



Anglican Diocese of
BENDIGO

CLERGY REMUNERATION GUIDEBOOK

Remuneration, entitlements, leave and conditions

2023

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CONTENTS

INTRODUCTION.....	4
APPOINTMENT OF CLERGY	5
TENURE.....	6
STIPENDIARY CLERGY REMUNERATION	7
COMPONENTS OF THE CLERGY REMUNERATION PACKAGE	9
SALARY PACKAGING	10
CESSATION.....	14
ANNUAL CLERGY REMUNERATION REVIEW.....	15
ADDITIONAL BENEFITS.....	16
LEAVE ENTITLEMENTS	17
SERVICE RELIEF CLERGY	21
LOCUM MINISTRIES.....	21
APPENDIX 1: CLERGY REMUNERATION FRAMEWORK	22

INTRODUCTION

This Clergy Remuneration Guidebook is intended to help clergy and parishes understand the components and entitlements of the clergy remuneration package.

This handbook covers:

- Difference between employment and office
- Components of stipendiary clergy remuneration
- Salary packaging
- Leave entitlements
- Service relief and locum clergy

If you have any questions about any of the information contained in this document, please contact the Registrar on 03 5443 4711 or email registrar@bendigoanglican.org.au.

Sarah Crutch
Registrar

APPOINTMENT OF CLERGY

Employment vs Office

The church has always supported its clergy in tangible ways, in accordance with the injunction of St Paul “that those who proclaim the gospel should get their living by the gospel” (1 Corinthians 9.14). Material support, in the form of a stipend (or “living”) and the provision of housing, is to enable the clergy to conduct their ministry free of anxiety from want of basic living necessities.

Clergy are generally considered to be office holders rather than employees of a parish or diocese. This distinction has been the subject of many legal cases; however, the general view is that the role of the clergy in charge of a local congregation is one of spiritual leadership and is not intended to create legal obligations that are enforceable by secular law. Clergy are called to serve God, and are appointed to an office, by the virtues of the Bishop’s license, and are responsible to the Bishop in all aspects of the conduct of their duties. This is distinct to someone in secular employment who has an employment contract with an organisation to work a set number of hours per week, reports to their manager and is paid by that organisation in exchange for the work duties performed.

There are only two exceptions when clergy are deemed employees:

1. Payroll: PAYG tax is deducted from a clergy’s stipend per the relevant ATO rulings, ‘employer’ contributions are made to superannuation. Pay advice and tax reporting are issued to clergy by the Bendigo Anglican Diocesan Corporation. However, the Corporation is not the employer of clergy in any other capacity.
2. WorkCover: Full-time and part-time stipendiary clergy are deemed employees by WorkSafe Victoria for the purposes of Workcover only.

Appointment

All clergy and lay licensed ministers are appointed to their office by a letter of appointment from the Bishop. This letter will outline any terms and conditions of the position including time fraction, tenure, and review dates. It will also state the applicable code of conduct, the safe ministry clearances, and professional development requirements. This letter of offer must be counter-signed by the clergy as acceptance of the terms of appointment. Clergy are then issued a Bishop’s Licence to formally appoint them to their office.

TENURE

Term of office

Clerical appointments are governed by the Parish Appointments Act. Terms and review dates are outlined in the Bishop's letter of appointment at the commencement of office.

The term of office of a Rector is 10 years, subject to extension or for such further period as the Bishop determines. An incumbent's term may be extended for five years, or for such further period as the Bishop may determine. The initial term may be extended once only unless the Bishop determines otherwise.

Retirement age

The retirement age for clergy is 65 years. The retirement will become effective on a date as determined by the Bishop no later than six months after reaching 65 years of age.

If the incumbent wishes to extend their appointment beyond the retirement age, they must write to the Bishop with the request prior to reaching 65 years of age. Retirement can be extended for any period beyond 65 years but not beyond 70 years of age. Further applications for extensions can be made to the Bishop prior to the extended date of retirement.

10 year term

Extension up to 5 years

Retirement at 65

Retirement extension
up to age 70

Further extensions as
determined by the Bishop

STIPENDIARY CLERGY REMUNERATION

What is a stipend?

A stipend is a form of payment given to clergy to permit them to devote themselves to ministry. The stipend is a “monetary allowance” rather than a salary or fee for services rendered. Whilst at times a salary or stipend needs to be distinguished, the terms are often interchangeable for practical purposes. This is because in some legal matters of stipendiary administration, clergy are treated as employees but are generally considered office holders.

A salary is generally regarded as remuneration for work carried out, usually on the basis of an assessment of the value of the kind of work in question. A stipend, while paid to clergy in a general way for their ministerial work, is not to be construed as a payment for a particular work e.g., specific duties or particular hours of work. A stipend is not a wage or set of entitlements under employment law.

