximum rates set by CRA were 54 cents per kilometer for the first 5,000 km and 48 cents per km thereafter. Please note that this the same as 2016 and was a decrease from the 2015 rates. The rates can be found on CRA's website at www.cra-arc.gc.ca/tx/bsnss/tpcs/pyrll/bnfts/tmb1/llwnc/rts-eng.html.

2. Utility Costs

In order to comply with the Income Tax Act, the Diocesan payroll office must receive by January 31, 2018, the 2017 amount (January to December) of utilities paid by your parish on behalf of the cleric. These costs will be reported on each cleric's annual T4 slip.

These costs should include the following: basic phone service, light, heat, and water, but not property taxes.

APPENDIX A

How to determine Clergy Remuneration

The clergy remuneration package consists of:

1. a stipend,
2. a living accommodation or a reasonable housing allowance, together with the reasonable costs of fuel, telephone and public utilities (taxable benefit),
3. the diocesan benefits plan including group insurance, dental and vision care, and extended health care,
4. the diocesan pregnancy and parental leave benefits,
5. post-retirement benefits,
6. short-term disability and long-term disability benefits,
7. the national continuing education plan,
8. the General Synod Pension Plan,
9. statutory benefits such as Canada Pension Plan and Employment Insurance,
10. one month of vacation, plus a one-week winter break per year,
11. two weeks of Professional Development Leave per year,
12. eligibility for sabbatical and education leaves after 6 years of continuous full-time service in the Diocese of Toronto.

Determining Remuneration

When a cleric is appointed, the Area Bishop, after consultation with the Churchwardens, sets a stipend amount and housing arrangement. From that point forward, it is expected that the Churchwardens will meet annually with the cleric to determine changes to his/her level of remuneration.

Here are a few suggestions that may be of help in preparing for this meeting:

Step 1. Adjust by Cost of Living

Adjust the present stipend level by the approved Cost of Living Adjustment.

Diocesan Council approves the cost of living adjustment each year. If the cleric is paid according to the minimum stipend scale, the adjustment is made automatically through central payroll.

If the cleric is paid more than the minimum and the Churchwardens intend to make the cost of living adjustment, they must send in the attached remuneration notification form (Appendix E) to central payroll.

The cost of living adjustment should not be considered a raise as it only ensures the stipends are keeping pace with inflation.

As just and fair employers, it is advised that a cost of living adjustment be applied to lay staff compensation levels. For more information on lay staff compensation levels, please review the Parish Human Resources Manual which is found on the diocesan web site.

Step 2. Review the Housing Arrangement

Review the present housing arrangement. If the cleric is in a rectory, assess and plan for any repairs. Since the rectory is considered part of the remuneration package for clergy it is important to properly maintain the home.

If the cleric is receiving a housing allowance, check with a local realtor for a fair rental value. This figure should be reviewed every 2 to 3 years. Please remember that the housing allowance is to include basic phone service, heat, light, water, and other utilities.

a) Rectories

Churchwardens are responsible for inspecting the rectory on an annual basis. The inspection is to be carried out at a time that is mutually convenient for the Incumbent and the Churchwardens. Every five years, the rectory is to be inspected by a professional home inspector who shall issue findings to the Churchwardens. The Churchwardens are to address, on a timely basis, all deficiencies identified by the inspections and all repairs are to be carried out by licensed and/or qualified individuals. The fair rental value of the rectory should be reviewed regularly with a local realtor and reported on Appendix E. This information is reported on the cleric's T4 and should be accurate.

b) Housing Allowance

A housing allowance is given to clergy who are not living in a church-provided home. It is determined by the fair rental value of a rectory-like building plus the cost of utilities and local telephone connection. The annual amount should be reviewed regularly with a local realtor to ensure it keeps up with the changes in the housing market and utility cost increases. Please note that as of January 1, 2010, CRA requires clergy to submit a T1213 for their approval before housing allowances are eligible for tax deductions at source. Without this pre-approval, the taxes will be deducted from the housing portion of the clergy remuneration. For more information, please see Appendix D "CRA Requirements for Clergy Residence Deductions".

