

Report of the Clergy Remuneration Working Group

January 2020



Letter from Bishop Andrew Asbil

Dear Friends,

The Clergy Remuneration Working Group (CRWG) was established by Archbishop Colin Johnson, in early 2016, to conduct an in-depth review of clergy compensation practices in the Diocese of Toronto. The last time that a review of this kind was undertaken was in 1998, by KPMG. It was time for us to examine our procedures and policies once again. Over the better part of three years the CRWG set out to; formulate a clear compensation philosophy, review current systems and make recommendations to ensure consistent values and equity, determine if changes in the systems are required, ensure that the individual advantages and disadvantages are addressed and consult widely with clergy, churchwardens, staff, Diocesan Council members, bishops, and other stakeholders.

Remuneration. The word is derived from the latin term, *munus*, which means *gift*. To be remunerated is to receive a reward, compensation, benefit or blessing in exchange for the time, talent and services offered. In order to build a healthy and thriving Church, we need to continually tend the gift of our leadership, both clergy and lay employees who strive to shepherd the body of Christ. A review of this nature helps us to do just that. This final report is the culmination of many hours of consultation, reflection, and research within and beyond the diocese. The report strives to capture the insights of our leadership, make recommendations to improve current practices, and propose a way for the Diocese to move forward.

I am grateful for the hard work and dedication of all the members of the working group and especially for the wise leadership of our chair, Ms. Suzanne Lawson, ODT. I am also thankful for our collaboration with Diocesan Compensation Working Group, chaired by our Chancellor, Canon Clare Burns. This report would not be possible without the input from all who were willing to share their insights with us throughout the consultation process. Thank you.

Yours in Christ,

A handwritten signature in blue ink that reads "+ Andrew Toronto". The signature is written in a cursive, flowing style.

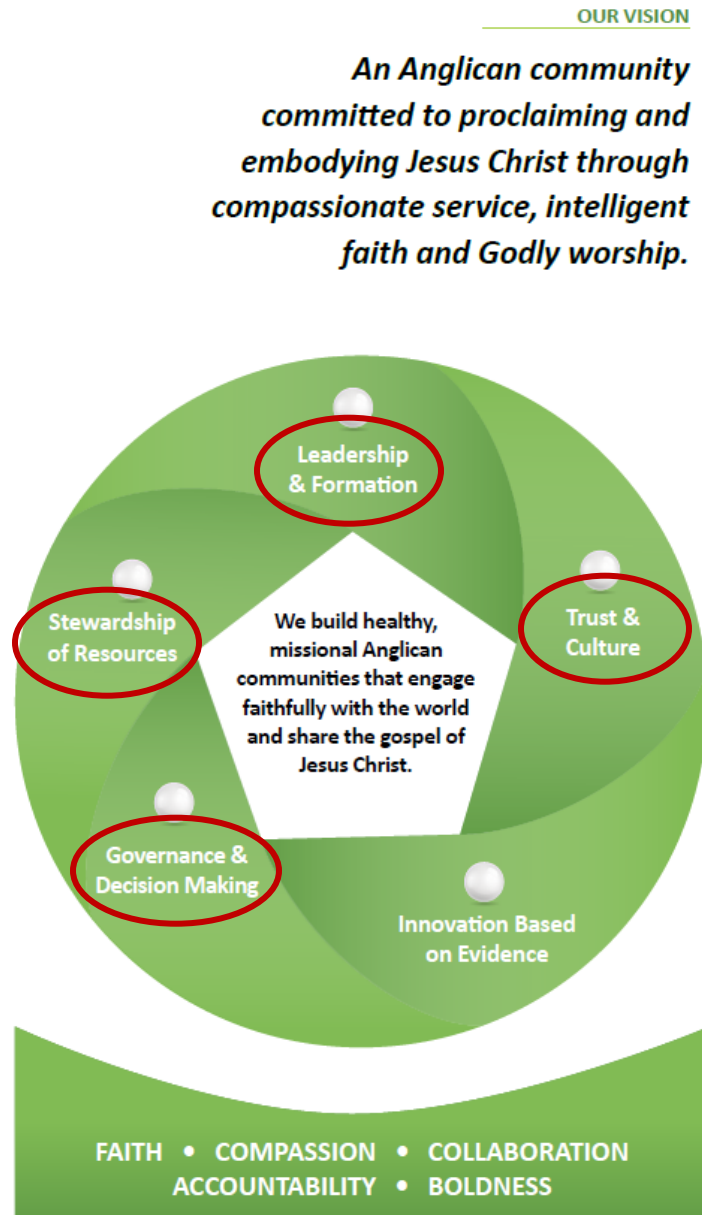
The Rt. Rev. Andrew J. Asbil
Bishop of Toronto

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Growing in Christ Strategic Initiatives:

The work of the Clergy Remuneration Working Group is part of the larger Diocesan Strategic Plan, *Growing in Christ*.



OUR STRATEGIC INITIATIVES

FOCUS AREA: Leadership & Formation

- 1** Develop leaders (both clerical and lay) to lead the transformation of this Diocese.
- 2** Expand the availability and practice of continuous education for both clergy and lay leaders.
- 3** Adopt new models of formation and diversity of leadership.

FOCUS AREA: Trust & Culture

- 4** Continually evolve our culture to one that is positive, collaborative adaptive to change and reinforces our Vision and Values.
- 5** Build positive, respectful and transparent communication across this Diocese.
- 6** Develop working relationships to facilitate an integrated team-based operating model between synod office and parishes.

FOCUS AREA: Innovation Based on Evidence

- 7** Do things differently through the adoption of best practices and innovation.

- 8** Use data to measure outcomes for the purpose of continuous improvement.

- 9** Use technology to enhance data collection, reporting and decision making.

FOCUS AREA: Governance & Decision Making

- 10** Review and update canons, policies and procedures in collaboration with stakeholders.

- 11** Update the organization and governance structure of this Diocese, including synod office and parishes to align with our mission.

FOCUS AREA: Stewardship of Resources

- 12** Strategically track, manage and leverage real-estate assets to support the mission and future health of this Diocese.

- 13** Be an organization that attracts and retains the best clergy, lay leadership and staff.

- 14** Diversify funding sources to support future needs and sustainability.

Introduction

The strategic plan, *Growing in Christ*, calls for a dramatic cultural transformation in the Church characterized by collaboration, accountability and boldness:

We are living in a time of change and transformation. Our local communities are facing changes in population size and demographics. Increasing rates of secularization, especially of younger generations, are changing attitudes and relationships with religious organizations. In this dynamic environment, leadership, flexibility and a willingness to learn and try new things will be essential for success.

We have much to do over the coming years as our Diocese works to determine its place in a changing society. This change will require transformational and adaptive leadership to move the organization forward.

For this plan to be successful we must work as a team with the involvement and input of our partners, to lead our Diocese into the future.

We are committed to bringing new and creative ways of thinking into our Diocese ... a culture of continuous improvement and intelligent risk taking.

As our environment changes ... we seek to bring new and innovative models into our Diocese ...

We will ... [be] ... an organization that attracts and retains the best clergy ...

The Clergy Remuneration Working Group could not agree more with the observations and goals excerpted above. Since the last look at clergy remuneration over twenty years ago by KPMG (much of which has been implemented over those years), the world has changed. The church world in North America has altered significantly. Trends that were hardly visible twenty years ago are the day-to-day reality each of our faith communities is now facing. It is time to analyze and assess the various ways we pay clergy, gather best practices from around our country and beyond, and create what will best fit the Diocese of Toronto so that the future is built on firmer and fairer ground.

We are a Diocese committed to doing and being the very best in all our ministries at all levels. We must *right now* put in place the most coherent and caring clergy remuneration practice we can develop. We know how essential excellent clergy are to our future capacity to draw people to God's mission. How clergy are paid in this Diocese will free those excellent clergy to focus on their ministry. Contented, mobilized and motivated clergy leaders will draw other leaders to parishes here. We must act.

Through a wide-reaching grassroots consultative process that has brought many people together to share ideas and concerns, we have come to some clear decisions. We share these proposals with those who will put them into practice and offer our prayers and support throughout a time of pilot testing and implementation.

Executive Summary

The Clergy Remuneration Working Group was appointed almost three years ago by Archbishop Colin Johnson. The current Diocesan Bishop, Andrew Asbil, was asked to oversee and ensure linkages between this group, chaired by Suzanne Lawson, and the Compensation Working Group, chaired by Clare Burns, which is responsible for the compensation of those working in the Diocesan office and the bishops. The terms of reference indicated that the last assessment of clergy remuneration with all its constituent parts was done over twenty years ago.

After much consultation and discussion, the Clergy Remuneration Working Group has developed several recommendations for the Bishop to consider. These recommendations both “fix” situations that we discovered en route that seemed unfair or inconsistent in their application and propose ways forward so that the clergy of the present and the future are remunerated in ways that are fair and transparent. Undergirding each recommendation is our commitment to think theologically about the role of clergy in the church, helped by three papers that begin this report.

We include in each area of consideration a snapshot of what was heard in consultations and conversations, options considered, and future challenges that may emerge during implementation. There is also frequently a discussion of why a recommendation has been chosen. Clearly, not all the concerns we heard could be easily resolved. Not all that is wished for, even by the members of the Working Group, is practical at this time.

The most significant change being proposed is to move from a “two-component model” of remuneration (stipend and housing) to a “one-component” model (salary). For many, indeed most, clergy, this will not be a change. But for others, it will mean reimagining their remuneration package so that it is more consistent with the norms for professionals in other fields. In parishes with rectories clergy will, over time, be given the option to either provide for their own accommodation or rent the rectory. Because this is a significant change, there will be a period of carefully planned and monitored piloting of this new model. And because of the hot housing market in the Toronto area, a few exceptions may need to be made before implementing this new model fully.

Similar piloting of a strategic parish ministry and management evaluation process will hopefully give clergy better opportunities for engaging in regular feedback on their ministry and the state of the parishes they serve. Eventually, such sessions, when fully implemented, will open the door to the possibility of merit pay.

During this time of change for the church across the world, continuing education is essential. Because of the cost of top-level courses and conferences, we propose that a new Diocesan fund be created to supplement the already available opportunities for clergy. We propose a new fund to assist parishes that need especially skilled and experienced clergy to help them but at the moment cannot afford to pay them what they deserve. And we recommend the hiring of several priests for diocesan-wide use as trained intentional interim priests in parishes where crises have occurred. These items will require budget attention to fully realize.

Particular recommendations came out of the consultations with retired clergy (What, in their opinion, would have made retirement easier?), associates, interim priests, those in specialized ministries, part-time clergy and others.

Many of the recommendations try to bring fairness and transparency into additional ways of being remunerated that are often not mentioned: stole fees, vacations, time for continuing education and sabbaticals. These are not revolutionary changes but are stated in a way that enables parishes and clergy alike to better understand the full package of remuneration available to clergy.

There is a compilation of all the recommendations at the conclusion of the report.

We were also asked to look at the remuneration of parish staff. We have not yet addressed that topic. We hope to be able to provide some guidelines to parishes, but these will not be rules and recommendations because parish staff are employees of the parish and not the Diocese. The best advice is that churchwardens take the values of fairness and transparency we have tried to apply to clergy remuneration and apply them to the parish staff.

When the final report is in the hands of the College of Bishops, they will look at the implementation strategies and begin to put sections of the report in place. The decisions about what can and what cannot be done at this time are theirs.

We are deeply grateful to all who gave their time and wisdom to open doors on this topic that we might not have seen otherwise. Implementation will take time (and there's a map about this in the report too), but movement in the directions we suggest will help bring some of the strategic initiatives from *Growing in Christ*, the Diocesan strategic plan, to fruition. May God be experienced in the implementation of all that follows in this document.

Mandate and Membership

The Remuneration and Compensation Working Group was formed by Archbishop Colin Johnson. The mandate given included the following:

- To establish a clear compensation philosophy and values.
- To review the current systems and make recommendations to ensure consistent values and equity.
- To address the presenting issues as well as other factors and to determine if a change in the systems is the best way to resolve the presenting issues.
- To consider past studies completed in the Diocese (particularly the 1998 KPMG study) and look at other models from other dioceses, other denominations, and the Church of England.
- To consult widely with various stakeholders. In particular, the Remuneration sub-group will meet with clergy, churchwardens, staff, Diocesan Council members, and bishops.
- To ensure that the individual advantages and disadvantages are minimized and addressed
- To consider how a change in the systems impacts other benefits (pension, retiring allowance, etc.).
- To consider issues and develop guidelines related to the compensation of parish staff.
- At the completion of the review, to report the findings, recommendations, strategy for implementation and next steps.

The Working Group was divided into two sub-groups:

1. with a focus on clergy remuneration, and
2. with a focus on Diocesan staff compensation.

The full Working Group is responsible for consistent principles and values and with considering the issues and developing guidelines related to the compensation of parish staff.

The Coordinating Chair for the work of full Working Group is The Right Rev. Andrew Asbil, the then Dean of the Diocese of Toronto. The Chair of the Compensation Working Group is the Chancellor, Clare Burns. The Chair of the Clergy Remuneration Working Group is Suzanne Lawson, ODT. Members of the Clergy Remuneration Working Group are the Vice-Chancellor, Brian Armstrong ODT, the Rt. Rev. Peter Fenty, and the Rev. Canon Janet Read-Hockin. Our work has been ably supported by contributions from The Rev. Richard Dentinger, Amy Talbert, Aneita Chang, Deborah Journeaux, Livia Assuncao, Angela Hantoumakos, and Robert Saffrey of the Diocesan staff, and The Rev Margaret Rodrigues.

Scope

Remuneration for curates was explicitly excluded from our mandate. Pension, the continuing education program and benefits are areas of remuneration that lie in the purview of the General Synod of the Anglican Church of Canada.

We have discovered that many topics not on our radar at the beginning of our work were linked to the development of a future-focused remuneration plan. We have taken the liberty of including some recommendations that address these issues despite a sense that they might be seen as peripheral: we do not believe they are.

What we have considered as aspects of clergy remuneration include the following:

- Stipend
- Rectory or housing allowance
- Cost of certain utilities
- Continuing education grants and funds, time
- Pension
- Stole fees
- Payment for specialized ministries
- Vacation time
- Sabbatical leave
- Moving expenses
- Clergy conferences
- Benefits (health care, employee assistance program, short term disability, long term disability, life insurance, top up for pregnancy and parental leave, etc.)

How We Have Done Our Work

Grounded in prayer and in a shared commitment to help the Diocese, through its remuneration processes, to “attract and retain the best clergy” as outlined in our recent strategic plan, we have worked collaboratively and carefully, and with good humour. Early on, we wanted to articulate our shared theological understandings of the task ahead, and Suzanne Lawson, the Rt. Rev. Peter Fenty, and the Rev. Margaret Rodrigues wrote short theological reflection papers.

The Diocesan strategic plan, *Growing in Christ*, was approved close to our beginning the work, and its strategic initiatives have been the backbone of all our recommendations. The diagram at the beginning of our report shows circles around the particular areas of *Growing in Christ* that we saw as the intersections of this task of redefining clergy remuneration with what the Diocese had chosen as a roadmap for the future. We quickly understood that our work was essentially related to guiding the future of the Church and was not just a way of providing a few quick fixes in existing systems. We have taken seriously the five values that undergird *Growing in Christ*: faith, compassion, collaboration, accountability and boldness, the latter two being particularly important to the work we were asked to address.

After our work was well underway, the Diocese developed working groups to kick start the five strategic initiatives in *Growing in Christ*. We have tried to collaborate with those groups whose work has a potential impact on clergy remuneration, in particular, Stewardship of Resources (as applied to rectories); Leadership and Formation; and Trust and Culture. Our timeline for moving forward with recommendations, though, has meant that some of our recommendations may need to be slightly adjusted as the recommendations begin to emerge from these other working groups.

Theological Reflections Underpinning This Report

At several points during our deliberations, the Working Group wanted to explore more fully various theological understandings that were guiding our work. We wanted to be sure that we were not simply acting as secular consultants but as committed Christians seeing the work of Diocesan clergy as gifts from God to the church.