The relationship between employer and employee is contractual in the case of secular remuneration and covenantal in the cases of stipend clergy remuneration. The relationship between a parish and a member of the clergy is covenantal; a congregation covenants to pay a stipend to a minister and the minister covenants to fulfill a ministerial role as agreed between the bishop and the parish, but that minister is strictly speaking not accountable to the parish but to the bishop.

Core elements of stipendiary clergy remuneration

This diocese’s current material support for stipendiary clergy aligns to the *National Anglican Resources Unit – Guidelines for Remuneration of Parish Clergy (2002)* and has been tailored to suit a rural/regional context (i.e., payment of a travel allowance based on region).

The National Anglican Guidelines for Remuneration (2002) state:

Elements of remuneration paid to or provided to a religious practitioner for their pastoral and related duties usually consist of one or more elements:

- a) *Payment of a stipend or salary.*
- b) *The use of a fully maintained vehicle, or the provision of a travelling allowance in lieu.*
- c) *The provision of housing, or the provision of housing in lieu.*
- d) *The payment of utilities such as telephone, electricity, and gas.*
- e) *Other benefits such as making contribution to a superannuation fund, provision of annual leave, long service leave and parental leave.*

The current stipendiary clergy remuneration package for this diocese includes:

Component	Details
Stipend	Cash component
Travel allowance	Base allowance + cents per km allowance
Car Replacement Fund	Retained by diocese for purchase of new vehicle
Housing	Provision of housing or a housing allowance in lieu
Utilities	Recommendation that the parish provide support to clergy for utilities such as power, gas, and internet
Other benefits:	
<ul style="list-style-type: none"> • Employer/diocesan superannuation contributions (percentage is SGC + 5% to recognise super is calculated off the lower base stipend only, not the full value of the remuneration package) • Provision of 4 weeks annual leave (pro-rata for part-time) • 10 days personal leave per annum (pro-rata for part-time) • Additional leave - 5th day off in the month • Long service leave and sabbatical allowance (<i>as per Anglican LSL fund</i>) • 10 days professional development leave per annum • Parental leave 	

Centralised Payment of Remuneration

In order to provide certainty, consistency and legislative compliance, all clergy remuneration packaging (including benefits and allowances) and the salary of lay staff are paid through the Registry Office on a fortnightly basis.

Stipend and other payments are recovered from the parishes by means of an invoice each month. Parish payments cover all ministry costs including stipend, superannuation, travel allowance, car replacement fund, housing allowances and long service contributions. Any clergy relief or locum costs are also included.

Note: agreement regarding assistance with utility costs, and any payment (e.g., direct payment of bills or reimbursement to clergy), is managed by the parishes.

Time fractions and notional hours

The diocese bases a full-time clergy position (1 FTE) on a 6-day week with one day off.

The nature of ministry means that there is fluidity around when certain duties are required. For example, end of life support throughout the night, emergency pastoral care or parish administrative duties. Clergy are not contracted to work a set number of hours per week. The independent nature of their work means clergy must learn to manage their own time and set boundaries to care for their own wellbeing.

For payroll system purposes only, a full-time clergy position is based on a **notional 36-hour week**. The 36-hour week is only used to facilitate payment of the stipend through a modern payroll system that is based on hours and hourly rates. It is not representative of the daily workload nor actual hours worked. For part time clergy, this is pro-rata with each day represented as a proportion of 36 and is used for accounting purposes only.

Days	1 day	2 days	3 days	4 days	5 days	6 days
Time-fraction	0.17	0.34	0.50	0.67	0.83	1.00
Hours per week	6	12	18	24	30	36
Personal Leave Days Per Annum	2 days	4 days	5 days	7 days	9 days	10 days
Personal Leave Hours Per Annum	12	24	30	42	54	60

COMPONENTS OF THE CLERGY REMUNERATION PACKAGE

CLERGY REMUNERATION PACKAGE				
Stipend				40% salary packaged
Superannuation				SGC + 5%
Travel Allowance	Car Replacement Fund	Housing	Utilities	100% salary packaged

Stipend

A member of clergy in stipendiary ministry should be paid the base stipend (pro-rata amount for part-time clergy) as determined by the Bishop-in-Council. The stipend determination in this diocese currently has 3 levels:

Deacon 80%	First year priest 90%	Full time priest 100%
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Income tax

Payment of the base stipend (excluding salary packaged amount) is treated as taxable income and PAYG deductions are to be made in accordance with Australian Tax Office (ATO) requirements. Religious practitioners are encouraged to contact their accountants if there are any enquiries relating to tax.

Superannuation

The diocese makes ‘employer’ contributions to a clergy nominated superannuation fund consistent with government legislation.

CLERGY SUPERANNUATION

Superannuation Guarantee Charge + 5%

Diocesan contributions are calculated from the base stipend - not the full value of the remuneration package including allowances.