Step 3. Other Factors to Consider

Compensation in the secular setting is traditionally meant to attract, reward, motivate and retain employees. Historically, clergy remuneration was in the form of a living, meant to free the cleric from worldly concerns. Today, in the Church, we find these two principles intertwined. As the Churchwardens and the cleric try to discuss clergy remuneration the following questions should be considered: What is the standard of living at the present remuneration level? What not-for-profit compensation level suitably reflects the skills, talents and responsibilities needed for ministry? Everyone needs to know they are appreciated and valued for what they contribute. Does the present remuneration level communicate this?

It is often very difficult for a lay person to assess the effectiveness of a cleric's ministry since ministry is often confidential and is conducted in a one-on-one setting. Also, the outward manifestations of effective ministry are difficult to consistently measure. For example, a decrease in church attendance may reflect demographic shifts rather than the abilities of the cleric. Along with this, clerical ministry must never be considered in isolation from the parish ministry. The clergy can not accomplish what the parish is not willing to support. Keep these factors in mind and do not rely solely on intuitive feelings and subjective hearsay.

Step 4. Review the Remuneration Data

Review the Remuneration Data in Appendix C to assess your parish remuneration level against the diocesan averages and medians.

APPENDIX B

Explanation of Benefits Costs

Included in the benefits costs that a parish is billed each month are:

Canada Pension Plan Premiums: The 2018 rate is 4.95%. The maximum pensionable earnings for 2018 are \$55,900, and maximum contributory earnings are \$52,400. The maximum employer's contribution per employee will be \$2,593.80.

Employment Insurance Premiums: The 2018 rate is \$1.66 per \$100 of insurable earnings. The employer rate is 1.4 times the employee rate. The maximum insurable earnings for 2018 are \$51,700. Therefore, in 2018 the maximum employer amount will be \$1,201.51.

Group Life Insurance Premiums: In 2018 the annual amounts will be \$156.32 for married (family) and \$147.96 for single. On a monthly basis this is: \$13.03 for married (family) and \$12.33 for single. Please note that the rates reduce when a cleric turns 65.

Medical Benefit Premiums: In 2018 the annual amounts will be increasing to \$3,096.42 for the family plan; \$2,584.44 for the married plan; and \$1,077.54 for the single plan. On a monthly basis this is: \$258.04 for the family plan; \$215.37 for the married plan; and \$89.80 for the single plan.

The Diocese regularly reviews the Benefit Plan, as well as its insurance carriers, and accordingly reserves the right to both amend the Benefit Plan and change its carriers, where appropriate, without further notice to the employee.

Long-Term Disability Plan: The parish contribution rate is 3.3% of stipend, and there is no contribution from the cleric. The LTD contribution is subject to applicable taxes. Currently this is an 8% retail sales tax. Please note that the LTD premium reduces 22 months before a cleric turns 65 and stops 4 months before a cleric turns 65.

Pension Plan: In 2018 parish pension contribution will continue to be calculated at the rate of 19.8% of stipend. This rate is comprised of two components 1) 17.85% to the pension plan and 2) 1.95% to the pension expense fund. The clergy rate is 7.95% of stipend. *(Please note that the rates from the Pension Office differ from these rates to reflect the housing portion of the cleric's remuneration. In the Diocese of Toronto, the rate is 1.5 times the Pension Office rate and applied to stipend only.)*

Professional Development: The Diocese of Toronto participates in the National Church Continuing Education plan. The parish premiums are \$450 per year.

Pregnancy and Parental Leave Benefits: This fund provides supplementary benefits to those on Pregnancy and Parental leave. The parish contribution rate is 0.36% of stipend.

Post-Retirement Benefits: These are fully funded during a cleric's active service, i.e. pre-retirement years. Parish contributions are 3.75% of stipend.

Short-Term Disability Fund: This fund provides for supply coverage to parishes while clergy are on short term disability leave. The program has been effective in assisting parishes pay for supply coverage of up to \$580 (approximately 5.5 units) per week during the short-term disability leave period. Parish contributions are \$96 a year (\$8 per month). This contribution will be made for every cleric who participates in the Diocesan pension and benefits plans.