These three papers proved to be very helpful, and we share them for your consideration.

Clergy as Servant-Leaders

Ms Suzanne Lawson, ODT

April 2018

Undergirding all our discussions and discernment about how to address the issue of clergy remuneration for the Diocese of Toronto is a commitment to seeing the clergy as a servant-leader in our midst – not a person who reigns over a congregation and holds the ultimate local power, but a person who helps to create and models an atmosphere of shared power and shared task with other Christians. What are the implications of this model? What does it mean?

Jesus gives us many examples in his parables of the twists on accepted wisdom and the use of power that need to be rethought, the Good Samaritan and the Prodigal Son being among the most obvious. But it is Jesus himself who gives us the best picture to embody this concept when he stoops to wash the dirty feet of his disciples at the Last Supper. Removing his cloak, getting to his knees, and cleaning the dusty feet of his friends was excruciatingly embarrassing for the friends, and probably not a delightful task for Jesus either. But he used it as a way of showing that one must become like a servant in order to truly follow Him. As he washed those feet, he was also being a strong leader, demonstrating that those who wished to follow him would also be required to take up leadership roles in awkward times and difficult matters. The leadership role he demonstrated, however, was not a command and control type of leadership, but one where the leader serves, and the servant leads. The truth of this example lies in the paradox of the two requirements played out for the apostles – they must take leadership when Jesus leaves/dies, and they must lead in a way that serves others, that serves God. From that point on, Jesus was showing them that living in the paradox of these two stances is what is required. This paradox is what Bennett Sims calls a “formula for great truth” (Sims, 15).

This is a call for all leaders, not just for clergy. But it is a must for all clergy if the church is to be faithful to Jesus. We all know what happens when a cleric takes a position of “I am right and all must follow or leave” (many do, or worse still, let it happen without taking up their own God-given insights!). What we also know but perhaps name less often is when a cleric refuses to lead, but places responsibility and blame on others, especially the Bishop, or “downtown” or “135.” Servant-leadership is not easy: living “in the hyphen” where one must balance what the rest of the world sees as opposites is a challenge. But it is an “ideal toward which to strive and a quality of character to cultivate and attain” (Sims, 23).

Since the early 1970s, there has been much scholarship and rumination about what being a servant-leader means. Writers and teachers and church leaders such as Robert Greenleaf, Parker Palmer, Margaret Wheatley, Bennett Sims, Vince Warner, Larry Spears and Michele Lawrence, have worked away at this idea and contribute to our growing knowledge about this important theology that is

central to life as a priest and pastor. What follows is a compilation from their work and influence over the years.

Servant-leadership is a values-based perspective rather than a management tool to be picked up and used only when seen to be appropriate. It is really a risky countercultural stance that one strives to get better at each and every day. What does it look like?

A servant-leader is one who

- **Listens** intently and reflects back what one hears;
- **Empathizes** with others and values their integrity and story;
- Sees opportunities to **heal and make whole**, both individuals and groups;
- **Persuades** rather than requires compliance;
- Sharpens one's **self-awareness** and is acutely aware of others;
- Is **intuitive** and sees ahead;
- **Dreams and conceptualizes** one's own dreams and the dreams of others;
- **Grows people**, not numbers in congregations;
- **Stewards** one's own time, energy, experience and, similarly, those of the parish;
- **Builds community** within any group. (Adapted from Spears and Lawrence, 72–73)

Clergy who work at developing these characteristics and values will be gradualists, not leaders who find quick solutions that will solve everything. Although deeply talented, they are humble but not self-effacing, and help develop a similar humility in the talented people in their congregations. Above all, they insist on collaboration rather than competition, encourage compromise, admit mistakes when they are made, and hold themselves accountable. The power they have is **WITH** others, not **OVER** them: the power to influence, not rule.

We hope that the recommendations for clergy remuneration reward clergy who are on the pathway to modelling servant-leadership, who understand that, as a result of being committed to deeply serving God, they serve others so that they may become healthier, happier, wiser, freer, and servant-leaders themselves.

Practicing Servant Leadership, Larry C. Spears and Michele Lawrence, editors, Jossey-Bass, 2004.

The Servant as Leader, Robert Greenleaf, Center for Applied Studies, 1970, 1973.

Servanthood, Bennett J. Sims, Cowley Publications, 1997.

Values of Servant-Leadership, Vince W. Warner, 1994

Clergy Remuneration: A Theological Framework of Remuneration for Clergy

The Rt. Rev. Peter Fenty

March 2017

The characteristics of priestly ministry are “call, character and charism.” Every priest is expected to fulfill their ministry to the best of their ability.

Priests are servants of Christ, leaders in community, and supervisors of staff and employees. As with any other professional, when they demonstrate exemplary standards in their work and are faithful in exercising their ministry, they should be justly remunerated. This remuneration should include stipend, housing and merit that honours their work. We believe that the labourer is worthy of their hire (Luke 10:7).

A discussion on remuneration for clergy must be informed by an understanding of the nature of work and that of priestly vocation.

Work is generally seen as “paid employment.” In addition to this view, the Bible uses broader definitions that embrace stewardship over nature, service to others, and all productive activity. M.D. Geldard defines work in this broader way as “the investment of one’s energy in dominion over nature and the service of others”. R. Paul Stevens defines work as “purposeful activity involving mental, emotional or physical energy, or all three, whether remunerated or not.” As a result, no matter the station, whether God, chief executive officer, tradesperson, volunteer, or priest, all work.

The biblical tradition suggests that God was the first worker who created, designed, fashioned, engineered, moulded and crafted the entire universe. This work is characterized as “good.” The psalmist suggests this is ongoing, for the One “who keeps Israel will neither slumber nor sleep” (Psalm 121:4). Paul Minear states, “The God of the Bible is pre-eminently a worker.”

All work is a vocation from God. The tradition also suggests that God invited those God made in the divine image to be partners in work. In this partnership, we fulfill the basic purposes of work. We work to meet personal and family needs, to help others in need, to benefit society and for personal fulfilment. But the ultimate purpose of work and life is to glorify God, to please God, for all things were created according to God’s will and for God’s pleasure and glory (Revelation 4:11). Paul says, “So, whether you eat or drink, or whatever you do, do everything for the glory of God” (1 Corinthians 10:31). Work becomes worship when you dedicate it to God and perform it with an awareness of God’s presence.

It should also be noted that work is about relationship, rooted in the relational God, as the core of Christian ministry and vocation. Christian work is not a series of hoops to be jumped through but rather a series of relationships to be built that can be expressed both in practical and mystical ways.

Although some activities and work would be morally unacceptable to God, almost all work in society is legitimate as it meets the needs of families and society or maintains God’s creation. God calls people to all kinds of legitimate work and provides the abilities and gifts to do the work (Romans 12:6–8; Ephesians 4:11–16).

In medieval times, a vocation was seen exclusively as a divine call to religious work, or the monastic life. Martin Luther formalized and popularized the concept of vocation in which there is no division

in the eyes of God between sacred and secular positions or occupations, and that God calls people to all kinds of tasks in the world.

The implication of 1 Corinthians 7:20 is that a Christian should remain in their secular estate and current occupation unless God calls them to “a distinct apostolic, prophetic, evangelistic or teaching task,” which should not be entered into volitionally just because it may be seen as having a greater impact for salvation of others than one’s current work. All are called to share the Word and the Gospel with others (Matthew 28:19–20), but some among Jesus’ disciples are called to do this kind of work in a full-time capacity or in a more specialized way.

The biblical tradition is unanimous in the view that those who serve the mission of God should be compensated for their work and that this should be fair and just. Jesus and Paul are in tandem as far as remuneration for the bearers of the gospel are concerned. Jesus makes it very clear to those he sends, saying to them, “Whatever house you enter, first say, ‘Peace to this house!’ And if anyone is there who shares in peace, your peace will rest on that person; but if not, it will return to you. Remain in the same house, eating and drinking whatever they provide, for the labourer deserves to be paid” (Luke 10:5–7). 1 Timothy echoes this position. “Let the elders who rule well be considered worthy of double honour, especially those who labour in preaching and teaching; for the scripture says, ‘You shall not muzzle an ox while it is treading out the grain,’ and, ‘The labourer deserves to be paid’” (1 Timothy 5:17–18).

In the context of the church, clergy respond to a call in a variety of ministries influenced by the Spirit. It may also be considered that clergy are called to the ongoing “work” with God that is described in the ordinal as follows:

As a priest, it will be your task to proclaim by word and deed the gospel of Jesus Christ, and to fashion your life in accordance with its precepts. You are to love and serve the people among whom you work, caring alike for young and old, strong and weak, rich and poor. You are to preach, to declare God’s forgiveness to penitent sinners, to pronounce God’s blessing, to preside at the administration of holy baptism and at the celebration of the mysteries Christ’s body and blood, and to perform the other ministrations entrusted to you. (*Book of Alternative Services*, 646)

There is the expectation that clergy will model a life that reflects a deep and close relationship with Jesus Christ as disciples, pastors and teachers. Their work and lives are to follow the example of Jesus, caring for all and respecting the dignity of every human being (Matthew 25:35–36). Like every Christian, washed in the waters of Baptism, their vocation is one of loving service to all of God’s children, having a healthy relationship with those whom they lead as followers of Jesus Christ, to support and encourage them in their spiritual journeys and to be accountable (Acts 2:42–47).

The priest must take responsibility for the way they carry out their work. Clergy are responsible for the quality of work (ministry) they exercise and for remaining true to their vocation and pleasing to God (Matthew 25:21).

Clergy as Disciples Together in the Diocesan Community

The Rev. Margaret Rodrigues

February 2019

From earliest times, Anglican governance has been hierarchically structured, based on the threefold order of bishops, priests and deacons. As Anglicans, we are episcopally led and synodically governed. This form of governance is legally expressed in an organization primarily comprising discrete, not-for-profit parish corporations under the statutes and canons of a diocese. In Canada, the parishes are grouped into separate provinces and dioceses with additional structures within them. In addition to national and provincial synods, in the Diocese of Toronto these structures include the College of Bishops, Executive Board, Trusts Committee, Diocesan Council and related groups, as well as area councils and each local clericus.

Whether explicitly recognized or not, human resource systems both implicitly and explicitly mirror, model and reflect the values of the organization of which they are a part. The current form of hierarchical governance has supported and fostered a vertical, individualistic, independent form of accountability on the part of clergy, with very weak horizontal linkages and ties at the individual clergy level. There is almost no incentive for clergy to support each other. These values are the underpinnings of our current human resource management and remuneration systems and are reflected in many of the comments made as part of the consultation process.

In keeping with the Jewish ethical tradition of which he was a part, Jesus instructed the scribes, and by implication everyone else, including his disciples, to follow two commandments: “The second is this, ‘You shall love your neighbour as yourself’” (Mark 12:31). This love is to encompass everyone, not just a select and favoured few. Who is closer to us than our neighbouring clergy struggling in nearby parishes, or the hard-pressed and often underpaid administrators in our own parishes? We see this message again in John’s Gospel when, as his ministry is drawing to a close, Jesus says to his disciples, “This is my commandment, that you love one another as I have loved you” (John 15:12). “Holy Father, protect them in your name that you have given me, so that they may be one, as we are one” (John 17:11).

Sacramentally, when we celebrate the Eucharist together as groups of clergy, whether in the cathedral or in a local gathering, we become the Body of Christ together. In a sacramental sense, at that moment we cease to be individual priests. We are quite prepared to wash the feet of our congregations on Maundy Thursday, but when do we wash each other’s feet, I wonder?

In practice, Jesus was realistic about the challenges facing his disciples, and therefore he sent them out into the Galilee in pairs so that they could support one another (Mark 6:7). He did not expect them to be able to function as his disciples all alone. When they all fell asleep in the Garden of Gethsemane, he said sadly to them, “Are you still sleeping and taking your rest?” (Matthew 26:45).

Jesus used many collective metaphors to emphasize the fact that his followers were not simply individuals but were integral parts of a whole. Many of these metaphors were agricultural in origin because of the nature of the society in which he was teaching. “I am the vine, you are the branches. Those who abide in me and I in them bear much fruit, because apart from me you can do nothing” (John 15:5). “And I have other sheep who are not of this fold. I must bring them also, and they will listen to my voice. So there shall be one flock, one shepherd” (John 10:16). “Do not be afraid, little flock, for it is your Father’s good pleasure to give you the kingdom” (Luke 12:32).

Paul in his turn used many collective metaphors and examples to strengthen the communities in which he was teaching and evangelizing. “For as in one body we have many members, and not all the members have the same function, so we, who are many, are one body in Christ, and individually we are members one of another” (Romans 12:4). “Do you not know that you are God’s temple, and that God’s spirit dwells in you?” (1 Corinthians 2:16). “For just as the body is one and has many members, and all the members of the body, though many, are one body, so it is with Christ. Now you are the body of Christ and individually members of it” (1 Corinthians 12:27). “Bear one another’s burdens, and in this way you will fulfill the law of Christ” (Ephesians 6:2). “Let us, therefore, no longer pass judgement on one another, but resolve instead never to put a stumbling block in the way of another” (Romans 14:13).

In summary, a healthy organization is one in which its members routinely say that it is an excellent place in which to work. They acknowledge that working there may offer great challenges and difficulties, but the organization cares for its people, treats them equitably and fairly, supports them when they are in trouble, and does what it can to encourage their career development. They are proud to work in it and are profoundly grateful to have the opportunity to serve people of all kinds in an atmosphere of mutual cooperation. For the Church, this may include serving some of the most disadvantaged in our society. None of this is typically said in any spirit of competitiveness because the people know that any kind of superiority would produce deep resentment on the part of other groups.

The Clergy Remuneration Review offers a timely opportunity to consider rethinking traditional and current Diocesan values in order to embed the changes into more collaborative human resources systems, policies and practices that would in turn result in new ways of co-operating and working together. Not only would it be of benefit to the clergy themselves to work together more collectively and supportively but these values could, for example, be included in statements of clergy competencies, in a new performance appraisal system, and in clergy coaching and education. These values would also be of benefit to the staff in our parishes and in the Diocesan office, since we are all working together to further God’s kingdom.

Guiding Principles

As our work evolved, we began to articulate principles that we wanted to try to follow in all our recommendations. These are listed below, in no particular order:

- Remuneration for clergy must be attentive to their calling to live out God's mission in their ministry.
- We act in good will and presume good will in others.
- All our work must be theologically grounded.
- Current active clergy will not suffer financially within the new system.
- Consultation must be broad and results listened to and weighed seriously.
- Clergy bear the primary responsibility for their own financial and retirement futures.
- Faithful stewardship of both human and financial resources at all levels of the church informs decisions about remuneration.
- Clergy are not employees but office holders, remunerated in part by financial and other compensation.
- Certain laws govern/confine decisions about remuneration: canon law, the Canada Revenue Agency, the General Synod Pension Fund, Employment Insurance, etc.
- The remuneration of clergy across the Diocese should demonstrate justice and fairness, no matter where their ministry is being done.
- Internal equity is essential.
- Any change that is recommended should be designed to build and not harm or diminish relationships – between the Diocese and the clergy, between parishes and clergy, between parishes and the Diocese, between clergy and laity.
- Changes need to be made easy for people to navigate, and these changes will be accomplished with as much transparency as possible.
- Significant changes need to be tested first, evaluated openly, adjusted and then rolled out carefully ... full of care.

Consultations

Initial consultations occurred with the College of Bishops, Regional Deans (and, through them, all clericuses), the Executive Board and Diocesan Council. The subsequent decision to bring together clergy/lay teams of three from selected parishes in each episcopal area proved to be essential. People gave a whole day and provided much information for us to consider. As we gradually understood there to be particular challenges around the remuneration of certain groups of clergy, we gathered many such groups to meet with us for a day of discussion each. Some of these groups were retired clergy (who were asked what would have been better for them as they look back with respect to remuneration), vocational deacons, associate priests, part-time/interim clergy, clergy serving in rural areas and so on. Our work has been enriched so much by the individual stories we heard and the wisdom we received. We are grateful for these gifts. (Appendix A lists those groups consulted.)