The diocesan contribution percentage is therefore higher than the Superannuation Guarantee Contribution (SGC) required to be paid by law to secular employees.

Clergy superannuation contributions are calculated at Superannuation Guarantee Charge + 5%

The diocesan superannuation contribution is reviewed annually as part of the annual stipend determination.

Clergy contributions to superannuation before tax (salary sacrifice, please note that taxation rules apply) or after tax can be made. This may be arranged through payroll.

The diocesan nominated superannuation fund is *Australian Super*.

SALARY PACKAGING

What are salary packaging arrangements?

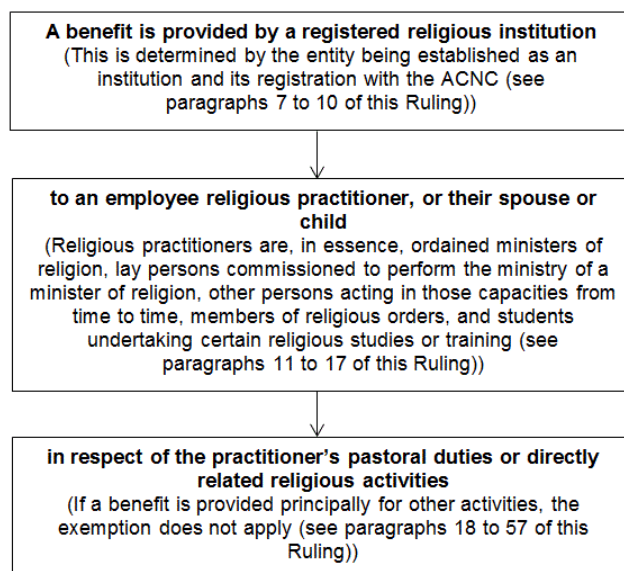
A salary packaging arrangement is one where a member of the clergy agrees to forego the payment of a portion of their base stipend directly to them. In return, the diocesan payroll will pay monies forgone into a salary packaging card to enable clergy to make payments to third parties. The sacrificing of stipend is made through a salary packaging card.

Accessing salary packaging (fringe benefits) enables parishes to provide clergy with a higher level of benefits than would otherwise apply because it lowers the taxable income and increases 'take home pay'. This occurs because of the different tax rules that apply to the payment of stipend and provision of non-cash (fringe) benefits to religious practitioners.

Salary packaging arrangements do not add to the overall cost to parishes.

Eligibility

The ATO's tax ruling (*TR 2019/3*) explains when certain benefits provided by registered religious institutions to religious practitioners will be exempt from fringe benefits tax (FBT).



Lay Licenced Ministers

Where a lay person is appointed to a ministry role, is licensed by the Bishop, and is undertaking ministry work of a minister of religion and religious activities, they are eligible for the same stipendiary arrangements as ordained members of clergy. People in these roles may include lay ministers or chaplains in prisons or hospitals.

Utilising salary packaging

Access to religious practitioner salary packaging is available to clergy with principally pastoral or directly related religious duties (see *Taxation Ruling TR 2019/3* above). Administration of a church or work undertaken by a diocese department, for example, is not considered to be pastoral or directly related to religious activities.

This is a privilege, not a right. Clergy are expected to treat all matters related to their material support, stipend, housing, allowances, hospitality, expenses etc – as part of their calling to be ministers of the Gospel. All material support should be applied in accordance with the *Faithfulness in Service, the Code of Conduct for clergy and church workers*.

Salary packaging amounts

Clergy remuneration is salary packaged as follows:

40% salary packaged	100% salary packaged	Other
<ul style="list-style-type: none"> • Cash stipend • Long service leave sabbatical allowance 	<ul style="list-style-type: none"> • Travel allowance • Housing allowance • Utilities allowance • Car replacement fund 	<ul style="list-style-type: none"> • Salary sacrifice of an amount of personal superannuation contribution, within limits established by the ATO*

**It is the responsibility of the individual to ensure compliance with the ATO rulings on the superannuation contributions cap*

The amount to be packaged shall be notified in writing by each participating member of clergy in accordance with these guidelines and the administrative scheme established by the Diocese:

- The structure of the packages should at all times comply with legislative requirements.
- Upon leaving the diocese, any balance in the member's salary packaging account will be paid to the member through the payroll as stipend and will be taxed accordingly.
- The nature and amount of the level of salary packaging may be changed from time to time by the Bishop-in-Council
- A member of the clergy is not entitled to claim a personal tax benefit for an expense that has been met by part of a stipend salary packaging arrangement

Please note that non-cash benefits made to religious practitioners (under salary packaging) are exempt from tax and payment summary reporting. However, under social security legislation, Centrelink (for example) may take into account the value of many exempt fringe benefits when assessing eligibility for various social security payments. Individual clergy should seek their own advice on these matters.