APPENDIX C

Diocese of Toronto Clergy Remuneration and Demographic Data

(based on October, 2017)

i) Number of Full and Part Time Clergy, Average Age and Average Years of Service (2016 and 2017):

Area	2016 Data						2017 Data					
	Total #	# F/T	# P/T	% that are Part-Time	Avg. Age	Avg. Yrs. Service	Total #	# F/T	# P/T	% that are Part-Time	Avg. Age	Avg. Yrs. Service
Trent Durham	31	28	3	10%	56.9	17.9	32	27	5	16%	57.5	19.5
York Credit Valley	53	46	7	13%	53.5	15.9	55	46	9	20%	52.0	15.9
York Scarborough	73	61	12	16%	54.0	13.9	62	50	12	24%	52.7	13.3
York Simcoe	38	35	3	8%	55.1	15.8	39	36	3	8%	51.9	14.0
Overall	195	170	25*	13%	54.6	15.4	188	159	29^	15%	53.2	15.5

*Plus 48 part-time clergy not paid through central payroll (25% of total clergy are part-time).

^Plus 40 part-time clergy not paid through central payroll (35% of total clergy are part-time).

ii) 2017 Stipend Information by Years of Service (full-time only): Please note that years 0 and 1 were not included.

Yrs. of Service	# of clergy	Avg. Age	Avg. Stipend	Median Stipend	Percentage above min.
Years 2-5:	24	47.8	\$41,406	\$40,723	62.5%
Years 6-10:	25	50.1	\$45,598	\$43,571	56.0%
Years 11-15:	26	50.8	\$50,733	\$48,355	69.2%
Years 16-20:	18	51.4	\$52,440	\$51,853	66.7%
Years 21+	51	59.1	\$57,740	\$53,000	66.7%
All Clergy			\$50,982	\$50,042	64.6%

iii) 2017 Stipend by Parish Role (full-time only):

Area	All Clergy		Main Priest*		Associates**	
	Average	Median	Average	Median	Average	Median
Trent Durham	\$49,488	\$50,042	\$50,066	\$50,042	-	-
York Credit Valley	\$48,660	\$49,352	\$50,414	\$50,042	\$45,866	\$46,690
York Scarborough	\$50,715	\$46,963	\$53,973	\$50,450	\$46,094	\$43,571
York Simcoe	\$48,971	\$50,042	\$50,290	\$50,042	\$48,853	\$48,853
Overall	\$49,517	\$49,352	\$51,314	\$50,042	\$46,448	\$44,880

*Main Priest refers to Incumbents & Priests-in-Charge

**Associates refers to Associate Priests

iv) 2017 Stipend by Parish Size:

Size	# of parishes	Average	Median
Family	13	\$44,447	\$44,183
Pastoral	83	\$49,122	\$50,042
Program	31	\$58,153	\$55,465
Resource	4	\$69,026	\$65,052

Includes Incumbents and Priests-in-Charge only

v) Housing Information, including utilities (full-time only):

Please note that only cash housing allowance data is available for 2016. The 2017 data is the median amount for each type of housing (unless otherwise indicated). A 'median' is the midpoint of the values, such that there is an equal probability of the value being above or below it.

Area	2016 Cash Housing Allowance				2017 Median Housing (all types)					
	Average Allowance	Median Allowance	#	%	Average Allowance	Median Allowance	#	%	Rectory Value	All Types
Trent Durham	\$23,062	\$23,158	16	57	\$23,351	\$23,000	17	63	\$20,705	\$22,900
York Credit Valley	\$21,344	\$21,000	34	74	\$22,182	\$21,300	35	76	\$38,422	\$23,842
York Scarborough	\$24,486	\$22,800	46	75	\$25,365	\$23,850	35	70	\$29,125	\$24,924
York Simcoe	\$21,418	\$20,400	23	66	\$21,727	\$20,400	24	67	\$20,840	\$20,400
Overall	\$22,804	\$21,879	119	70	\$23,266	\$22,742	111	70	\$26,599	\$23,311

is the number of clergy receiving a cash housing allowance.