We have also been attentive to the richness of experience in other Canadian dioceses, in the church internationally, and in other denominations. In many cases, we are building on work already done elsewhere and adapting to our use. We are grateful for these head starts given freely to us by other judicatories.

The only thing that retired clergy are invited to is silence. a retired clergyperson

Main Observations

When all aspects are taken together, the remuneration of clergy in the Diocese of Toronto places them close to models of what mid-level managers would make in not-for-profits and schools.

- We have found there to be a lack of consistency in remuneration and a lack of understanding of the various aspects of remuneration. Bishops have a role in initial remuneration discussions and decisions within a parish, but no obvious role in ongoing oversight of remuneration.
- Effective and helpful structured discussions about how the role is being lived and the spiritual oversight of the parish are rare.
- Churchwardens and treasurers may not attend orientations or retain information they are given there, may not pass on the information to those who succeed them or to those who ought to implement them, and do not build up enough knowledge about their multiple responsibilities, including the various aspects of clergy remuneration.
- Where parish budgets are tight and parishes are truly struggling, the survival of the parish often has an impact on how much the clergyperson is paid in both stipend and housing allowance. This is particularly true of clergy in rural areas.
- Many clergy see remuneration only in terms of their stipend and neglect to understand the depth of the multiple ways in which they are remunerated.
- About 30% of active clergy live in rectories and approximately 20% of parishes are renting out their rectories.
- The high cost of housing in the Greater Toronto Area has meant that clergy who wish to buy their own home rather than live in a rectory are just as hampered in this wish as other professionals living in this area.
- The Diocese of New Westminster, the Diocese of Toronto and now the Diocese of Niagara have particular concerns given the rising costs of housing. Special accommodation needs to be made for clergy in these central urban areas in our dioceses. We have much to learn from each other, and the learning will need to be ongoing.
- Many clergy, in taking advantage of reduced taxes if they claim housing costs to the limit, do not realize that they are reducing their pensionable earnings and therefore their Canada Pension Plan entitlement, which is extremely important at the point of retirement.
- Many clergy who have lived happily in rectories retire without having planned for the rental or purchase of housing.

- Many clergy are living in rectories that are not well maintained, especially because of a perceived or real lack of parish capacity to fund repairs.
- The challenges of ministry in the rural parts of the Diocese are quite different from those in urban and suburban centers.

We need to earn enough to receive the CPP maximum. a retired clergy

As regional dean, I fielded numerous questions from people questioning their compensation. One person was underpaid in both stipend and housing at a church with an extremely well-paid incumbent. They were paid half of what the housing should have been. a regional dean

Changes Already Implemented

As we did our work, there were some obvious, specific needs to assess and possibly correct, and we have done so rather than waiting for approval of the entire report.

1. Ensure that associate priests are given a similar housing allowance to the incumbent.

A review was done, and all identified issues are being addressed through the area bishops.

2. Institute the use of a drug card in the benefit package.

This has been done.

3. Gather together and hear from groups who have special roles that may have particular remuneration challenges.

See above in the comments about consultation; every time we heard that there were other groups who were seen to experience some disadvantage, we pulled together another consultation to explore their issues with them.

Future Implementation

The Diocesan staff will look to implement communications and processes to alert clergy to the impact on the Canada Pension Plan of reducing pensionable income by claiming the maximum clergy residence deduction.

Aspects of Clergy Remuneration Considered

1. Stipend/Salary

Minimum stipend is seen as standard. a parish priest

I would like to see other factors, such as previous professional experience, considered in determining stipend other than years ordained. a parish priest

I would like to see a standard negotiation process – a baseline established. a churchwarden

Current Status

It has been twenty years since the last comprehensive review of the system for the remuneration of clergy in the Diocese. At the conclusion of that review, in June of 1998, KPMG reported that the consultation conducted at that time supported “the need for a shift from the pastoral, stipend-based model to a salary-based model of managing clergy compensation.”

In support of that recommendation, the KPMG report cited concerns related to a lack of fairness, equity, consistency, objectivity, and transparency in relation to the existing process for determining clergy remuneration across the Diocese.

KPMG recommended, as Phase 2 of the proposed implementation plan, that the then current system of clergy remuneration, comprising a prescribed minimum stipend, based on years of ordained service, plus housing either in the form of a rectory or housing allowance, be replaced with “a salary-based model using salary ranges” similar to models that have been successfully implemented in other dioceses both in the Anglican Church of Canada and the Episcopal Church of the United States of America.

However, Phase 2 of the proposed implementation plan, recommended by KPMG, did not proceed, and the current system for clergy remuneration remains fundamentally the same as it was when the KPMG report was written.

What We Heard

In the course of the extensive consultations carried out by the Working Group in connection with the present review, many of the same concerns identified twenty years ago by KPMG have resurfaced.

The consensus view that emerged from the consultations is that the present stipendiary system in which clergy remuneration is determined on the basis of a prescribed minimum stipend based on years of ordained service, with increases beyond that level subject to “negotiation” in accordance with very general guidelines, ought to be replaced with a system that reflects not only seniority but also includes a wider array of common factors designed to objectively measure the attainments, competencies, and performance of clergy from year to year.

However, the Working Group also heard an acute, widespread and growing concern that was not reflected in the KPMG report, with respect to the issue of the increasing inability of many parishes to pay their clergy, a concern that is undoubtedly a product of shrinking congregation size and increasingly limited financial resources in many parishes across the Diocese.

Options Considered

The Working Group considered two options:

1. Maintaining the status quo with some modest adjustment to the current stipendiary minimums; and
2. The adoption of a new salary-based model, similar to those in place in the Diocese of Calgary and in the Diocese of New Westminster, incorporating a range of additional salary factors, both objective and subjective, which would form the basis for the remuneration of all active clergy in the Diocese.

We are living in a time of change and transformation. Our local communities are facing changes in population size and demographics. Increasing rates of secularization, especially of younger generations, are changing attitudes and relationships with religious organizations. In this dynamic environment, leadership, flexibility and a willingness to learn and try new things will be essential for success.

“We will ... [be] ... an organization that attracts and retains the best clergy ...”

Growing in Christ: Strategic Plan 2016–2021

Recommendations

In summary, the Working Group is recommending:

- | |
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| <ol style="list-style-type: none">1. The adoption of a salary-based model, similar to those in place in the Diocese of Calgary and the Diocese of New Westminster, as the basis for the remuneration of clergy in which salary ranges, including both minimum and maximum salary levels, are determined in accordance with a common set of salary factors. |
|--|

2. The adoption of **a common set of salary factors**, both objective and subjective, designed to measure the attainments, competencies, and performance of clergy from year to year.
 - The only salary factor that forms a part of the current system is years of ordained service. The current system prescribes a minimum stipend for the first 21 years of ordained service. Remuneration above the minimum level is supposed to be determined on the basis of negotiations between the churchwardens and the priest based on very general guidelines.
 - At this time, there is no prescribed maximum stipend at any level of seniority.
 - As of 2019, 39.1% of the 161 full-time active clergy had more than 20 years of service and 52.2% of all clergy were remunerated at or above the prescribed minimum stipend for their years of service; just 39.1% of the 98 full-time active clergy with less than twenty years of service were remunerated at the minimum stipend.

The following are the salary factors recommended for consideration in the determination of clergy salary ranges:

Position

- rector / incumbent / associate / part-time/ priest-in-charge / interim priest-in-charge / intentional interim

Theological Education

- diploma / certificate / basic degree / advanced degree / doctorate (DMin. and/or Ph.D.)

Ordained Experience

- years of ordained service

Prior Experience

- non-theological education and years of prior non-ordained career experience directly relevant to the competencies / skills required in the role of parish priest

Size and Complexity of Congregation

- multiple congregations / multi-point parishes
- family / pastoral / program / resource
- unsustainable / static / sustainable / strategic

Specialized Ministry

- secondment to positions of oversight at the Diocesan level (Diocesan Council, Executive Board, regional deans, archdeacons, Diocesan sub-committees, task forces, working groups), bishop's committees
- chaplaincy (parish-supported chaplaincy in hospitals, nursing homes, seminaries/universities/colleges, correctional facilities)
- outreach ministry (parish-supported community outreach ministry)

Merit/Performance

A set of **agreed personal ministry goals and objectives**, consistent with a strategic plan/ mission action plan for the parish and approved by the area bishop, which will form the basis of the cleric's annual performance appraisal, and which could include, where appropriate, goals related to such things as Sunday attendance; stewardship; continuing professional development; program development; community outreach; and parish leadership development.

3. The **elimination of housing or a housing allowance as a separate component of clergy remuneration**. Subject to a limited number of exceptions in which the issue of clergy housing will be governed by overriding strategic, pastoral and financial considerations that dictate a different approach, clergy salaries will be set on the basis of the application of appropriate external benchmarks and internal salary factors, and clergy will be free to choose the housing that they consider appropriate to their pastoral responsibilities, their individual personal and family circumstances, and their vocational commitment to exercise effective leadership of the church's mission in the community. In those cases in which clergy choose to live in rectories, they will lease them from the parish at a market-based rent and on the same terms and conditions as a third-party tenant.
4. The recommended salary-based remuneration model be implemented in a manner that guarantees that, **as long as they remain in their current parish, no currently active clergy will be financially worse off under the new system** – that it will not have a net negative effect on any individual cleric in terms of their effective after-tax remuneration, their pre-retirement and post-retirement benefits, and their pension entitlements. Similarly, in the event that the implementation of the new remuneration model results in existing clergy remuneration that exceeds the maximum of the appropriate salary range, the level of clerical remuneration going forward will not be adjusted downward but will remain the same (“red-circled”).
5. The adoption and implementation of **an annual feedback session** for clergy that will eventually enable the inclusion of **merit** as a factor in the determination of clergy remuneration.

Rationale

The principal advantage of the move away from the present stipendiary system to a salary-based model, in which clergy remuneration is based on a salary grid and the salary ranges are determined on the basis of a common set of objective salary factors, is that it will address the concerns over the lack of fairness, equity, consistency, objectivity, and transparency in the determination of clergy remuneration under the present system that were identified both by KPMG and by this Working Group.

It will broaden the scope of criteria for the determination of remuneration by moving away from a system in which the only objectively defined salary factor is years of ordained service to a system that incorporates not only seniority but a range of both objective and subjective salary factors designed to recognize the experience, effort and performance of clergy.

It will contribute to the achievement of strategic alignment across the Diocese while at the same time providing a framework for the formulation, integration and achievement of those goals and objectives for ministry developed at the area, deanery and parish levels and for the recognition of the critical contribution made by clergy to this process.

Challenges/Emerging Issues

The adoption of a salary-based system, the introduction of new salary factors in addition to years of ordained service, the adoption of salary ranges with prescribed minimum and maximum salary levels, and the elimination of housing as a separate component of clergy remuneration will involve a major change in the current organizational values and culture of the Diocese.

The assurance that, *as long as they remain in their current parish*, no currently active clergy will be financially worse off as a consequence of the change to a salary-based model will be critical to the successful implementation of the recommendations in this report.

The potential legal, tax, pension and cost consequences of such a change will have to be carefully examined in order to ensure that the system design is feasible, fair, sufficiently flexible and affordable.

In addition, the issue of *ability to pay* at the parish level will have to be seriously addressed.

It is an issue that fundamentally challenges the viability of our inherited parish model of ministry.

At present, the principal factor that ultimately determines the viability of parish ministry is financial – the ability of the parish to meet the fully burdened cost of a full-time parish priest. The stark reality is that, for the most part, parishes that cannot meet this financial test are either merged into multi-point configurations with part-time clerical support or are eventually closed.

The medium- and long-term implications of continuing with this approach will have to be carefully considered, particularly in relation to the currently projected rate of parish closure over the next ten to fifteen years and in light of alternative models of “church” that might offer the prospect of maintaining local worshipping communities at lower cost in such places.

While the issue of *ability to pay* is a matter that may not, strictly speaking, be within the mandate of the Working Group, it did seem important to highlight this issue in view of the kind of concerns that were expressed in the extensive consultations undertaken at the parish level across the Diocese.

Various policies may need to be changed to reflect these recommendations.

Implementation

Because of the complexity of these recommendations, we strongly suggest that a small pilot project be established for two years where the effect of this recommendation can be carefully observed, and corrections/adjustments made where issues arise. There are detailed comments in the Implementation section of this report.

2. Housing Remuneration

Current Status

A significant portion of clergy remuneration is housing. This can be provided as either a housing allowance or rectory (includes utilities; hydro, heating, water and basic telephone). If a cleric lives in a rectory, the parish also pays the property tax for the rectory (if applicable). If a cleric receives a housing allowance, the housing allowance includes a sub-section for the cost of utilities that needs to be reconciled at the end of each fiscal year. The housing remuneration (whether allowance or rectory values) is reported on the T4 and is part of the total income of the cleric. Clergy are eligible for the Clergy Residence Deduction, which is intended to be a tax deduction on the value of the housing. In the case of a cash housing allowance, the maximum value that can be claimed is 1/3 of total income.

Currently 60% of parishes own a rectory; 30% of active clergy reside in a rectory; 70% of active clergy receive a housing allowance and choose to either purchase or rent their own home. Rectories not being used by the cleric are sometimes rented in order to receive income or used for parish or community purposes.

In situations where two clergy are married to each other, only one person of the couple can claim housing allowance for income tax purposes, but both will receive it.

What We Heard

The reality is that wardens and parishioners would not live in the rectory because it is so run down.
a retired cleric

In consultations with parishes, bishops, regional deans, incumbents, vocational deacons, part-time clergy, associate clergy, rural clergy and retired clergy, a number of issues arose:

Equity/Fairness

The high cost of housing, in all regions of the Diocese, especially in the City of Toronto, often hinders a parish from providing a housing allowance in accordance with the fair rental value of a rectory equivalent within the parish boundaries. According to a ReMax report of 2018, the housing costs in the Greater Toronto Area have risen by 119% between 2007 and 2017. The average cost of a detached home has increased from \$376,236 to \$822,681 in the same time period. According to the RBC Housing Trends and Affordability Report, in the 3rd quarter of 2018 it would have taken 75.3% of a typical household's income in Toronto to cover ownership costs of an average-priced home.

There is a great deal of discrepancy in terms of what utilities are covered. Some clerics negotiate additional utilities such as long-distance charges, internet expenses, cell phone coverage or cable expenses. CRA sets out clearly what items are considered utilities.

Where more than one cleric works in a parish, there is also often a discrepancy between who (i.e., incumbents, associate priests and assistant curates) receives what and for how much.

Impact on Parish Resources

At the same time, parishes with rectories often struggle with the upkeep of the property. Parishes have sold their rectories for one of two reasons. First, the cleric wishes to purchase their own home.

The sale of the rectory in this case is intended to provide capital to finance a housing allowance. Second, the cost to upgrade a neglected rectory property surpasses the parish's financial resources. Churchwardens in parishes with rectories that are rented out take on the onerous task of acting as property managers.

Long-Term Impact

When I retired, I was homeless. a retired cleric

Living in a rectory, I didn't have a sense of how much housing costs were or what it takes to run a home. a retired cleric

Another issue of note is the effect of living long term in a rectory, giving the cleric little to no opportunity of building financial equity. The majority of retired clerics noted the stress this created and the often-drastic impact of moving from a rectory to a residence one could afford post-retirement.

There is the reality that when a cleric has applied to CRA to have income taxes reduced at source (i.e., not applied to the housing portion), a cleric's contribution to the Canada Pension Plan (CPP) is based solely on the amount of the stipend rather than the total remuneration package (stipend and housing). This leads to lower contributions and lower pension payments. For example, the maximum pensionable earnings under CPP for 2019 is \$57,400. However, a cleric being paid on the minimum stipend scale for 20 years of service receives \$52,217 in 2019, an amount below the CPP threshold.