Salary packaging card

Salary packaging cards are administered centrally by the Registry Office in partnership with a salary packaging provider. The salary packaging cards are subject to the relevant tax rulings with transactions monitored by the provider for compliance.

There is no limitation placed on what funds may be spent on provided they are not immoral or illegal activities. Salary packaging card funds cannot be used to pay for diocesan items or events (eg. Clergy Conference) as the funds must go to a third party, not to the diocese.

All receipts for items on which GST is charged must be kept with the receipts to be forwarded to the Registry to enable a GST claim for the Diocese to be made.

A religious practitioner is not entitled to claim a personal tax deduction for an expense that is paid from a stipend sacrifice account.

Travel Allowance

To support the travel undertaken in their ministry, clergy are paid a travel allowance payment consisting of a fixed base rate and a fixed rate per kilometre on an agreed distance travelled, as set by the Annual Stipend Determination. The travel allowance is 100% salary packaged to the salary benefit card.

All travel expenses related to ministry, including public transport, taxi fares, where reasonable, should be reimbursed by the parish.

Car Replacement Fund

There is an expectation that clergy will need a motor vehicle to carry out their duties in a regional diocese. The Car Replacement Fund is a fixed amount to cover car depreciation and replacement. The amount is set by Annual Stipend Determination and is held by the diocese on behalf of the clergy for the purchase of a replacement vehicle.

Purchasing a vehicle

The Diocese holds the Car Replacement funds on behalf of the clergy. When funds are required for the purchase of a vehicle (new or used) a written request must be completed for review by the Registrar. Upon approval and presentation of an invoice in the clergy's name funds are paid direct to the supplier. In the event not enough funds are available for the requested vehicle an application for a loan may be made to the Diocese. The vehicle is always the property of the clergy person.

External car loans

Clergy with an external car loan with a third party (eg. car dealership) can request their car replacement fund payments be directed to the repayment of their loan. This means the funds will not accumulate in their car replacement fund account. If the car replacement fund amount doesn't cover the repayments, a deduction through payroll after tax can be arranged.

Clergy car loans

The Diocese operates a loan scheme for clergy to assist with car purchases to supplement funds available in their Car Replacement Fund account. An application for a loan is made to the Registrar for consideration with final approval given by the Executive Committee. The agreed amount of loan repayment is made up of the car replacement fund entitlement with the interest rate set by the Finance Committee annually. In the event this does not cover the repayment, a deduction is arranged through payroll after tax.

Treatment of car replacement funds on leaving the diocese

When leaving the Diocese, or retiring, clergy can use the funds remaining in their Car Replacement Fund account towards purchase of a vehicle or payment to a third party such as a mortgage or superannuation. If the funds are paid to the clergy directly this is done through payroll, is subject to tax and included as income on their payment summary.

Housing

Full-time clergy are provided with housing by the parish. Housing provided by the parish may be:

- A church owned house, which may be a rectory, or another church owned house that meets the requirements
- Where a rectory or other church owned house is not able to be provided, or is unsuitable, a suitable house may be leased for the cleric in the name of the Bendigo Diocesan Trusts Corporation

The key principle is that suitable housing to meet clergy needs is provided. Considerations include:

- The needs of clergy and their families
- The purpose of clergy housing
- Risk management and security issues

- The needs of the parish and the local context

Clergy housing may be on-site in relation to the parish church or off-site and will depend on local and personal circumstances.

Insurance of Rectory furniture

The occupant of the parish-owned house is responsible for the insurance of all furniture and personal items.

Housing Allowance

If a suitable rectory is available, the assumption is this will be used for the clergy housing.

However, clergy may receive a housing allowance if:

- no suitable housing is available:
 - a housing allowance is made available. The housing allowance is a notional value calculated as a percentage of the base stipend. The housing allowance is processed through payroll and can be salary packaged. If the housing allowance is paid direct to the cleric, it will be treated as taxable income
- clergy request not to live in supplied housing:
 - they may receive a housing allowance equal to 2/3 of the church house rental value. This allows the remaining 1/3 of the rental value to cover rental costs meaning the parish can sustain the payment

Utilities

Where the clergy reside in provided housing the parish will contribute to the utilities. The recommended cap is \$3,000. Clergy are expected to be prudent in their use of utilities, and to contribute to private telecommunication usage.

Where water and council rates are payable on suitable housing, the cost will be paid by the parish.

Where clergy choose to live in their own home, the parish will not be responsible for water, and council rates, property, and contents insurance.

In some circumstances, particularly where clergy live in their own home, a utilities allowance can be paid direct to the cleric rather than the parish reimbursing utilities costs. The utilities allowance is paid direct to the salary packaging card and the amount is reviewed as part of the Annual Stipend Determination.

