

To : All Stipendiary Clergy,  
Accredited Lay Ministers  
and PCC Treasurers

January 2012

I am writing to you, as has been the custom in the past, to confirm the levels of stipend which have been approved by the Diocesan Synod from **1 April 2012** to **31 March 2013**. I am also taking this opportunity to remind you of some of the principles which govern the payment of stipends.

1. **STIPENDS**

(a) **Incumbents, priests-in-charge and others of incumbent status**

- (i) The Diocesan Board of Finance has agreed that the standard level of stipends will be increased from £23,570 to £24,118 per annum with effect from **1 April 2012** regardless of whether a return of income has been received by the Church Commissioners. Stipend increases for clergy who retain fees or chaplaincy income will only be paid when the Church Commissioners receive from them their annual return of income.

The Board of Finance will pay the Council Tax for properties occupied by incumbents and those of incumbent status, curates and accredited lay ministers, including people who are living in their own houses who are in stipendiary ministry. However, this will not apply in those few cases where the occupant is a PCC appointee and where the PCC reimburses the Board with the stipend.

- (ii) In the past the Church Commissioners have paid from their general fund to each incumbent and full-time priest-in-charge a guaranteed annuity to equal the former net endowment income of the benefice, up to a maximum of £1,000. As from 1 January 2006 the Commissioners ceased to pay guaranteed annuities unless you specifically exercised your right to continue receiving such payments. Whatever decision you made, the total stipend paid to you remains the same.
- (iii) Income received from local trusts, church, churchyard, cemetery, crematorium and surrogate fees is also regarded as part of the stipend. The combined returns of income, working expenses and expenditure on heating, lighting, cleaning and garden upkeep will be despatched by the Church Commissioners to all payees in early March. It is essential that these forms are completed and returned to the Church Commissioners as soon as possible after they have been received.

- (iv) The majority of incumbents have assigned their fees to the Board of Finance and these should be sent to the Diocesan Office each quarter. Otherwise incumbents should generally retain all fees legally due to them. Assistant curates do not usually benefit from receiving fees for particular services (please see the paragraph about curates' fees). Priests-in-charge of parishes should not receive fees because their parishes are technically vacant and they are paid augmentation grants from the Stipends Fund instead. Arrangements for the assignment of fees are referred to in paragraph (10) below.
- (v) Clergy are asked to make an annual return of income from any additional appointments, e.g. hospital, educational and teaching. They are, however, permitted to retain the first £250 (net of allowable expenses only) before this income is taken into account in calculating augmentation grants. Stipend increases for clergy who retain fees or chaplaincy income will only be paid when the Church Commissioners receive from them their annual return of income. Chaplaincy income should be paid to the person who undertakes the chaplaincy duties and **not** under any circumstances to the PCC.

The following is a hypothetical example of a standard stipend based upon these principles:

		£
Guaranteed annuity		1,000
Personal grant		195
Church and churchyard fees		335
Cemetery and crematorium fees		315
Local trusts		35
Chaplaincy income	475	
Less expenses	<u>100</u>	375
		<hr/> 2,255
Diocesan augmentation grant		22,113
		<hr/> £24,368

The total stipend of £24,368 in this case consists of £24,118 standard stipend and £250 additional earnings allowance.

(b) **Assistant Curates and Accredited Lay Ministers**

- (i) The Diocesan Board of Finance agreed in April 2003 to accept a recommendation from the Central Stipends Authority that the national minimum stipend should apply to **all full-time clergy and licensed lay workers**. This means that for 2012, the stipend for assistant staff in Years 1 to 3 will be £21,900 for the year **from 1 April 2012**.

- (ii) The new stipend levels which will apply in this diocese are, therefore, as follows:

	£
Years 1, 2 & 3	21,900
Years 4, 5 & 6	22,040
Point A (Years 7 & 8)	22,380
Point B (Years 9 & above)	22,705

### **Special Responsibility**

A small number of assistants with more than four years in Orders and in posts of clearly defined special responsibility, such as the charge of a daughter church will, with the specific approval of the relevant Archdeacon on behalf of the Bishop, receive a special responsibility allowance giving a total stipend of £22,666.

The Church Commissioners pay each assistant according to the number of years in Orders or equivalent.

- (iii) An assistant's total stipend should consist solely of a diocesan augmentation grant from the Stipends Fund paid direct by the Church Commissioners. Assistants should not receive parochial fees, ie fees in respect of church or churchyard services for weddings or funerals, as these are the legal entitlement of the incumbent or, where the benefice is vacant, of the Diocesan Stipends Fund. Assistants who receive fees for services taken in a public cemetery or crematorium should bear in mind that such fees are taxable income. They should be declared on the annual return of income (PSA), as they form part of the stipend and will be taken into account in calculating the augmentation grant (apart from the first £50 per annum). Alternatively, such fees may be legally assigned to the Board of Finance in return for a balancing stipend grant, on completion of a Deed of Assignment, obtainable from the Diocesan Office.