Personal Boundaries and Expectations

While some clerics emphasized the benefits of living in rectories (proximity to the parish, ability to integrate into the local community), other clerics emphasized the infringement of personal boundaries and problematic expectations. For some parishes, the rectory is an extension of the church's property rather than a person's home. As such, there can be unrealistic expectations set on who has access, or how the residence should be used. We heard numerous examples of boundaries being crossed or privacy being infringed upon. One cleric reported that members of their parish have had keys to the rectory and have chosen to "let themselves in" without any notice to the cleric or the cleric's family.

Options Considered

The first option is to maintain the current system. The second option is to move to a salary-based system predicated on using housing as one building block for overall remuneration.

Recommendations

6. That clergy remuneration will, as a general rule, no longer comprise two major components, stipend and housing (the "two-component model"), but will, subject to a limited number of exceptions, be replaced by a remuneration model comprising only one major component, namely, salary (the "one-component model").

7. That the College of Bishops will decide on the exceptions to the general rule based on strategic, pastoral or financial considerations prior to the introduction of the new model.

Rationale

The 70% of clergy who currently don't live in rectories will be largely indifferent to the move from the two-component model to the one-component model. As long as they are not left any worse off from a tax point of view (which presumably they will not), then this change should not impact them.

The 30% of our clergy who live in rectories will fall into three categories:

1. Clergy who live in rectories simply as a matter of personal choice, where there are no strategic or financial considerations that dictate this choice;
2. Clergy who live in rectories where strategic considerations, relating to the incarnational nature of parish ministry, dictate this choice;
3. Clergy who live in rectories where financial considerations, most often related to the state of the local housing market, dictate this choice.

There will undoubtedly be parishes in which both the second and third factors will play a part in dictating the choice.

Those clergy in the first category (where no strategic or financial considerations dictate the clergy's choice of housing) ought not to be adversely affected by the move to the one-component model since they will receive the equivalent of the fair market value of the housing they currently occupy as part of their overall salary and will have the choice of continuing to occupy it (notionally leasing it from the parish) or moving to other accommodation.

For those clergy in the second and third categories, the College of Bishops will identify the parishes where strategic and financial considerations currently (or in future will most likely) require clergy to live in rectories and to designate them as exceptions to the general rule.

The broader question that relates to the issue of the development of a strategy to govern the future use and disposition of rectory property in the 30% of parishes that own rectories not occupied by clergy is a separate matter and should not affect or delay the move from a two-component to a one-component model of clergy remuneration.

Considerations related to the development of a more broadly based property acquisition strategy, which would see the church acquiring residential property to provide clergy housing in order to mitigate the risk that a growing number of parishes will in future find themselves in categories 2 and 3 above, ought not to affect or delay the move to a one-component model.

Challenges/Emerging Issues

One significant challenge is the dramatically changing housing market in Toronto and the GTA and the implications this has, not only for clergy but for all people living in the Diocese of Toronto. According to a June 29, 2017 RBC Housing Affordability Report, the average Canadian spends 45.9% of their total income on housing (mortgage, taxes, utilities). The average in the GTA is 72%. Most clergy are accustomed to thinking of housing costs as requiring 1/3 of their total income, as this is equivalent to the tax reduction benefit received from the CRA. It is, however, no longer a

reasonable expectation. Making a readjustment in one's expectations will be a struggle. For clerics living in rectories, the full value of the rectory is eligible for the clergy residence deduction.

Moving from a model of stipend and housing to a salary-based model is a shift in a paradigm. Parishes in high cost real estate areas, parishes in rural areas where housing may not be as readily available or sellable, parishes that are stretched financially will need to have long-term strategies in place to help mitigate against high housing costs. Can we afford to pay? Will our cleric have to travel great distances outside the parish boundaries because of the high cost of real estate? What will this mean for our future in 25 years, 50 years, 100 years? What do we need to put into place to ensure long-term viability? These are just a few questions that need to be answered.

Fair rental value of a home in a parish will need to be balanced with a parish's capacity to remunerate adequately. For clerics who continue to live in a rectory, building in a higher stipend for the cleric is one way to mitigate the need for building home equity.

The greatest issues are ones of creating equity and just remuneration so that clerics serving in the same parish receive the same housing benefit regardless of position and have an opportunity to build equity. Where capacity does not meet the need, we believe a Diocesan fund that Bishops can access to top up salaries for some clerics will be crucial.

Implementation

Because of the complexity of these recommendations, we strongly suggest that a small pilot project be established for two years where the effect of this recommendation can be carefully observed and corrections/adjustments made where issues arise. There are detailed comments in the Implementation section of this report.

3. Parish Ministry, Mission and Management Evaluations

Current Status

Consultations have indicated that some clergy are participating in parish ministry, mission and management evaluations on an annual basis, but many are not. Most of these sessions are with the area bishop, but the engagement with lay leaders in the process has not usually gone beyond a submission on paper from a couple of lay leaders as requested by the bishop. Because there is no training offered for the bishops or for the lay people involved in the evaluations, or for the clergyperson, and because there is no agreement across the Diocese about what qualities or standards should be met, even the sessions that *are* conducted may be inadequate. They may end up neither assisting the clergyperson in their growth and ongoing development nor always providing honest and well-founded feedback.

Bishops currently receive a similar evaluation on an annual basis.

For clergy, there are continuing education plan, professional development grant (Diocesan), and sabbatical grant (National Church) funds available for professional development.

What We Heard

Performance management is difficult to manage equitably across the Diocese when it is common knowledge that bishops may have widely different ideas of what good performance would consist of. There would need to be some detailed corporate input and principles to act as a common framework ... plus an appeal process of some sort. a retired parish priest

The lay leaders at our consultations expressed their eagerness to become engaged in a good annual evaluative process, both for the benefit of the clergy and for the benefit of laypeople with responsibility for the welfare of the parish. Most clergy were also eager to begin or improve such a process. Bishops are eager for a shared view of how to conduct such sessions well, or better than they feel they do them now. Because bishops oversee a large number of clergy, the expectation that they will do annual parish ministry, mission and management evaluations thoroughly seems unduly onerous. There is also apprehension because of the experiences both clergy and lay people have had of bad (ineffective, inappropriate, non-consultative or totally unhelpful) evaluation sessions. And there is inconsistency in approach across the episcopal areas. Training, as mentioned above, is absent.

*Call on lay leaders to provide good advice on human resources.
an observer at a parish team consultation*

Options Considered

The status quo is no longer tenable in an age of increased accountability.

Recommendations

8. That a consistent parish ministry, mission and management evaluation system be instituted across the Diocese, to be fully operational within five years.

9. That a small team adapt from other dioceses, or develop, 2 or 3 such evaluation processes to test what will fit the nature of the bishop/clergy/parish relationship in the Diocese of Toronto; will take into account the various parishes where clergy are called to serve; and will recognize the particular spiritual gifts the clergyperson has.

10. That each process be tested over two years with a small group of clergy, adapted based on the evaluation to produce one model, and then gradually rolled out to be in place for all bishops and clergy by the end of five years.

11. That the College of Bishops give careful consideration to who best should bear the responsibility for the annual parish ministry, mission and management evaluations with clergy (regional deans, archdeacons, bishops or some combination), consult with their clergy, and institute a system that is consistent across the Diocese.

12. That careful training for all involved be planned and implemented over the five years and regularly repeated and enhanced semi-annually thereafter.

13. That, within five years, no salary adjustment should happen without a recorded annual parish ministry, mission and management evaluation in the preceding calendar year unless special circumstances such as severe illness or other crisis are present.

14. That the team of volunteers currently working in congregational development be expanded to include people who are skilled coaches for individual clergy, and, after careful matching, deployed to assist clergy in areas where the clergyperson needs some additional support.

15. That budget be made available to provide payment for additional coaches who are not volunteers if their skills are especially needed.

16. That written reports of these parish ministry, mission and management evaluations, once signed, will be kept in secure clergy files at the Diocesan office.

Rationale

The process of engaging in honest and clear feedback is a key responsibility of leadership in all organizations. Coaching, mentoring, recognizing and improving are all essential to the growth of a good clergyperson and a vibrant parish over time.

A well-conducted evaluation can be the best day in the year – focused attention is given to the individual clergyperson and the parish; conversation explores spiritual challenges within the congregation; discussion affirms achievements and indicates where improvements can be made; reasonable goals can be set for the following year; and relationships within a parish leadership team can be strengthened. In an age of calls for increased accountability, instituting a system that will

require mutual accountability will be deemed a positive step by all. Many clergy and lay leaders will also see this as a time to gain clarity about future actions and energy use within the parish. Spiritual growth will be a central valued result as well.

There are two models we have received from other dioceses that are worth testing and could be quickly adapted for almost immediate use. Testing more than one model allows for learnings from each that can be incorporated into the final model.

Challenges/Emerging Issues

Orchestrating and conducting parish ministry, mission and management evaluations within a church structure are more complex than in other settings for at least three reasons:

- the central focus on spiritual growth and health of the clergyperson is immensely private and differs for each person;
- the clergy are at a distance from the Bishop and so the work cannot be regularly overseen; and the ministry of the clergy is always complicated by the engagement with a group of people (the parish). In fact, it is mutual ministry which the Bishop and clergy share but where the clergyperson is involved in the detailed implementation;
- while parish-level ministry is also mutually conducted by the clergy with the lay people of the parish, not many lay leaders know the full array of activities that the clergy undertake or must consider before acting.

Some clergy are hesitant and apprehensive about parish ministry, mission and management evaluations. (Will they understand the roadblocks the parish is putting up to my suggested actions? Will I be seen as inadequate? Can I be honest in front of the Bishop? Will this ruin any future appointments? Is the loss of parishioners going to be seen as my fault? And so on.) To address such concerns, the evaluation should be designed to be of real assistance to their ministry and their own spiritual health both present and future. A measure of success will be when clergy appreciate this time of feedback as the most helpful day in their year, both professionally and personally.

Who participates in the parish ministry, mission and management evaluations and who has input to it are central issues. We think that a feedback day with one's bishop is preferred, but the size of our episcopal areas makes this a challenge if not an impossibility on an annual basis. Not all areas have archdeacons, and if this were a task for archdeacons, new positions would need to be envisioned and current archdeaconry roles altered. The Diocese of Kootenay in its model for such parish ministry, mission and management evaluations suggests that a clergyperson could ask for any of the regional deans to lead their process. Again, if that model were chosen, the responsibility and training of regional deans would need to change as would their honoraria. No matter what decision is made, it must be clear that the ultimate accountability of a clergyperson and the parish is to the Bishop.

Consultation from many will enrich any feedback session. The engagement of several parishioners and the churchwardens is essential, but care must be taken not to present an opportunity for "gang up" within a parish against its priest. At the same time, difficult situations must be explored together and clear steps outlined that the clergy and the lay people are expected to follow to address these issues.

Because of the variety of evaluation models currently used across the Diocese, there is a need to bring about increased consistency, while keeping a flexibility of response to suit the various parishes

and ministries and challenges the clergyperson is dealing with. It will take time and careful research to find the most helpful model to implement across the Diocese.

There is an inconsistency in understanding what a clergyperson should actually be doing and what spiritual health is for a clergyperson. There are vast differences in opinion and perception about the changing nature of the clergy role and the church today.

Parish lay leaders will have varying experiences from their own lives about what are called performance appraisals. These views require acknowledgment and careful balancing so that the evaluation itself is fair, helpful and spiritually life giving, not punitive or demeaning.

There is also an administrative challenge – monitoring accountability; ensuring follow through on Diocesan guidelines once developed, and openness to at least biennial evaluation of the process as a whole. Central to this will be the determination of whether it is the Bishop or some other person in leadership who has the responsibility for leading these parish ministry, mission and management evaluations.

All these challenges will require a training program and accountability measures for all involved. The professional development for bishops and the lay leaders involved will need to be developed and clearly communicated. Clergy will also need training in how to prepare for their annual evaluation session and how to get the most out of it.

Caution

There is a mistaken notion that such parish ministry, mission and management evaluations will change remuneration practices. While that may sometimes be true, it is far better to think of them as ways to continue to grow and learn rather than a pathway to an increase in salary. Even when the recommendation for merit pay is implemented as expected several years down the line, an individual who is a “high performer” may not receive a raise in salary. There are many reasons why one ought not to position feedback alongside remuneration:

- Budgets sometimes cannot allow for increases;
- An individual may have reached the maximum salary;
- Equality within the whole Diocesan system may not allow for some individual increases.

4. Merit Pay

Merit is very hard to measure. You might be in a parish with smooth sailing and you look good, but if you are in a parish with headwinds, you can be working as hard, but not look merit-worthy.
a parish priest

Clergy who have gone above and beyond should be recognized in The Anglican. They could be acknowledged at special events. Personal notes from the bishops and wardens would make a big difference.
a parish priest

Current Status

Among the parishes that have the capacity to remunerate above the minimum stipendiary scale, pay for merit, however it is defined, is currently found within the negotiated stipend, without being named as such. A priest who is leading the congregation well and is also able to negotiate with churchwardens based on their accomplishments will be given a higher raise than the Diocesan minimum.

Clergy in some locations feel valued, respected and regarded for the value they bring. Clergy in other parishes do not feel valued at all. Some clergy do not seek or accept pay for merit.

Parishes who either don't have the means or who give little thought to the accomplishments or merit of their clergy will settle on the minimum year after year.

Clergy stipend is currently based on years of service.

What We Heard

The parish team consultations indicated that most believe that merit should be rewarded. A few believe that merit has no place in the payment of clergy given their commitment to their vocational calling. On the whole, lay people indicated more interest in paying for merit than did the clergy involved.

- Putting a system in place for paying for merit is hard to get right.
- Merit can mean many things: a new program for the homeless in the community, an amalgamation handled with care; increased attendance; a longstanding conflict resolved, etc.
- Because money is tight in most congregations, and because there is no comprehensive parish ministry, mission and management evaluation system in place that parishes are automatically part of, decisions about clergy pay are almost always related to "how much money do we have to put in this budget line?"
- Many parishes are managing their budgets by paying minimum stipend, not maintaining rectories and not providing fair rental value for a housing allowance.
- Very few parishes have any process in place or goals against which a merit pay increase could be determined.
- Many lay people in parish leadership have little understanding of the complexity of the challenges that the clergy person is dealing with. Those who do are frustrated that they cannot

pay deserving clergy enough because of tight budgets or because others undervalue the clergy role.

- Where money is the issue, clergy report a variety of ways their parishes recognize their merit. In some cases, their merit is rewarded with an additional week's holiday, or two. The result is that the clergyperson feels recognized but the parish could then be without its incumbent for up to eight weeks a year, not something to be desired or promoted.
- Often, clergy report that their efforts and skill are not recognized even verbally, a situation that is felt deeply by those who minister faithfully year after year.

Options Considered

Because the shortness of money is so concerning to many parishes, remuneration for merit could be set aside at this time. New Westminster has done this, but included merit as an important factor in their list of salary factors to address in the near future.

Recommendations

17. That merit pay is a matter for discussion among the bishop, parish leaders and parish clergy.

18. That remuneration for merit be implemented only after the diocesan-wide parish ministry, mission and evaluation process is in place and goals are being set and monitored for at least 50% of the clergy, which we estimate should be about Year 4 after the adoption of this report.

19. That a Diocesan pool of money be created that could be applied where there is a strategic need for a clergyperson's merit to be acknowledged and the parish they are leading is for any number of reasons unable to provide that.

Rationale

Remuneration for merit should be built into both parish and Diocesan budgets over time so that the Diocese's strategic initiative of "attracting and retaining the best clergy" can be supported financially.

Challenges/Emerging Issues

As our consultations underlined, describing merit is difficult, as is determining the difference between living up to fairly high expectations in ministry and exceeding those.

5. Payment for Specialized Ministries

Honoraria are considered additional income by both the Diocese and the CRA and should be declared as such on tax forms. Note: expenses related to such positions are reimbursed if they are submitted and this reimbursement is not considered income.

Current Status

A modest monthly fee is given to regional deans and archdeacons. Some positions such as canon pastor have an honorarium assigned to them; other positions of significance may or may not have one. Most other positions of leadership that clergy take in the Diocese or the national church have no honorarium and are seen to be part of the clergyperson's overall vows of giving to the wider church.