CESSATION

At the conclusion of a clergy appointment, the components of the remuneration package are finalised as below:

Entitlement	Resignation	Retirement
Annual Leave	Encouraged to use remaining annual leave prior to conclusion. Any balance is required to be paid through payroll and taxed.	Encouraged to use remaining annual leave prior to conclusion. Any balance is required to be paid through payroll and taxed.
Long Service Leave	Portable – carries over to new appointment if part of the Anglican Church Long Service Leave Fund	Encouraged to use remaining LSL prior to retirement. Any remaining entitlements are required to be paid through payroll and taxed
Car replacement account	Paid to a third party for the purchase of a vehicle or transferred to an equivalent fund in new diocese. If not paid to a third party must be paid through payroll and taxed.	This may be paid to a third party (e.g., mortgage, superannuation). If not paid to a third party must be paid through payroll and taxed
Car Loan	Any remaining balance owed must be repaid to the Diocese	Any remaining balance owed must be repaid to the Diocese
Salary packaging	Any balance must be paid out and taxed in the first pay period 2 weeks after the payment of final entitlements	Any balance must be paid out and taxed in the first pay period 2 weeks after the payment of final entitlements

ANNUAL CLERGY REMUNERATION REVIEW

The clergy remuneration package is reviewed annually. In undertaking the annual review, the following principles are applied:

- The need to provide fair and just minimum standards in a regional context
- Current economic factors, including levels of inflation
- Current level of remuneration in other dioceses
- Taxation environment for clergy and lay workers
- Financial capacity of parishes across the diocese
- Any submissions made to the Executive for consideration
- Stipendiary determination principles, including any submissions from relevant parties
- Financial impact on all parties of any changes to stipend
- Changes in relevant legislations, significant changes in regional community benchmarks or changes to Anglican stipendiary guidelines nationally

The Finance Committee's recommendation is referred to the Executive Committee and then Bishop-in-Council for their determination.

Any parish wishing to make changes to individual clergy remuneration package, above the minimum stipend remuneration package, should communicate to the Bishop in writing as soon as possible, **prior** to negotiation with clergy. The Bishop makes any final decisions regarding clergy remuneration.

The Bishop-in-Council reminds parishes unable to meet the minimum stipend package and allowance to advise the Registrar or Archdeacon as soon as possible.

How are other elements reviewed?

From time-to-time benchmarking other elements of the stipendiary remuneration packaging such as housing, car and travel allowances to other reference points is recommended.

It is recommended that reference points are both internal and external:

- a) *With the Australian Anglican context* – data collected annually for notional stipend to ensure the Bendigo Diocese remuneration package is commensurate with other dioceses.
- b) *External regional reference points* to ensure clergy stipend elements, such as housing allowance, is keeping up with market changes within regional Victoria.

When will any changes in stipendiary determinations take effect?

After approval by Bishop-in-Council, stipendiary determinations take effect from 1 January each year and are paid as soon as practical.

ADDITIONAL BENEFITS

WorkCover

Full-time and part-time stipendiary clergy are deemed employees by WorkSafe for the purpose of WorkCover.

What this means is:

1. Clergy should seek appropriate medical treatment for any work-related injury or illness
2. Clergy (or someone on their behalf) should contact the Registry on 5443 4711 to report their work-related injury or illness. Clergy should report any work-related injury or illness within 30 days of you becoming aware of it. Failure to do so could mean you are not entitled to compensation
3. If clergy wish to claim WorkSafe entitlements, they must complete a WorkSafe approved Workers Injury claim form. Clergy will also need to provide a Certificate of Capacity from your medical practitioner. Full details of the claims process can be found on the WorkSafe website.

The Diocesan Worksafe Agent, which is currently Employers Mutual (EML) is required to accept or reject the claim within 28 days. If clergy disagree with a decision relating to their claim, there are various mechanisms available including Accident Compensation Conciliation Service Ph: 1800 635 960

4. Benefits and support: If your claim is accepted, you may be entitled to:
 - Reasonable costs for medical and like services
 - Weekly payments if clergy lose income or require time off work
 - A lump sum payment if you have a permanent impairment

Getting back to work after an injury or illness is an important step in the recovery journey. Both the Diocese and an injured person have obligations to actively participate in the development of a Return-to-Work plan with their doctor. The Registry will provide support in the development and implementation of the Return-to-Work program.

WorkCover premiums are paid annually by the diocese and invoiced back to parishes proportionate to their ministry costs.

Confidential Counselling Support (EAP)

The Diocese has a free confidential counselling service to support clergy and other staff wellbeing. This service known as an Employee Assistance Program (EAP) is provided by external professional counsellors, Relationship Matters. They can be contacted on (03) 8650 6262 directly to arrange an appointment, without reference to anyone in the Registry.