% is the percentage receiving a cash housing allowance

APPENDIX D

CRA Requirements for Clergy Residence Deductions

In 2009, the Canada Revenue Agency (CRA) made technical changes to the requirement to file Form T1213 (Request to Reduce Tax Deductions at Source) for employees who qualify for the Clergy Residence Deduction (CRD.) Those employees who qualify for that deduction will now be required to submit Form T1213 on an annual basis.

This is a reminder that this is the time of the year to file this form for 2018.

Clergy who are receiving a housing allowance must file Form T1213 and receive prior written approval from the CRA before being allowed a reduction of tax at source. **It is the employee's responsibility to file the Form T1213.**

A cleric who lives in a rectory is not required to obtain prior CRA approval because the provided housing-taxable benefit will generally be equal to the CRD amount.

Download your Form T1213 from: <http://www.cra-arc.gc.ca/E/pbg/tf/t1213/README.html>, fill out and submit as soon as possible to allow sufficient time for CRA to issue the approval before the January 2018 pay.

The following steps are to be taken:

- Download Form T1213.
- Complete, sign and date the T1213.
 1. Fill in the identification section
 2. Under "Request to reduce tax on", check salary
 3. Under section "Deductions from income and non-refundable tax credits," check the final bullet, which is "Other." Specify Clergy Housing Allowance and write the housing deduction amount on the line "Total amounts to be deducted from income." The line "Net amount requested for tax waiver" should have the same amount as the "Other" line.
- Attach the EMPLOYER letter from the Diocese. This letter has already been mailed to all clergy receiving paid housing allowance. If you have yet to receive your letter, please call Claire Wilton at (416) 363-6021 x 239 or 1 (800) 668-8932 x 239 and a copy will be sent to you.
- Please note that some clergy were asked for a Fair Market Value (with utilities) assessment letter from a real estate agent the previous years. You may include this with your submission if you have it.

Please note that the Diocesan Payroll office should receive your written approval from the CRA by **January 18, 2018**, otherwise, your housing allowance will be treated as a taxable benefit, which will result in reduction of take-home (net) pay. No exceptions can be made.

Once you receive a copy of your CRA approval, please send a copy to the payroll office by:

1. Mail: Anglican Diocese of Toronto
c/o Payroll Office
135 Adelaide St. E.,
Toronto, ON M5C 1L8
2. Fax: (416) 363-7678
3. Email: cwilton@toronto.anglican.ca

APPENDIX E

2018 Stipend, Housing, and Utilities

You do not need to complete **Part A** if your clergy are on the minimum stipend scale; their remuneration will automatically be adjusted in January.

A. Stipend (do not include housing and ensure it is not less than the minimum stipend for 2018)

Clergy Name	Stipend
_____	\$ _____
_____	\$ _____
_____	\$ _____

B. Housing

Please indicate the fair rental value where a rectory is provided, **or** the amount of cash housing provided. The fair rental value is required by Canada Revenue Agency to be reported. **NOTE:** Clergy have either “fair rental value of rectory” **or** “cash housing paid”, never both.

The Diocese of Toronto requires that a fair rental value be determined for all clergy provided housing. The fair rental value is to be reviewed annually by the Churchwardens and formally evaluated by an independent assessor every five years.

Clergy Name	Fair Rental Value of Rectory	Cash Housing Paid
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____
_____	\$ _____	\$ _____

C. Utilities

Utilities include basic phone service, light, heat and water, but not property taxes. Rectory utilities or housing utilities paid **by the parish** for the period January 1, 2017 to December 31, 2017.

Clergy Name	Amount
_____	\$ _____
_____	\$ _____
_____	\$ _____

D. Churchwarden Authorization

Name (please print):	Signature:	Phone number
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Name (please print):	Signature:	Phone number
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Parish Name: _____

Please email, mail or fax completed copies to the Payroll Office, Anglican Diocese of Toronto, cwilton@toronto.anglican.ca. 135 Adelaide St. E., Toronto M5C 1L8. Fax (416) 363-7678