The ministry position descriptions for regional deans and archdeacons need to be updated. The specialized ministries have been created at very different times and would benefit from some level of consistency of format (e.g., canon pastor, ecumenical officer, liturgical officer). Such position descriptions are essential to guide the College of Bishops in developing their lists of positions requiring honoraria.

What We Heard

Most feel that the honorarium for a regional dean is inadequate. If people in this position are expected to take on additional work (thorough inspection of rectories, overseeing of any aspect of the parish ministry, mission and management evaluations system, for example) the honoraria will not be adequate.

Inadequate honoraria may indicate that the Diocese does not value the work it is calling clergy to do over and above their parish ministry.

There is a clear unfairness in how some tasks are given honoraria and others, equally onerous, are not.

A few people expressed the view that no honoraria should be given to any in these positions since working in the wider church is part of one's ordination vows ("to take your share in the councils of the church," *Book of Alternative Services*, 646).

Options Considered

There are three options: remove all honoraria; keep current situation; or bring an increased level of fairness and reality to all honoraria given.

Recommendations

20. That the salary model include a component for specialized ministries and that the Diocese continue to provide the portion of a clergy salary connected with a specialized ministry.

21. That the honorarium for regional deans be raised and then reconsidered should additional tasks be allocated.
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22. That an archdeacon's honorarium be set and positioned above the regional deans', and similarly reconsidered should additional tasks be assigned to the role.
23. That the College of Bishops develop a list of positions to receive an honorarium in the Diocesan structure, those that require additional ministry beyond what would be considered a fair "share in the councils of the church." These would be positions that require specific skills and significant additional time beyond the parish ministry. Once agreed to, that list of positions would be sent to the Executive Board and Diocesan Council for information.
24. That travel, or other expenses related to these positions, continue to be reimbursed by the Diocese or General Synod depending on the position.
25. That one person be appointed to oversee and ensure appropriate recruitment, ongoing coaching, and a sense of accountability within the group of regional deans.
26. That ministry position descriptions should be written for regional deans and archdeacons to ensure consistency. Similarly, ministry position descriptions should be written for those in specialized ministries.

Rationale

Since the Diocese must call on people to help the Diocese in the leadership roles needed, honoraria become a way of recognizing and valuing those contributions. The College of Bishops is in a position to see the relative value of all these roles and therefore should deal with the decision-making around which roles receive additional income and which do not.

The costs of travel and other expenses related to positions outside of the parish will continue to be reimbursed by the Diocese or General Synod, depending on the position.

Challenges/Emerging Issues

The determination of what roles should be allocated additional salary and what roles should be seen as a regular fulfillment of one's ordination vows will be a complex issue for the College of Bishops to address. In essence, it will be a matter of determining which positions are volunteer positions and which positions are considerable additions to the regular ministry/work.

There will be a cost to the Diocese of picking up the travel expenses that may formerly have been accepted by either the clergyperson personally or the parish.

6. The Unit System of Remuneration

Current Status

The Diocese has recently clarified its system on units. To ensure equitable remuneration of part-time clergy, the Diocese has devised a system of units of work. A "unit" is a morning, an afternoon or an evening, approximately 3 hours. The rate is adjusted annually by the same cost-of-living percentage as the clergy minimum stipend scale. The number of units worked each week can vary. Clergy who are paid on a unit basis receive their income directly from the parish. The parish ensures that the

appropriate statutory deductions (tax, EI, CPP) are withheld and remitted to the government and that tax forms are issued. Travel expenses should also be reimbursed.

A unit is not an option that a parish or a bishop can choose instead of stipendiary appointments, but rather is an alternative system of remuneration used in specific situations. The circumstances in which a cleric is appointed to a stipendiary appointment are quite different from those in a unit-based appointment, and it is more helpful to think of them as rates of pay for 1) salaried, permanent staff and 2) hourly, part-time, temporary staff. The appropriate uses of unit-based appointments are as follows:

- Sunday supply or vacation fill-in
- Retired clergy, typically serving in an interim priest-in-charge appointment and typically a part-time appointment
- Very short-term appointments, for example, filling in during a sabbath or short-term disability leave. Normally, this would be 3 to 6 months in duration, but is never to exceed 12 months. The appointments are also typically part-time.

A unit is an “all-in” rate, meaning it is comparable to a total remuneration that includes stipend, housing and vacation pay. The current unit rate is \$106.43 per unit, which is \$71,947 on a full-time 52-week basis. No other payments are required by the paying source, except statutory deductions.

What We Heard

There has been a great amount of misunderstanding regarding units. Who should be paid on a unit basis? How much time does a unit include? Some clerics may be being compensated on a part-time unit basis but working many more units because of the amount of ministry required by the parish.

Parishes that cannot afford to pay an equitable stipend and housing allowance may be using the unit system. In some situations, it is easier to calculate the amount of ministry a parish can afford. Smaller parishes find using units an easier option.

Perhaps the unit amount should be the ceiling and parishes can determine how much a unit is valued.

Some full-time clergy have mistakenly calculated the number of hours they are called upon to work in units and perceive that they should be compensated for overtime either in money or in lieu time.

Options Considered

Having reviewed the current system, the Working Group found that the unit system remains viable as long as it is used only for its intended purpose.

Recommendations

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| 27. That unit-based appointments should never exceed 12 months in duration, except for remunerating part-time retired clergy. |
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28. That frequent evaluation of a unit appointment by the bishop be required to ensure that the number of units worked and paid for are fair and consistent.

29. That regular reminders should be sent to parishes to indicate that the unit rate is the minimum that can be paid. A higher unit rate can be used.

30. That when a unit system is put in place, bishops should assure themselves that the parish has the capacity to do all the related work of payroll management for the clergyperson and address concerns in advance of the hiring.

31. That a note be added to the current appointment letters making clear the understanding that full-time or part-time clergy are not entitled to consider time off or additional pay for overtime should they work over a certain number of hours.

Rationale

We must guard against the unfair practice of designing a position based on a number of units of work that is frequently well below the number of units actually worked. This makes for exhausted clergy who gradually burn out. There is a shared responsibility to manage the units assigned: the parish cannot always make extra demands; the clergyperson needs to find time off to replace additional time worked.

Units are parish-paid and many parishes lack the capacity to complete payroll, make deductions and then remit those deductions. There is a need to review payroll resources available to parishes.

Implementation

A discussion needs to occur with Diocesan leadership to ensure that units are only used in those situations as identified earlier in this document.

7. Vacation

Current Status

Clergy currently receive a vacation entitlement of one winter week and a further one month. Annual vacation entitlement is based on the number of months working from July 1st of the previous year to June 30th of the current year and must be taken annually. Some parish leadership and clergy have negotiated for extra vacation time in lieu of receiving a financial increase.

What We Heard

There were almost no concerns expressed about the amount of vacation time available.

Options Considered

We could leave everything as is, but it was obvious that we needed to address the existing concept of add-on vacation time in lieu of salary and its impact on the clergy presence in the parish.

Recommendations

32. That prior to a decision being made in the parish about an extra week of vacation in lieu of an increase in pay, the area bishop be engaged in the discussion and decision to ensure that ministry is not negatively impacted. With the area bishop's permission, extra vacation entitlement in lieu of receiving a financial increase can be no greater than one additional week. The additional week is not transferable from one parish to another.

Rationale

It is important that ministry within the parish not be hampered by the absence of their clergy. A careful discussion needs to occur to assess that possibility and guard against such damage. It is to be noted that clergy are also entitled to the total of two weeks (one Sunday) away from the parish for continuing education.

8. Stole Fees

Current Status

Stole fees for weddings, funerals, house blessings, etc. are usually kept as income/honoraria by the clergyperson. Some parishes and clerics do not accept stole fees from members of the parish; others do. Some clerics will turn over all stole fees to the parish; others rarely if ever do. In other words, there is no consistent system.

Stole fees vary according to the community. The fees are higher in cities and much lower in rural areas and small towns.

Few parishes have input to the fees suggested.

While these stole fees are often described as “honoraria,” parish clergy are reminded that, like honoraria, these fees are to be counted as income and should be declared as such and so documented on their income tax submission.

What We Heard

Clergy did not seem comfortable discussing this topic in the absence of a clear policy.

Parish lay leaders had little knowledge of the existence or amount of the stole fees received whether by the clergyperson or the parish.

Some parish clergy make significant extra money doing funerals of non-parishioners. Others, either because of their own decision or because of the area in which they serve, do not.

Funerals and weddings are opportunities for evangelism, a rare opportunity, and need the careful attention of the cleric, especially when the individuals are not parishioners.

Options Considered

Things could remain as they are, or there could be Diocesan guidelines developed.

Recommendations

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| <p>33. That the College of Bishops delegate the development of Diocesan guidelines for stole fees, and that the guidelines include such items as the following:</p> <ul style="list-style-type: none">○ active parishioners are not expected to pay stole fees;○ churchwardens and the treasurer of the parish should have a role in determining the fees established for funerals and weddings for people who are not active parishioners;○ stole fees go to the cleric and what the cleric does with them (donate to the parish, keep, etc.) is their decision. |
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| <p>34. In the spirit of mutual accountability and transparency, the cleric report annually the total of all stole fees to both the parish and the bishop. A frank discussion with the bishop should occur if the total of such fees goes beyond a certain ceiling annually (the ceiling to be set annually by the College of Bishops).</p> |
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Rationale

To ensure fairness across the Diocese, a consistent policy should be developed and adhered to, one that both clergy and lay leaders are aware of and have input to. The setting of a ceiling is suggested to ensure that ministry for funerals and weddings does not interfere with the tasks of ministry within the parish.

Challenges/Emerging Issues

Reminders about the requirements of the income tax act should continue. If stole fees are donated by the cleric to the parish or elsewhere, receipts must be issued.

Implementation

This is a sensitive issue for some. Theological grounds are very different, and therefore clear explanation and careful listening ought to underscore the setting of guidelines.

The guidelines should be in place by the end of Year One.

9. Continuing Education

Current Status

The Continuing Education Fund is administered through the General Synod Pension Fund and applies to all clergy across Canada. The plan provides resources for the continuing education of the clergy in order to improve work or work-related skills and abilities. With recent increases in place, the parish in 2019 contributes \$600 to their clergy's account. (This amount will increase to \$750 in 2020 and to \$900 in 2021.) The total of money *not spent* by Diocese of Toronto clergy was \$438,000 in 2017 and \$475,000 in 2018. The average unused benefit per clergy in 2018 was \$2,100.

Some clergy who do value continuing education find the amount too small for the courses they wish to take, and so accumulate three or four years in their account before using it. Some clergy use their allotment to buy a computer or to order books and journals which may or may not be essential to their ongoing learning. Others never use what has been set aside for them. All clergy in this Diocese are given up to two weeks (one Sunday) leave annually to focus on their continuing education.

Some clergy negotiate an additional amount of money in the parish budget to supplement what is available elsewhere for their continuing education.

For those in parishes covered by the York Rectory Fund, there is money available on request for some continuing education.

The Continuing Education Fund is only available while a cleric is actively appointed in the Diocese. A final application for funds may be made 90 days before retirement and funds are no longer available to the cleric after that point or once the cleric has retired.

What We Heard

Clergy who are truly committed to continuing their learning need larger amounts to fund the type of courses or workshops they wish to register for. Clearly, many do not use the amount that is set aside for their ongoing education and learning so that the church may benefit as well as themselves.

Some decisions about continuing education are made based on the fact that there is no one who can pick up the duties of the cleric in the parish during their absence on courses or seminars.

Recommendation

35. The Diocesan budget be increased by \$200,000 annually to supplement existing sources of funding for clergy continuing education. Clear guidelines for applications for grants from this fund should be developed that enable individual clergy or groups of clergy access to additional funds for relevant learning opportunities, essential to the future of the church. A parish that is experiencing a shortage of funds may also seek help from this budget item to provide for replacement clergy when its incumbent is away on continuing education programs. A portion of this allotment may be used by the Diocese itself to fund a particular course or workshop to enhance learning in an identified area required for the future of the church. Clergy covenant with their parishes to use the funds contributed by the parish for continuing education.

Rationale

Professionals in other fields are often required to enhance their ongoing learning annually to retain their status as professionals. Clergy need to see and value themselves as such professionals, committed to ongoing learning.

We are at a crucial time of cultural change. Clergy need more training, more education, that enables them to be leaders in our faith communities at a time of considerable transition and challenge. The whole Church needs to become known as a learning organization, not a place where our God-given minds stop and take a rest. Both bishops and clergy will need to have resources available to help them in their pursuit of relevant learning for this new age of the church.

Such an increase is envisioned in both *Growing in Christ* and in the objectives of Our Faith Our Hope. The existing Continuing Education Fund which all clergy have available to them does not begin to meet the costs of the kinds of programs needed to increase knowledge and develop leadership skills for the future Church, let alone the Church of today. These funds need to be strategically applied to clergy who are truly ready to develop their skills and will be given opportunities to share those new skills when they have concluded their courses. The College of Bishops may also use some of these funds to specifically ask individual clergy to attend certain courses to increase their skills in areas needed.

Challenges/Emerging Issues

The parish ministry, mission and management evaluations are an opportunity for the clergyperson and the bishop to discuss ongoing education – how essential it is to both their future in the Church and to the churches they serve and will serve, and the use of the fund created by donations to the parish for that purpose.

Implementation

Putting this fund in place is of high importance and should be accomplished in Year One.

10. Sabbatical Leave

Current Status

In the Diocesan Human Resources Manual, revised in January 2019, the section on sabbatical leave states, “The term ‘sabbatical’ can be a word that evokes various interpretations. For some it is associated with the academic world, while for others, it simply means time off. It may or may not involve hard work and productivity.” The Diocese of Toronto recognizes two broad classifications of sabbatical leave. The first, referred to as “Educational Leave of Absence” is primarily concerned with a period of time (usually one year) focusing on a major study or educational component. The second category is referred to as “Sabbath Leave” and is primarily concerned with a shorter period of time (usually three months) focusing on the rest and refreshment of the individual.

For the purpose of this report, focus is given to sabbatical leave in which a cleric will be away from their parish for a period of time (three months) with the expectation of returning to that appointment.

To be eligible for a sabbatical the manual stipulates that:

All clergy on the Bishop’s List who have been in a full-time Diocesan appointment for six continuous years may, in consultation with their Area Bishop and Churchwardens, be considered for either type of sabbatical leave.

Note: The outlined eligibility and conditions for sabbatical indicates that only clergy in full-time appointments are eligible and is linked to the parish as the supporting and paying source. This means that any other clergy not in full-time appointment but serving for seven or more years in a parish in any appointment will not be eligible for sabbatical leave.

Partial financial assistance for the educational component of all leaves may be available from the Continuing Educational Plan of the National Church. Applications for grants from the General Assistance Fund are available from the Diocese. Those in the area covered by the York Rectory Fund may also apply for funding to support the sabbatical plans. Parishes may wish to make a financial contribution to the leave.

For Sabbath leave, it is expected that the individual granted leave will return to his/her same position and remain in this position for a period of not less than one year.

The letter of application to the Area Bishop will include a supporting letter from the Churchwardens of the applicant’s parish (or equivalent group if the applicant is not in a parish); for Sabbath leaves, the letter from the Churchwardens should provide details concerning the parish’s ministry coverage and financial arrangements agreed to for the duration of the leave.

Remuneration and Benefits while on Sabbath Leave

- i. The parish or the employer of a non-parochial cleric will continue to pay full stipend and [housing], including all benefits (extended health care, dental plan, vision care, group insurance, and pension contributions) except travel allowance.
- ii. The [parish] is encouraged to establish a fund to meet the cost of clergy replacement during the period of Sabbath leave.

iii. The [parish] will pay replacement clergy and/or lay readers according to the Diocesan guidelines in effect at the time of the Sabbath leave.

What We Heard

Whether a full-time cleric is able to take a sabbatical is too dependent on the financial health of the parish. During the leave, the parish has to pay both the full-time cleric and the costs for replacement clergy, which is often prohibitive.

Finding other clergy to fill in for a vacation, let alone a sabbath leave, is not always easy, especially if there are no honorary assistants in the parish.