Clergy are entitled to access up to three (3) free sessions per annum to assist with personal, familial, and work stress and to develop strategies to support their wellbeing.

If some circumstances, additional free counselling sessions may be authorised by the Diocese, particularly where a serious critical incident has occurred in the workplace.

Employee Assistance Program

Free and confidential counselling for employees and immediate family

The Employee Assistance Program (EAP) is a free and confidential counselling service offered to support staff and their family's wellbeing. The EAP can assist with challenges such as:

- work pressures
- interpersonal conflict
- work overload
- bullying & harassment
- difficulty with change
- depression
- emotional stress
- anxiety
- relationship problems
- work-life balance
- other issues that may affect work performance

To make a confidential counselling appointment call **(03) 8650 6262**



relationshipmatters.com.au

LEAVE ENTITLEMENTS

<p>ANNUAL LEAVE 4 weeks per year</p>	<p>PERSONAL LEAVE 10 days per year</p>	<p>PROFESSIONAL DEVELOPMENT/ STUDY LEAVE 10 days per year</p>
<p>PARENTAL LEAVE As agreed with Bishop</p>	<p>LEAVE WITHOUT PAY As agreed with Bishop</p>	<p>LONG SERVICE LEAVE 1 week per year. Eligible after 10 years service</p>

Annual leave

What is my entitlement to annual leave?

Stipendiary Clergy are entitled to a maximum of four weeks paid annual leave; such leave is to contain no more than four Sundays in each calendar year. Annual leave is pro-rata for part-time clergy. Accrued annual leave balances can be viewed by logging on to the payroll system ADP:

<https://secure.adppayroll.com.au/>

When should I take annual leave?

Annual leave should not be accumulated. Clergy are encouraged to take leave, preferably in blocks of at least two weeks, to gain maximum benefit from the leave. Clergy are also strongly encouraged to take annual leave entitlements prior to moving from a parish. Public holidays are not included in the calculation of annual leave taken.

An online leave application must be submitted before leave is taken. Generally, a **minimum of six weeks' notice** is required so that Service Relief can be arranged.

If Service Relief is required a Service Relief Request is to be completed and submitted to the Registry. Service Relief will be arranged through the Registry and the Parish will be advised of the arrangements. NB: Service Relief is usually provided for Sunday services only.

Before departing on leave your Rural Dean and the Registry should be informed of your contact address and telephone (where possible) while you are away.

Sunday Relief Policy

The Ministry Fund shall cover the cost of the provision of Service Relief for four Sundays of annual leave per year and up to a maximum of two extra Sundays of leave, approved by the Bishop, to cover personal leave, or a Sunday associated with approved Study Leave, or other leave approved at the discretion of the Bishop. The costs of Sunday Service Relief, beyond a maximum of six Sundays in any one year, shall be met by a charge against the particular parish requiring the extra Service Relief.

What payments am I entitled to during annual leave?

Your pay remains 'status quo'.

What happens if I resign or retire?

Ideally, you will have taken accrued leave, however, any amount of annual leave owing will be paid in your final pay.

Personal leave

What is my entitlement to personal leave?

The provision of up to ten (10) days per annum for full-time clergy, pro-rata for part-time clergy, is available to cover absences in any of the follow circumstances:

- *Sick leave* – for clergy with an illness or injury, whether work or non-work related,
- *Carer's Leave* - to provide care or support to a member of family or household because of personal illness, injury or unexpected emergency affecting the member,
- *Compassionate leave* – where a family or household member has sustained a life-threatening illness or injury. Compassionate leave can be taken after the death of a clergy's family or household member.

How will personal leave be made available?

Each year from 1 January, eligible clergy will be provided with 10 days personal leave allocation (pro-rata for part time) through the centralised payroll function for use throughout that calendar year.

On 31 December each year, any unused personal leave balance for clergy will be removed. Clergy personal leave is not an accumulative entitlement. It is provided to enable clergy to manage the wellbeing needs of themselves and their family.

When a clergy member joins the Diocese after 1 January, a pro-rata amount of personal leave for use until 31 December of that year, will be agreed.

How is personal leave accessed?

Personal leave will be approved by the Bishop. Personal leave applications can be submitted through the online leave application form on the diocesan website and are expected to be completed as soon as practical.

Where an absence affects the exercise of ministry the Churchwardens and Rural Dean, Archdeacon and/or Vicar-General are to be informed so that appropriate support arrangements can be put in place; including service relief arrangements.

Full details can be found in the *Clergy Personal Leave policy* on the diocesan website.

Professional Development

Each year clergy may apply for up to ten days for *Professional Development*. Any days for professional development are to be approved in advance by the Bishop.