One retired cleric, who sees sabbaticals as extremely important, has filled in for clerics at no cost to the parish, thereby allowing the parish priest to take a sabbath leave.

The timing can often be an issue. By the time a cleric is ready, or wants to take a sabbath leave, that person may be coming to end of thier ministry in that parish and need to commit to an additional year.

Recommendations

36. That the HR department, in consultation with the College of Bishops, review the current sabbatical provision as outlined in the manual and consider whether it should be extended to part-time clergy.

37. Explore options for paying for a sabbath leave and whether a deferred salary plan would allow more people to take advantage of the educational leave or sabbath leave.

11. Retired Clergy

Current Status

The consultation with retired clergy was very informative. In essence, the clergy who gathered were asked to reflect on their working lives as parish priests and what they wished they or the Church had done differently to prepare them for retirement living. Their comments have helped guide many of our previous recommendations around housing and salary. Currently, at retirement, a clergyperson receives the following:

Benefit Name	Benefit	Years (based on)	Clergy Costs	Diocesan Costs	Comment
Extended Health	85% for drugs + professional services	10+	25%	75%	See booklet for full coverage info. There are qualification criteria that impact the ratio of the premium costs.
		5-9	62.5%	37.5%	
		<5	100%	0%	
Health Care Spending Account	\$400 pp	0	-	100%	\$400 for single, \$800 for married per year
Retiring Allowance	\$22,000	-	-	100%	prorated, based on 20 years of full-time service
Lifetime Pensionable Earnings	1.8 of earnings	-	-	-	currently formula is based on accumulated pensionable earnings in the ACC
Moving Expense Contribution	\$1,500	-	Expenses over \$1,500	\$1,500	Cleric applies for contribution at time of last move
Continuing Education	\$600 per year	-	0	-	\$600 in 2019 is moving to \$900 in 2021. Must be used 90 days before retirement
Retirement Planning Workshop	Free for cleric and spouse		0		Offered every 2 years. Clergy who are 55 years old + are invited once.

As of January 2019

The increasing expected length of life means that many clergy and their spouses are living well beyond the years they might have expected or prepared for in their financial planning. Many of the retired clergy are supplementing their pension by doing interim work and Sunday duty in parishes. The Diocese clearly depends on the availability of retired clergy for interim roles. When retired clergy take on this task, they are paid within the unit system. Travel from home to the parish where they work is not eligible for kilometre reimbursement as per Canada Revenue Agency rules.

Often, wardens and treasurers would not be caught dead living in a house that was in as bad shape as some of the rectories.

a retired priest

Retired and Active Clergy Statistics

The following statistics apply to clergy appointments and include both those on Diocesan payroll and those that are not (as of January 2019).

Total		Paid							Unpaid	
		Total Paid	Incumb.	Priests in Charge	Interim P-in-C	Associate Priest	Ass't Curate	Area Positions	Hon. Ass't	Deacon
Total Clergy All Categories		266	106	77	31	28	16	8	141	40
Clergy over 70 years old in app'ts	97	33	2	18	9	2	0	2	62	2
Retired clergy in appointments *	151	53	1	26	19	3	0	4	97	1
Active clergy (not retired)	296	213	105	51	12	25	16	4	44	39
*There are 137 retired clergy who are not in appointments and are not included above. Assumptions: that those who are not on Diocesan payroll are working less than ½ time that honorary assistants and deacons are unpaid. Some do receive remuneration from their parish, but the Diocese does not receive that information.										

What We Heard

Most comments will be found in the housing/rectory and salary recommendations above.

- A financial planner could help Diocesan clergy with planning for their retirement much earlier;
- Rectory living has several downsides: the state of repair is not what most parishioners would put up with in their own homes;
- Regional deans may not have enough knowledge to do an accurate inspection for changes or repairs that are needed;
- Rectory requirements now ought to reflect the fact that entertainment and meeting space does not usually need to be in the rectory;
- The composition of families varies vastly; single people do not need four bedrooms and large living space.

It's insulting for retired clergy doing interim work regularly to pay full Synod registration themselves.

Recommendations

38. That an annual remuneration memo be especially devised for retired clergy who are doing interim ministry and/or frequent Sunday duty.

39. That a "financial planning for retirement" seminar be a required portion of Momentum programs.

40. That parishes reimburse retired clergy for their travel costs and report this reimbursement as income and ensure that appropriate statutory deductions are made.

41. That parishes pay full Synod registration fees for all clergy eligible to attend Synod and appointed to the parish.

42. A Covenant of Expectations and Responsibilities document should be developed and shared annually for retired clergy who are functioning as honorary assistants (this is in addition to the appointment letter from the Bishop). This document should be prepared by the parish in consultation with the honorary assistant, not by the Diocese. The goal here is clarity around mutual responsibilities, reimbursements and honoraria.

Rationale

There are bits and pieces of information about CRA requirements and about what parishes should be paying for in terms of expenses. Having an annual remuneration memo for retired clergy would bring clarity around CRA requirements, benefits and costs for various stakeholders. Decisions need to be made throughout one's parish ministry that will enhance retirement possibilities, not unduly restrict them. Having retirement planning seminars will support retirement possibilities.

Clergy need to be encouraged to take responsibility for their retirement very early on in their ministry.

Challenges/Emerging Issues

Retired clergy are not always well suited to challenging interim ministry positions, despite their willingness to take such roles on.

12. Part-Time Clergy

Current Status

There are 83 priests with part-time appointments across the Diocese. Clergy serving on part-time appointments represent 39% of the all priests in the Diocese.

Those priests working on part-time appointments of less than half time are not entitled to receive benefits; however, the vast majority are retired clergy. Currently there are 55 priests in appointments that are less than 1/2 time.

The issues and challenges for part-time clergy that emerge in the context of rural ministry are discussed in several other sections of the report (The Unit System of Remuneration; Rural Clergy, etc.).

What We Heard

Some part-time clergy are bi-vocational, that is, they have one or more other part-time job(s). Diocesan requirements for attendance at special events/workshops/synods, etc. have significant implications for the people who are holding more than one job.

While some parishes are only able to pay for a clergyperson part-time, they expect that they will really get almost full-time ministry.

Some parishes are neglecting to face their lack of funds and decreasing numbers by asking their priest to move to part-time employment. Some clergy also offer to take this step in order to help the parish hang on to its status as parish for a few more years.

Options Considered

This situation will be looked at if there is commitment to a task force on rural ministry (recommended in the Rural Clergy section of this report), but the issue is also becoming a matter of concern to suburban/urban and small town parishes. Leaving it as is will essentially exacerbate the problems for clergy and for parishes and the Diocese as a whole.

Recommendation

43. The College of Bishops carefully monitor the increase of part-time clergy who were formerly full-time and refer concerns to the Leadership and Formation Group of *Growing in Christ* for wisdom and advice about action.

Rationale

Inaction may reduce the Diocese's chances of attracting the quality of clergy that we want and need.

Challenges/Emerging Issues

Ensuring full-time positions in one parish or across several parishes is required, but it will not be easy to accomplish. While there may be the rare occasion when a clergyperson who is not retired wishes a part-time position, to have it as a no-option situation plays havoc with career paths, with family finances, with a sense of clergy well-being, and, above all, with a sense of call.

13. Interim Clergy

Current Status

There are clergy who are retired or bi-vocational who take up positions as interim priest-in-charge at the request of a bishop. Usually, the task is to keep the church moving and these clergy are offered a placement for a certain number of months while the regular clergy is on leave or when the parish is conducting a search. Few of these interims have had special training in how to be an interim, but have gifts and time that, together, can help a parish through this period.

Occasionally, when a parish is in distress (for any of a vast array of reasons), a so-called **intentional interim priest** may be called for. These priests have special training in dealing with parishes in crisis and are given clear expectations by the bishop, e.g., help parishioners face reality, help them heal after a tragedy, help them discern their future, help them come to the end of their life together, etc. Their time as an interim may be set at the beginning of the process, and perhaps extended if the problems are not satisfactorily solved. The major task of an intentional interim is to prepare the parish for a successful next step, whether that is a new incumbent or a new building or an amalgamation, for instance.

Travel of an interim priest to the assigned parish may be reimbursed, but the reimbursement is taxable. (Some may not have understood this and have assumed that travel costs are not covered.)

What We Heard

Retired clergy who take on interim positions share all the concerns of part-time clergy mentioned above: once in the position, they may feel that not enough units of work have been assigned to cover what is needed, the problems are much more complex and severe than earlier recognized, etc.

People who have had specialized training in interim ministry are often left underused, and therefore do not receive remuneration while awaiting their next assignment to a crisis situation.

There are not enough specialized trained clergy for the complex situations that are becoming much more frequent in this time of transition.

Options Considered

Leave as is and hope for the best placement of clergy in interim positions or select and retain intentional interim priests.

Recommendations

- | |
|---|
| 44. That letters of appointment for interim clergy be carefully designed so that the work is clearly outlined for both the clergyperson and the parish and the clergy are adequately compensated for this important ministry. |
|---|

45. That the College of Bishops address an increased size in the cadre of trained interim clergy who bring exceptional experience to assisting parishes in transitions and hard decisions. The parish ministry, mission and management evaluations can help identify those who might have the gifts for this kind of ministry, especially in the last decade or so of their full-time working lives in the Diocese. The additional funds suggested under Continuing Education could be used in part to pay for this kind of training.

46. That the College of Bishops develop a plan to recruit several intentional interim priests so that these specially trained individuals have both security of appointment and are readily available when crises arise.

Challenges/Emerging Issues

We anticipate that more, not fewer people, trained in the skills associated with intentional interim ministry will be needed during the next few decades of considerable change.

There may be a need to train skilled lay people to fill some of these interim positions during the week as long as sacramental ministry can be offered through a nearby clergyperson on a fairly regular basis. Such positions would also need to have remuneration equivalent to the tasks assigned.

Retired clergy who have not had the intense training to fill challenging interim positions will remain beloved and appreciated by the parishes they serve. In many cases, loving the parish through a transition is exactly what is needed.

14. Rural Clergy

Current Status

The appropriate terminology is “rural and small-town” ministry since there is no clear distinction between these forms of ministry. For the purpose of this report the term “rural” will be used to refer to rural and small-town ministry.

The expectation is that clergy are full-time, although many parishes are unable to support such an appointment and settle for part-time. Some clergy, however, still seem to work full-time while receiving part-time pay. The cleric is expected to manage their time depending on the nature of the appointment.

Rural ministry is carried out “in some multi-point parishes” by clergy who may be full-time. However, in some instances clergy serve part-time or very part-time. Parish finance is a major factor in the nature of the appointment.

The appointments of clergy in rural parishes are as varied as in any other part of the Diocese. There are a number of clergy nearing retirement and retired serving in rural parishes. The retired clergy in most cases are part-time.

Clergy being appointed full-time to a rural parish are treated in the same manner as any others in the Diocese: the Bishop is involved in the new appointment and in negotiating the stipend. In subsequent years it is left to the cleric and churchwardens to negotiate stipend. There is a tendency for some rural and small town parishes to pay the minimum.

The Bishop will advise any applicant for a new appointment of the parish’s preference that they live in the rectory. Refusal of a cleric to live in the rectory does not automatically mean non-selection. Some clergy choosing not to live in the rectory are still selected to be incumbent.

Stewardship of rectory maintenance is as much a challenge for a rural as for an urban parish. Some clergy find it difficult to hold the churchwardens accountable for the rectory’s upkeep.

What We Heard

Clergy in rural parishes typically require an additional source of income in order to support their families (i.e., a working spouse/partner or investment/pension income); however, the rural job market makes it difficult for spouses/partners to find employment.

While bi-vocational ministry may offer a solution in some circumstances, the job market in the typical rural parish very often presents a challenge to clergy seeking bi-vocational ministry.

Rural ministry is carried out in some parishes that are in “maintenance mode” or experiencing significant decline.

The typical clerical career path for clerics in rural ministry seems to be: urban (curacy), rural, suburban.

Some rural parishes apply for grants and other financial assistance even though there is a perception that they may not get the funds being sought.

The use of the unit system as it applies to rural ministry is an issue that needs to be addressed.

In the case of part-time appointments, the reality is, “You are paid for part-time but you work full-time and you can’t support a family.”

The negotiation of annual stipend should be solely between the cleric and churchwardens.

The priest is typically required to initiate the conversation while the churchwardens are typically passive. If the priest does not initiate the conversation, the churchwardens' default position is to pay the minimum.

Often there is no negotiation.

In rural parishes rectories are becoming a thing of the past. "Fewer and fewer are living in them and fewer and fewer wish to live in them."

The situation is further complicated by the fact that the limitations of the rural housing market present additional difficulties for priests who decline to live in rectories, in terms of both buying and selling appropriate residential property.

Options Considered

The diminishing numbers of parishioners in rural parishes and even in small-town parishes must be addressed as a diocesan-wide concern, both for the clergy and for the parishes who feel they are losing everything. Their grief needs attention; their faithfulness needs supporting. We cannot not respond to what was heard.

Recommendations

The complex problems confronting rural ministry in the Diocese raise fundamental questions concerning the shape that this ministry will take going forward. If the Diocese seeks to sustain worshipping communities in the large number of rural parishes currently classified as "Unsustainable," then new and innovative models for doing church will have to be explored. At the same time, a different approach may be called for in rural parishes in areas that are urbanizing or where urbanization is planned, in which strategic investments will have to be made to maintain ministry as these communities are transformed by urbanization, changing demographics and growth.

47. That a task force on the future of rural ministry be established to analyze and address these unique issues and problems and to develop short-, medium- and long-term strategies to guide the development of rural ministry in the Diocese.

Challenges / Emerging Issues

The adoption and implementation of new and innovative models for doing church in rural parishes will present particular pastoral and cultural challenges in rural communities that value tradition and tend to resist change. The task force will need to be particularly attentive to these challenges.

Close connection needs to be made between this task force and the working groups currently exploring ways for the Diocese to respond to the strategic plan, *Growing in Christ*.

15. Associate Clergy

Current Status

Associate clergy in the Diocese of Toronto provide a vital role in supporting the ministry of a parish and an incumbent's leadership and ministry within said parish.

Associate clergy often hold a specific ministry description such as "Director of Children and Family Ministry," "Minister of Discipleship," or another designation.

Because associate clergy operate principally within the local (parish) level, there is often a sense of disconnect between their ministry and place within the hierarchy of a parish and the Diocese of Toronto.

What We Heard

Associate clergy within a parish are often not granted the same remuneration considerations as the incumbents serving in the same parish.

For example,

- As a cleric, one's housing allowance is meant to be based on the fair rental value of housing in the parish. As such, every cleric serving within the same parish should receive the same housing allowance, but this is rarely, if ever, the case.
- Despite guidelines on a parish granting time (leave) for continuing education, there is often a discrepancy between what is granted to an incumbent and what is granted to an associate priest.
- Many associates did not realize that they had the opportunity to "negotiate" stipend. For some, their stipend was a result of discussion with their incumbent, which often left a sense of unease. For others, there was no discussion with either the incumbent or the churchwardens and they were simply told the level of their stipend. For still others, there was no increase in stipend above the minimum stipendiary scale despite the fact that an incumbent serving in the same parish was granted annual increases above the minimum stipendiary scale.

For many, there was a sense of disconnect from their area and diocesan bishops. There was also a sense of disconnect from the Human Resources Department at the Diocese of Toronto. Associate priests are often hired from the local (parish) level and in cases where individuals were coming from outside the Diocese of Toronto, they were unaware that they could access the Human Resources Department.

Options Considered

We could maintain the status quo and disregard the level of discrepancy between the remuneration of an incumbent and the remuneration of an associate priest.

We could seek to provide much stronger guidelines to emphasize to incumbents, churchwardens and parishes that all clerics serving in the same parish (regardless of title) must be treated equally.

Recommendations

48. That associate clergy be afforded the same respect and consideration as that granted to incumbents.

49. That there be a clearer avenue for associate priests to be in direct relationship with their area bishop and diocesan bishop, resulting in a stronger sense of connection. All clerics serving within the Diocese of Toronto are facilitating the ministry of God made known through Jesus Christ, and no one should feel that they have been left out or set on the margins.

16. Building Human Resource (HR) Volunteer Assistance for Parishes

Current Situation

Much has been said in this report about the challenges for churchwardens and clergy to manage all the elements of policy- and principle-based human resource practice within the parishes they are helping to manage. It is fair to say that many of the recommendations within this report have come about because of poor application of the principles of good human resource management. Much time is wasted, and people (and their faith, too) damaged by poorly handled conflicts or errors in decision-making that could have been easily avoided.

Wardens and lay leaders need more help in dealing with issues. They need guidelines for reviews, merit, bonus, stipend, etc. so they are not trying to start a conversation from scratch on their own. Not all wardens are skilled in human resources. Or are we asking too much of them?
a parish priest

The one-day training on Parish Admin 101 has been called “drinking from a fire hose” so this needs to be reassessed. Knowledge should be dispersed in manageable chunks. a warden

There needs to be education for wardens about the processes and guidelines already in place.
a consultation observer

What We Heard

Churchwardens and clergy themselves need more knowledge and skill in human resource management.

Lay people who have human resource management skill, if well assigned and matched to parish situations, may be able to help address issues when they are identified early, and before they become crises.

Recommendations

50. That a revised and expanded model of training for parish leadership to replace the training sessions for churchwardens and treasurers be revised and tested with a focus on:
- a) what must be done to be compliant with canon and civil law, and
 - b) what should be done to be strategic about the future of the parish’s ministry in serving God’s mission locally.
- That how technology can make it easier to prepare and conduct these workshops be considered.

51. That a team of volunteers skilled in various aspects of human resource management be developed, trained and deployed as needed to parishes to provide assistance to wardens and clergy.

Rationale

Clergy/lay parish team consultations revealed that churchwardens and treasurers did not know enough about the intricacies of clergy remuneration to carry out their responsibilities. They said they

needed more training in this and other matters as well. Staff have long been aware of this need and have been at work planning a new model.

The basics about adhering to law might be handled through livestreaming and then archived for future use.

A team of human resource experts from across the Diocese could be formed, supported and trained to assist parishes, to support the ministry of the existing professional staff, and to ensure alignment with both the Diocesan policies and the values held across the Diocese. Modelled on the Congregational Development Volunteer Team, lay people with human resource skills can help parishes, especially at this time of deep challenge for them. Such skilled lay people have indicated their willingness to assist the Diocese in this way.

Challenges / Emerging Issues

The development of a team of volunteer human resource management experts for deployment in situations across the Diocese is no easy task. The current HR Department is currently very busy and this is an addition to an already heavy workload. Staff will need to be in place who have good training and volunteer management skills. The Volunteer Team in Congregational Development will be able to share their experience in exactly this kind of recruitment, matching and supervision.

Glossary

1. Congregational Size Definition

Arlin Rothauge, in his book *Sizing Up a Congregation for New Member Ministry*, categorizes parishes by size to show how parishes differ from one another and how size determines ministry within those different parishes. In the Diocese of Toronto, we categorize church sizes as follows:

- A family-sized parish has under 65 people as an average Sunday attendance. They likely have a part-time priest or share a priest with neighbouring churches in a multi-point configuration. The priest functions like a chaplain to the congregations.
- A pastoral-sized parish has over 65 people and up to 125 as an average Sunday attendance and the priest is at the centre of both program and engagement of new members.
- A transitional-sized parish has over 125 and up to 165 on average Sundays. As the name suggests, this is not a stable state for a congregation. While the expectation and behaviours are still rooted in the pastoral-sized reality, where a single priest is at the centre, these parishes are challenged with the need for more ministry staff, either through a curate, an associate priest, or honorary assistants.
- A program-sized parish has between 165 and 300 on an average Sunday and has multiple clergy.
- A resource-sized parish has over 300 on an average Sunday and the priest functions as a chief executive officer.

It's important to note that in the Diocese we have many churches that have moved from one size to another without changing their expectations and behaviours regarding their priest.

2. Various Terms for Remuneration of Clergy

- Stipend: An amount of money provided as an allowance to a person regularly. In this case, the person is clergy. In the Diocese of Toronto, this allowance is in addition to either an amount for housing, or the availability of a rectory for the clergy (and family) to live in.
- Salary: A salary is an amount of money paid regularly to a cleric who is “on the strength of the Diocese of Toronto.”
- Honorarium: This is a payment given for professional services that are rendered nominally without charge. Strictly speaking, though, according to the Canada Revenue Agency, this money must be declared as income, whether it is given in cash or by cheque or by bank transfer.
- Stole Fees: This is the term used for the so-called honoraria that are given to a cleric for weddings or funerals or other services given. Again, all stole fees are to be declared as income.
- Unit-Based Pay: A way of paying for temporary part-time clergy staff calculated using hourly equivalents.
- Unit: An approximate 3-hour period of time, either a morning, an afternoon or an evening.

3. Geographic Areas of Ministry in the Diocese of Toronto

There is no agreed-upon definition of any of these terms in Canada, but the Working Group has been thinking of these terms in this way:

- Rural: Any area of the Diocese that is not either a city, a suburb of a city or a small town. Rural would include villages and hamlets. Only a small portion of people who live in rural areas live on farms.
- Small Town: Usually considered locally to be an area where a significant number of people have gathered together to live, with most of the residents outside the usual commuting distance of a large city or city suburb. Some of these towns may deem themselves to be cities, although technically they are not large enough.
- Urban: The built-up area of a large town or a city.
- Suburban: An area linked with a large town or city and generally part of that community, including with a defined border usually within that community

4. Clergy Titles

- Incumbent: Clergy selected through a Parish Selection Committee and appointed by the Bishop to be the indefinite clergy leader in a parish, providing oversight for the ministry of that parish.
- Priest in-Charge: Clergy appointed by the Bishop to be the clergy leader in a parish for a definite term, providing oversight for the ministry of that parish. With the concurrence of the Bishop and churchwardens, can become the Incumbent.
- Interim Priest-in-Charge: Clergy appointed by the Bishop to provide “in the meantime” pastoral and sacramental ministry during the absence of an Incumbent, for a definite term.
- Intentional Interim Priest-in-Charge: Clergy with special training and skills appointed by the Bishop to provide sacramental and pastoral ministry as all interims do, but with an assigned challenge to help the congregation move forward after some major conflict or problem, or at the end of a long incumbency.
- Associate Priest: Clergy appointed by the Bishop for a definite term, who work in a complementary role in a parish, in collaboration with the Incumbent.

What Will Be Different

The current system has remnants of the colonial system for clergy where the assumption was that the church is responsible for the “living” of the clergyperson, creating an atmosphere of dependence and certainly a shock when retirement comes along.

Based on the principles we accepted, and the central observations made, we are recommending a remuneration system that:

- reflects and supports the strategic plan of the Diocese, *Growing in Christ*, and positions bishops and clergy as strategic leaders of this plan’s initiatives;
- is far more equitable and fair across the Diocese (and not as dependent on the culture of the parish or the clergy’s capacity to negotiate);
- is more clearly defined and understood by both clergy and parish lay leaders;
- builds individual responsibility and mutual accountability among the bishops and clergy where each adheres to guidelines and policies and takes responsibility for their own present and future financial reality.

What Exists Now	What Will Replace This Upon Full Implementation
Co-dependence.	Individual responsibility, accountability.
Uneven practices of remuneration.	Equitable and transparent methods of remuneration.
Few clerics living in rectories.	Number of clergy living in rectories will probably diminish over time except in the city centre parishes.
Rectories almost everywhere falling into disrepair and many being sold.	Better stewardship of our property resources. Diocesan and parish strategies aligned to ensure certain rectories are kept in good condition as investments for the future.
Little connection between <i>Growing in Christ</i> and local decision-making or championing.	Bishops and clergy reflect and demonstrate the connection with the strategic plan.
Lack of clarity about the various aspects of remuneration on the part of lay leaders in parishes and sometimes on the part of clergy themselves.	Remuneration that is more easily understood and similar to other professionals’ pay.
Clergy often in financial hardship at retirement.	Clergy aware of the multiple ways of investing now for retirement security, especially as it relates to housing.
Bishops involved in only the initial remuneration decision for a cleric in a parish.	Bishops have a more active role in ensuring the monitoring of remuneration. Bishops are aware of the clergy remuneration in total (salary, vacation top-ups, benefits, etc.).
A cleric’s remuneration gradually moves up, at least by cost of living percentages.	A cleric’s remuneration will be determined through the salary factors outlined in the report and the salary range.
Bishops spend much of their time on compliance and crisis management.	Bishops become leaders in strategic goal-setting and in the ongoing growth of the clergy.
Parishes focus on the balance sheet and survival.	Parishes focus more on mission.

Implementation Recommendations and Suggestions

Changes of the order of magnitude suggested in this report are designed to move clergy remuneration toward a future very different from where we are now. Where considerable change is required, the Working Group highly recommends a period of pilot testing first to ensure the direction is correct and to have time to remove the barriers or flaws that may emerge unexpectedly. For instance, it is strongly suggested that the move to salary be tested by about ten to fifteen willing early adopters from a variety of parishes in the Diocese – inner city rectory-based, rural rectory-based, small town rectory-based, suburban rectory-based, suburban with housing allowance, and so on. We need to be absolutely sure that all clergy are protected and ways found to deal with the variances that demonstrate fairness and do not privilege one ministry over another.

This is a complex document, with many people involved in its implementation. Juggling all the details along with a need to adjust somewhat after testing some of the recommendations will take some careful oversight. The recommendations on clergy remuneration cannot be allowed to sit in a file and waste away for twenty years as reports often do.

Recommendations

General

52. The implementation of the recommendations in this report will require both a project management staffing function that can oversee and monitor what is being changed and a small oversight committee that also tracks progress. The latter will need to:
- draw up a rough timetable to ensure a manageable process for implementation,
 - assign the actual work of implementation to the right groups or individuals,
 - monitor progress,
 - solve problems and challenges that arise, and
 - report on progress or stumbling blocks on a quarterly basis to Diocesan Council.

53. A budget should be provided for a project manager to oversee the implementation.

54. A small implementation committee of both volunteers and staff should be established to ensure progress on implementation of the elements of this report through a timely and manageable process.

Parish Ministry, Mission and Management Evaluation Implementation

55. First Six Months of Year One
- Establish a small task force to choose the 2 or 3 best model(s) for these parish ministry, mission and management evaluations to test. The College of Bishops will determine what role bishops and archdeacons and regional deans will have in these parish ministry, mission and management evaluations.

56. Second Six Months of Year One

- Test the models with 10 to 15 volunteer early adopters and with the Bishops themselves. Ensure a cross-section of clergy is included (rural, suburban, inner city, small parish, large parish, etc.).
- Work out problems and challenges.
- Evaluate the tests, modify or start again.

57. End of Year Two

- Choose one model as a result of an evaluation of the test phase.

58. Years Two to Five

- Provide training and coaching for the persons conducting the parish ministry, mission and management evaluations – the clergy, lay leaders involved and bishops.
- Roll out in an organized way over the next three years, beginning with the newer clergy.
- Complete the roll out, adjusting along the way if needed.

59. After Year Five

- Evaluate the overall program every two years subsequently, adjusting where necessary.
- Ensure that there are no salary increases if performance appraisals have not been completed and submitted.

Salary Model Implementation

60. Key recommendations, especially the linking of stipend and housing allowance to a salary-based remuneration system, should be tested for at least one year and probably two before full implementation is considered. This will allow for corrections and problem-solving before widespread implementation is put into place.

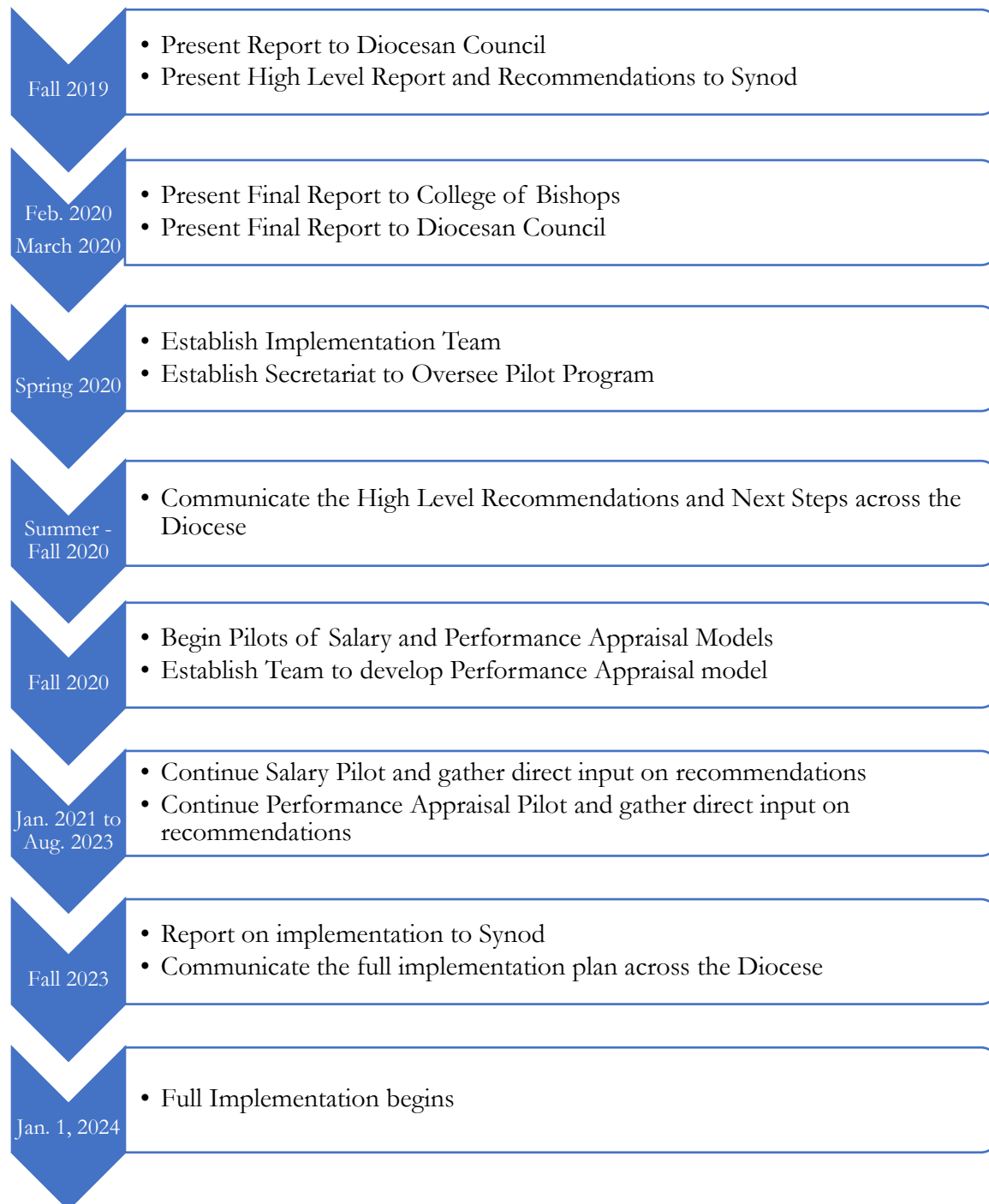
Specialized Ministry Implementation

61. Decisions around which positions will require additional salary and the amounts should be made by the College of Bishops within six months of the acceptance of this recommendation. Consultation with the Compensation Working Group is essential.

62. An analysis of the ongoing fairness and equity of the additional salary should be done by the Human Resources Department every second year after the implementation. Changes to the additional salary would be considered if significant changes are made to the responsibilities expected of the clergy doing the work, or if any new position is created. As changes are implemented, equity and fairness must be considered.

63. Eventually, when the new salary system is fully implemented, salary for these specialized ministries will simply be one of the salary factors considered, although this specific portion will come from the Diocesan budget, not the parish budget.