Members of the clergy may take *Professional Development* on occasions for such course of study as the Bishop and Churchwardens, with the approval of the Parish Council or managing body, agree may be beneficial to the ministry or personal development of a member of the clergy. Study leave may be taken to coincide with other types of leave.

Permission for Professional Development Leave is to be applied for using the online leave application form, with details of the professional development/study being provided. A record of all professional development and study leave granted will be kept by the Registry.

Leave without pay

Leave without pay is a privilege and will only be granted in special circumstances at the discretion of the Bishop. All leave without pay applications must be endorsed by the Parish and the Bishop will be the final approving authority.

Parental Leave

Parental leave allows clergy to take time away from their ministry for the birth or adoption of a child. The *Clergy Parental Leave Policy* outlines the types of leave available to clergy which includes accessing government funded paid parental leave, using clergy personal leave entitlement, paid parental leave funded by the parish or leave without pay.

The policy also outlines transitional arrangements to support clergy in going on parental leave and returning from parental leave. A conversation with your parish and the Bishop should be had prior to taking parental leave. The policy is available to read on the diocesan website.

Designated day off

Full time clergy are entitled to one day per week, our 'Sabbath'. This day should be agreed upon by the clergy, Churchwardens and parishioners and advised to the Registry through the 'Designated Day off' online form. It is important to keep the Designated Day Off up to date with the Registry because it is used to calculate leave in the payroll system.

This regular day cannot be accumulated. If you are unable to take your regular day, choose another appropriate time during that week – or the next – and ensure that this is communicated to your Churchwardens.

5th Day Off in the month

An additional one day per month has been granted for full-time clergy, known as the 5th day off in the month. Part-time clergy of 0.5 or more are entitled to an extra day every second month. The taking of this day is to be communicated to your Churchwardens.

The 5th day off in the month cannot be accumulated. It is the responsibility of clergy to manage their own time in taking the 5th day in the month off.

Long Service Leave

Long Service Leave (LSL) for clergy is governed by the Long Service Leave Canon administered by the Long Service Leave Fund of the General Synod Office. LSL is portable - clergy accrue LSL throughout their ministry as they move appointments and dioceses. Participants are entitled to 10 weeks LSL on completion of 10 years of qualifying service. Contributions for LSL are made by parishes to the Diocese and reported to the General Synod Office quarterly.

While on Long Service Leave, the cleric continues to receive all remuneration entitlements with the exception of the travel allowance.

The parish continues to be invoiced for the monthly ministry costs in addition to any service relief or locum ministry costs. The full amount received from the LSL fund for the period of leave is passed on directly to the parish.

It is unlawful for members to take LSL and continue with paid employment during the period of leave taken. LSL cannot be paid as cash in lieu of leave, except as provided for in the Canon.

Entitlement

An entitlement becomes available once a member achieves the required 10 years' service. Once 10 years' service is achieved, the next entitlement of one week will be available one year from your entitlement date.

Part time

Participants in part-time service are eligible to join the Fund. Entitlements are pro-rata.

Periods of Leave

Periods of leave must be comprised of complete weeks of seven days. Clergy are encouraged to take Long Service Leave when it becomes due. Long Service Leave may be taken in conjunction with Annual leave. The understanding of the Long Service Leave Fund is that all Long Service Leave is taken before retirement. Long Service Leave periods include public holidays.

Applying for Long Service Leave

Clergy can contact the Registry Office to request their long service leave entitlement. Clergy should discuss their LSL plans with the Bishop and their parish prior to submitting a leave application. Part of the discussion should include planning for locum coverage during the period of leave.

A long service leave application is first submitted to the Registry through the diocesan online leave application form. Once received, the Registry Office will lodge your application with the General Synod Office and facilitate the long service leave processing.

Notice of Long Service Leave

Long service leave applications must be submitted to the General Synod Office by the diocese three months prior to taking long service leave.

Payment in lieu of resignation or retirement

Upon resignation or retirement, providing 5 years qualifying service has been completed, the participant is to be paid one week for each year of service completed together with a proportionate payment for any incomplete year of qualifying service.

Sabbatical Allowance

This is an additional allowance received while on LSL. The amount is as determined by the LSL Fund Board and is regularly reviewed. This payment is to assist clergy to leave the rectory and to travel, should they wish to do so. Clergy are able to salary package up to 40% of the LSL sabbatical allowance. The remainder will be taxed at the marginal tax rate.

Long Service Leave Canon

Full details of the Anglican Church Long Service Leave Fund can be read in the Long Service Leave Canon on the General Synod website: www.anglican.org.au

SERVICE RELIEF CLERGY

Payment for Service Relief ministry

Clergy with a Permission to Officiate (PTO) who undertake service relief can submit an online *Claim for Service Relief Payment* to the Registry for payment via the diocesan website. This involves payment for the preparation and leading of services as well as travel reimbursement for the kilometers travelled.