Suggested Timeline for Implementation



Appendix A – Consultations

The Remuneration Working Group would like to thank the many clergy, lay people, parishes, and dioceses that contributed to our understanding of the complex issues related to clergy remuneration. They graciously gave their time and experience to this work.

1. A general survey was sent June 2017 to all active clergy, churchwardens, treasurers, members of Executive Board, and members of Diocesan Council (960 people).
2. Focused interviews were held in the summer of 2016 with
 - o The Rev. Canon Dawn Davis, former Director of Human Resources and parish priest
 - o The Most Rev. Terence E. Finlay, former Diocesan Bishop (now deceased)
 - o The Ven. Stephen Hopkins, Diocese of Niagara (now deceased)
 - o Canon Clare E. Burns, Diocesan Chancellor
 - o The Ven. Douglas Fenton, Diocese of New Westminster.
3. Consultations with the following dioceses were held in the summer of 2016:
 - o Diocese of Calgary
 - o Episcopal Diocese of Easton
 - o Diocese of Ottawa
 - o Diocese of New Westminster
 - o Church of England.
4. A survey was conducted with regional deans in September 2016.
 - Each clericus, through the regional deans.
5. College of Bishops
6. Executive Board
7. Diocesan Council
8. Ten consultations were held throughout 2017 with the following groups:
 - Parish Teams: 78 participants from 29 parishes across the Diocese
 - Held over 4 sessions. The teams represented a variety of parish sizes and locations, from all areas of the Diocese.
 - Retired Clergy: 11 participants
 - Rural Clergy: 10 participants (2 sessions)
 - Part-time Clergy: 9 participants
 - Associate Priests: 7 participants
 - Vocational Deacons: 8 participants
9. The Rev. Margaret Rodrigues

Appendix B – Summary of Recommendations

From Aspects of Clergy Remuneration Considered (pages 19 - 56)

1. Stipend/Salary

1. The adoption of a **salary-based model**, similar to those in place in the Diocese of Calgary and the Diocese of New Westminster, as the basis for the remuneration of clergy in which salary ranges, **including both minimum and maximum salary levels**, are determined in accordance with a common set of salary factors.

2. The adoption of a **common set of salary factors**, both objective and subjective, designed to measure the attainments, competencies, and performance of clergy from year to year. The following are the salary factors recommended for consideration in the determination of clergy salary ranges:

Position

- rector / incumbent / associate / part-time/ priest-in-charge / interim priest-in-charge / intentional interim

Theological Education

- diploma / certificate / basic degree / advanced degree / doctorate (DMin. and/or Ph.D.)

Ordained Experience

- years of ordained service

Prior Experience

- non-theological education and years of prior non-ordained career experience directly relevant to the competencies / skills required in the role of parish priest

Size and Complexity of Congregation

- multiple congregations / multi-point parishes
- family / pastoral / program / resource
- unsustainable / static / sustainable / strategic

Specialized Ministry

- secondment to positions of oversight at the Diocesan level (Diocesan Council, Executive Board, regional deans, archdeacons, Diocesan sub-committees, task forces, working groups), bishop's committees
- chaplaincy (parish-supported chaplaincy in hospitals, nursing homes, seminaries/universities/colleges, correctional facilities)
- outreach ministry (parish-supported community outreach ministry)

Merit/Performance

A set of **agreed personal ministry goals and objectives**, consistent with a strategic plan/ mission action plan for the parish and approved by the area bishop, which will form the basis of the cleric's annual performance appraisal, and which could include, where appropriate, goals related to such things as Sunday attendance; stewardship; continuing professional development; program development; community outreach; and parish leadership development.

3. The **elimination of housing or a housing allowance as a separate component of clergy remuneration**. Subject to a limited number of exceptions in which the issue of clergy housing will be governed by overriding strategic, pastoral and financial considerations that dictate a different approach, clergy salaries will be set on the basis of the application of appropriate external benchmarks and internal salary factors, and clergy will be free to choose the housing that they consider appropriate to their pastoral responsibilities, their individual personal and family circumstances, and their vocational commitment to exercise effective leadership of the church's mission in the community. In those cases in which clergy choose to live in rectories, they will lease them from the parish at a market-based rent and on the same terms and conditions as a third-party tenant.

4. The recommended salary-based remuneration model be implemented in a manner that guarantees that, **as long as they remain in their current parish, no currently active clergy will be financially worse off under the new system** – that it will not have a net negative effect on any individual cleric in terms of their effective after-tax remuneration, their pre-retirement and post-retirement benefits, and their pension entitlements. Similarly, in the event that the implementation of the new remuneration model results in existing clergy remuneration that exceeds the maximum of the appropriate salary range, the level of clerical remuneration going forward will not be adjusted downward but will remain the same (“red-circled”).

5. The adoption and implementation of **an annual feedback session** for clergy that will eventually enable the inclusion of **merit** as a factor in the determination of clergy remuneration.

2. Housing Remuneration

6. That clergy remuneration will, as a general rule, no longer comprise two major components, stipend and housing (the “two-component model”), but will, subject to a limited number of exceptions, be replaced by a remuneration model comprising only one major component, namely, salary (the “one-component model”).

7. That the College of Bishops will decide on the exceptions to the general rule based on strategic, pastoral or financial considerations prior to the introduction of the new model.

3. Parish Ministry, Mission and Management Evaluation

8. That a consistent parish ministry, mission and management evaluation system be instituted across the Diocese, to be fully operational within five years.

9. That a small team adapt from other dioceses, or develop, 2 or 3 such evaluation processes to test what will fit the nature of the bishop/clergy/parish relationship in the Diocese of Toronto; will take into account the various parishes where clergy are called to serve; and will recognize the particular spiritual gifts the clergyperson has.

10. That each process be tested over two years with a small group of clergy, adapted based on the evaluation to produce one model, and then gradually rolled out to be in place for all bishops and clergy by the end of five years.

11. That the College of Bishops give careful consideration to who best should bear the responsibility for the annual parish ministry, mission and management evaluations with clergy (regional deans, archdeacons, bishops or some combination), consult with their clergy, and institute a system that is consistent across the Diocese.

12. That careful training for all involved be planned and implemented over the five years and regularly repeated and enhanced semi-annually thereafter.

13. That, within five years, no salary adjustment should happen without a recorded annual parish ministry, mission and management evaluation in the preceding calendar year unless special circumstances such as severe illness or other crisis are present.

14. That the team of volunteers currently working in congregational development be expanded to include people who are skilled coaches for individual clergy, and, after careful matching, deployed to assist clergy in areas where the clergyperson needs some additional support.

15. That budget be made available to provide payment for additional coaches who are not volunteers if their skills are especially needed.

16. That written reports of these parish ministry, mission and management evaluations, once signed, will be kept in secure clergy files at the Diocesan office.

4. Merit Pay

17. That merit pay is a matter for discussion among the bishop, parish leaders and parish clergy.

18. That remuneration for merit be implemented only after the diocesan-wide parish ministry, mission and evaluation process is in place and goals are being set and monitored for at least 50% of the clergy, which we estimate should be about Year 4 after the adoption of this report.

19. That a Diocesan pool of money be created that could be applied where there is a strategic need for a clergyperson's merit to be acknowledged and the parish they are leading is for any number of reasons unable to provide that.

5. Payment for Specialized Ministries

20. That the salary model include a component for specialized ministries and that the Diocese continue to provide the portion of a clergy salary connected with a specialized ministry.

21. That the honorarium for regional deans be raised and then reconsidered should additional tasks be allocated.

22. That an archdeacon's honorarium be set and positioned above the regional deans', and similarly reconsidered should additional tasks be assigned to the role.

23. That the College of Bishops develop a list of positions to receive an honorarium in the Diocesan structure, those that require additional ministry beyond what would be considered a fair "share in the councils of the church." These would be positions that require specific skills and significant additional time beyond the parish ministry. Once agreed to, that list of positions would be sent to the Executive Board and Diocesan Council for information.

24. That travel, or other expenses related to these positions, continue to be reimbursed by the Diocese or General Synod depending on the position.

25. That one person be appointed to oversee and ensure appropriate recruitment, ongoing coaching, and a sense of accountability within the group of regional deans.

26. That ministry position descriptions should be written for regional deans and archdeacons to ensure consistency. Similarly, ministry position descriptions should be written for those in specialized ministries.

6. The Unit System of Remuneration

27. That unit-based appointments should never exceed 12 months in duration, except for remunerating part-time retired clergy.

28. That frequent evaluation of a unit appointment by the bishop be required to ensure that the number of units worked and paid for are fair and consistent.

29. That regular reminders should be sent to parishes to indicate that the unit rate is the minimum that can be paid. A higher unit rate can be used.

30. That when a unit system is put in place, bishops should assure themselves that the parish has the capacity to do all the related work of payroll management for the clergyperson and address concerns in advance of the hiring.

31. That a note be added to the current appointment letters making clear the understanding that full-time or part-time clergy are not entitled to consider time off or additional pay for overtime should they work over a certain number of hours.

7. Vacation

32. That prior to a decision being made in the parish about an extra week of vacation in lieu of an increase in pay, the area bishop be engaged in the discussion and decision to ensure that ministry is not negatively impacted. With the area bishop's permission, extra vacation entitlement in lieu of receiving a financial increase can be no greater than one additional week. The additional week is not transferable from one parish to another.

8. Stole Fees

33. That the College of Bishops delegate the development of Diocesan guidelines for stole fees, and that the guidelines include such items as the following:
- ☐ active parishioners are not expected to pay stole fees;
 - ☐ churchwardens and the treasurer of the parish should have a role in determining the fees established for funerals and weddings for people who are not active parishioners;
 - ☐ stole fees go to the cleric and what the cleric does with them (donate to the parish, keep, etc.) is their decision.

34. In the spirit of mutual accountability and transparency, the cleric report annually the total of all stole fees to both the parish and the bishop. A frank discussion with the bishop should occur if the total of such fees goes beyond a certain ceiling annually (the ceiling to be set annually by the College of Bishops).

9. Continuing Education

35. The Diocesan budget be increased by \$200,000 annually to supplement existing sources of funding for clergy continuing education. Clear guidelines for applications for grants from this fund should be developed that enable individual clergy or groups of clergy access to additional funds for relevant learning opportunities, essential to the future of the church. A parish that is experiencing a shortage of funds may also seek help from this budget item to provide for replacement clergy when its incumbent is away on continuing education programs. A portion of this allotment may be used by the Diocese itself to fund a particular course or workshop to enhance learning in an identified area required for the future of the church. Clergy covenant with their parishes to use the funds contributed by the parish for continuing education.

10. Sabbatical Leave

36. That the HR department, in consultation with the College of Bishops, review the current sabbatical provision as outlined in the manual and consider whether it should be extended to part-time clergy.

37. Explore options for paying for a sabbath leave and whether a deferred salary plan would allow more people to take advantage of the educational leave or sabbath leave.

11. Retired Clergy

38. That an annual remuneration memo be especially devised for retired clergy who are doing interim ministry and/or frequent Sunday duty.

39. That a “financial planning for retirement” seminar be a required portion of Momentum programs.

40. That parishes reimburse retired clergy for their travel costs and report this reimbursement as income and ensure that appropriate statutory deductions are made.

41. That parishes pay full Synod registration fees for all clergy eligible to attend Synod and appointed to the parish.

42. A Covenant of Expectations and Responsibilities document should be developed and shared annually for retired clergy who are functioning as honorary assistants (this is in addition to the appointment letter from the Bishop). This document should be prepared by the parish in consultation with the honorary assistant, not by the Diocese. The goal here is clarity around mutual responsibilities, reimbursements and honoraria.

12. Part-Time Clergy

43. The College of Bishops carefully monitor the increase of part-time clergy who were formerly full-time and refer concerns to the Leadership and Formation Group of Growing in Christ for wisdom and advice about action.

13. Interim Clergy

44. That letters of appointment for interim clergy be carefully designed so that the work is clearly outlined for both the clergyperson and the parish and the clergy are adequately compensated for this important ministry.

45. That the College of Bishops address an increased size in the cadre of trained interim clergy who bring exceptional experience to assisting parishes in transitions and hard decisions. The parish ministry, mission and management evaluations can help identify those who might have the gifts for this kind of ministry, especially in the last decade or so of their full-time working lives in the Diocese. The additional funds suggested under Continuing Education could be used in part to pay for this kind of training.

46. That the College of Bishops develop a plan to recruit several intentional interim priests so that these specially trained individuals have both security of appointment and are readily available when crises arise.

14. Rural Clergy

47. That a task force on the future of rural ministry be established to analyze and address these unique issues and problems and to develop short-, medium- and long-term strategies to guide the development of rural ministry in the Diocese.

15. Associate Clergy

48. That associate clergy be afforded the same respect and consideration as that granted to incumbents.

49. That there be a clearer avenue for associate priests to be in direct relationship with their area bishop and diocesan bishop, resulting in a stronger sense of connection. All clerics serving within the Diocese of Toronto are facilitating the ministry of God made known through Jesus Christ, and no one should feel that they have been left out or set on the margins.

16. Building HR Volunteer Assistance for Parishes

50. That a revised and expanded model of training for parish leadership to replace the training sessions for churchwardens and treasurers be revised and tested with a focus on:

- a) what must be done to be compliant with canon and civil law, and
- b) what should be done to be strategic about the future of the parish's ministry in serving God's mission locally.

That how technology can make it easier to prepare and conduct these workshops be considered.

51. That a team of volunteers skilled in various aspects of human resource management be developed, trained and deployed as needed to parishes to provide assistance to wardens and clergy.

From Implementation Recommendations and Suggestions (pages 60 – 61)

General

52. The implementation of the recommendations in this report will require both a project management staffing function that can oversee and monitor what is being changed and a small oversight committee that also tracks progress. The latter will need to:

- draw up a rough timetable to ensure a manageable process for implementation,
- assign the actual work of implementation to the right groups or individuals,
- monitor progress,
- solve problems and challenges that arise, and
- report on progress or stumbling blocks on a quarterly basis to Diocesan Council.

53. A budget should be provided for a project manager to oversee the implementation.

54. A small implementation committee of both volunteers and staff should be established to ensure progress on implementation of the elements of this report through a timely and manageable process.

Performance Appraisal Implementation

55. First Six Months of Year One

- Establish a small task force to choose the 2 or 3 best model(s) for these parish ministry, mission and management evaluations to test. The College of Bishops will determine what role bishops and archdeacons and regional deans will have in these parish ministry, mission and management evaluations.

56. Second Six Months of Year One

- Test the models with 10 to 15 volunteer early adopters and with the Bishops themselves. Ensure a cross-section of clergy is included (rural, suburban, inner city, small parish, large parish, etc.).
- Work out problems and challenges.
- Evaluate the tests, modify or start again.

57. End of Year Two

- Choose one model as a result of an evaluation of the test phase.

58. Years Two to Five

- Provide training and coaching for the persons conducting the parish ministry, mission and management evaluations – the clergy, lay leaders involved and bishops.
- Roll out in an organized way over the next three years, beginning with the newer clergy.
- Complete the roll out, adjusting along the way if needed.

59. After Year Five

- Evaluate the overall program every two years subsequently, adjusting where necessary.
- Ensure that there are no salary increases if performance appraisals have not been completed and submitted.

Salary Model Implementation

60. Key recommendations, especially the linking of stipend and housing allowance to a salary-based remuneration system, should be tested for at least one year and probably two before full implementation is considered. This will allow for corrections and problem-solving before widespread implementation is put into place.

Specialized Ministry Implementation

61. Decisions around which positions will require additional salary and the amounts should be made by the College of Bishops within six months of the acceptance of this recommendation. Consultation with the Compensation Working Group is essential.

62. An analysis of the ongoing fairness and equity of the additional salary should be done by the Human Resources Department every second year after the implementation. Changes to the additional salary would be considered if significant changes are made to the responsibilities expected of the clergy doing the work, or if any new position is created. As changes are implemented, equity and fairness must be considered.

63. Eventually, when the new salary system is fully implemented, salary for these specialized ministries will simply be one of the salary factors considered, although this specific portion will come from the Diocesan budget, not the parish budget.