The daily rate is intended to recognise service preparation as well as leading services. The amount is a flat rate paid regardless of the number of services taken on that day. Superannuation is paid at the SGC rate on the daily rate as required by the ATO.

Travel is reimbursed at the ATO cents per km rate and taxed according to ATO rules.

Daily rate	Travel reimbursement
<p>\$150 <i>Irrespective of the number of services taken Super paid at SGC rate</i></p>	<p>ATO cents per km rate <i>(eg. 0.78cents per km) Untaxable up to 5,000kms Taxable after 5,000kms</i></p>

LOCUM MINISTRIES

Appointment of locums

Clergy who undertake a locum ministry will be issued a letter of offer by the Bishop setting out the terms of the locum (eg. number of days per week, length, any specific duties) with a remuneration package.

Remuneration

Locum clergy remuneration is usually comprised of:

Stipend	Travel	Superannuation
according to time fraction	cents per km based on a set number of kms per week	at the SGC rate

Locum clergy are paid centrally through the diocesan payroll with the ministry costs invoiced to the parish. Depending on the length of the locum the clergy may be offered a salary benefit card and the provision of annual leave.

The parish will be invoiced for the ministry costs of the locum clergy.

All locum clergy, whether from within the diocese or from outside the diocese, must have a Safe Ministry Clearance prior to commencing.

APPENDIX 1: CLERGY REMUNERATION FRAMEWORK

The Framework in the table below:

- shows stipend components and how and when the components will be reviewed
- uses external benchmarks to ensure relevance to a regional and rural diocese

COMPONENT	BENCHMARK RATIONALE AND APPLICATION	REVIEW CYCLE
Base Stipend	<ul style="list-style-type: none"> • Consumer Price Index (CPI) general measure of household price inflation https://www.abs.gov.au/ausstats/abs@.nsf/mf/6401.0 • Reviewed as an indicator only. No expectation that CPI movement guarantees an automatic adjustment. 	Annually
Superannuation	<ul style="list-style-type: none"> • Percentage of base stipend • Superannuation Guarantee Contribution (SGC) + 5% • Monitoring of changes to compulsory superannuation guarantee percentage to ensure contribution percentage doesn't fall below compulsory rate. 	Annually - automatically move with any adjustment to base stipend Every 6 years - % of base stipend
Housing Allowance	<ul style="list-style-type: none"> • Percentage of base stipend • Key principle is suitable housing to meet clergy needs is provided: <ul style="list-style-type: none"> ○ If a suitable rectory is available, the assumption is this will be used ○ If clergy request not to live in supplied housing they may receive a housing allowance equal to 2/3 of the church house rental value ○ This allows the remaining 1/3 of the rental value to cover rental costs meaning the parish can sustain the payment ○ If no suitable housing is available, then a housing allowance of no less than 17.5% of base stipend is made available • Review of quarterly rental report by local government area to assist with budget planning during a parish vacancy: https://dhhs.vic.gov.au/publications/rental-report 	Annually – considered as part of movement in base stipend
Base Travel Allowance	<ul style="list-style-type: none"> • Fixed Base rate reviewed with annual stipend • Designed to contribute towards registration and insurance costs 	Annually – movement in base stipend
Kilometre Travel Allowance Policy - fixed kilometre allowance based on location	<ul style="list-style-type: none"> • Fixed rate per kilometre, paid with the base travel allowance fortnightly. • Designed to support running costs • Takes account of rural & remote location, number of centres etc within parish as is applied: <ul style="list-style-type: none"> ○ Goldfields and Bendigo Archdeaonries - 19 cents per kilometre ○ St Arnaud Archdeaonry - 21 cents per kilometre • Kilometre allowance per annum: <ul style="list-style-type: none"> ○ Urban – 8,000kms p.a. ○ Rural – 16,000kms p.a. ○ Remote – 24,000kms p.a. ○ Additional - based on number of centres within the Parish 	Annually review amount Review kilometre Travel Allowance policy every 6 years

Car Replacement	<ul style="list-style-type: none">• Monthly funds retained in trust for vehicle changeover• Assist vehicle changeover every 5 years.	Annually review amount Policy Review every 6 years
Utilities	<ul style="list-style-type: none">• Administered at parish level, to contribute to costs of power, heating, phone, and internet.• Review based on external benchmarks available such as:<ul style="list-style-type: none">○ https://www.canstarblue.com.au/electricity/average-electricity-bills/○ https://www.canstarblue.com.au/gas/compare-natural-gas-victoria/ -	Annually review amount Policy Review every 6 years
Leave – annual and long service	<ul style="list-style-type: none">• Additional leave unique to this diocese:<ul style="list-style-type: none">○ Designated day off is a unique policy of this diocese○ 10 days personal leave per annum	Policy review cycle