## **2. REMOVAL EXPENSES**

- (i) The Board provides for the payment of the actual reasonable costs of removal necessarily incurred by the following on taking up a stipendiary post within the diocese:
- (a) incumbents; priests-in-charge (including those of conventional districts); team vicars; other clergy of incumbent status;
  - (b) assistant clergy; accredited lay ministers;

provided that their previous appointment was in an English diocese or they had taken up the new appointment immediately following the completion of training.

- (ii) The amount of any contribution towards the removal expenses incurred by a person whose previous appointment was not in an English diocese or who did not take up an appointment immediately following the completion of training will be determined by the Board in the individual circumstances.

Any person contemplating a move within the diocese should consult the stipends department in the Diocesan Office as soon as possible about the procedure to be followed for obtaining estimates, the payment of bills and resettlement and first appointment grants.

### 3. **RESETTLEMENT GRANTS**

In addition, the Board provides for the payment of grants towards the cost of any necessary alterations to or purchases of furnishings and other expenses incidental to the removal. From **1 April 2012** resettlement grants will be **£2,190**.

### 4. **FIRST APPOINTMENT GRANTS**

The Board also provides for the payment of grants to persons taking up first appointments in group (a) towards the cost of setting up home for the first time in the sort of house provided for someone of incumbent status and to persons taking up first appointments in group (b) towards the cost of robes, theological books and any other equipment which they will need. From **1 April 2012** first appointment grants will be **£2,190**.

### 5. **HEATING, LIGHTING, CLEANING AND GARDEN UPKEEP**

The Church Commissioners, under arrangements with HM Revenue & Customs, pay, free of income tax, that part of a person's augmentation grant which is spent on heating, lighting, cleaning and garden upkeep. There are a number of conditions:

- (i) the individual concerned must live in an 'official' clergy or parsonage house;
- (ii) a return of expenditure on heating, lighting, cleaning and garden upkeep must be completed. These will be sent out in March and should be returned to the Church Commissioners as soon as possible thereafter. The Church Commissioners are prohibited by HM Revenue & Customs from operating this tax concession in all cases where a return has not been received by the end of the tax year.
- (iii) in order to benefit, an individual must be liable to pay income tax and be in full-time stipendiary ministry.

This is **not** a supplement to stipend; it is an income tax concession. Clergy are therefore urged to claim as fully as they legitimately can in order to reduce their liability to tax. In view of this arrangement, parishes and others are firmly discouraged from making any contributions towards these domestic expenditures and are urged instead to reimburse fully their clergy's working expenses of office.

This concession does not apply automatically to accredited lay ministers for whom it is sometimes possible to make alternative arrangements.

## 6. COUNCIL TAX

For the purposes of council tax payment it is necessary for the stipends department to know whether or not there are two or more adults over 18 years of age normally resident in an official clergy or parsonage house. This is because where such a house is in single adult occupancy or where the second adult is a full-time student or registered for council tax in another property, the Board is able to claim a 25% discount on the tax. If your circumstances change, for instance an extra adult becomes permanently resident in your house, or a full time course of study comes to an end, please ring the stipends department and notify them of your change of circumstances.

## 7. WORKING EXPENSES OF OFFICE

It is essential that PCCs should meet **in full** the working expenses of office incurred by all clergy and accredited lay ministers. The Bishop expects every parish to give high priority to this matter. Working expenses of office are defined in the Diocesan Handbook and a booklet '*The Parochial Expenses of the Clergy - A Guide to their Reimbursement*' is available via the Clergy Handbook on the diocesan website. It aims to provide a helpful framework for discussion between clergy and their parochial officers to determine an agreed basis on which regular claims for reimbursement should be made.

## 8. CAR MILEAGE RATES

The expenses of running and maintaining a car can be heavy for clergy, particularly in the country. PCCs are encouraged to help as much as possible. Every year the Church Commissioners agree with HM Revenue & Customs a rate which may be paid without risk of tax liability, and the Board notifies this rate as one to which PCCs should give serious consideration. At present it is **45p** per mile for the first 10,000 miles and **25p** per mile thereafter, being the Inland Revenue's 'undifferentiated' rates. There is also an agreed bicycle rate currently **20p** per mile.

## 9. FEES FOR OCCASIONAL SERVICES

For 2012 these fees are £28.50 for one service and £14.25 for each subsequent service on the same day in the same parish or group of parishes. For weddings and funerals the fee is two-thirds of the statutory fee payable to an incumbent for an occasional office provided that the appropriate pastoral visiting before and after the office is undertaken by the retired clergy person. The Incumbent is responsible for payment to the clergy deputising for them, the balance of the fee then being assigned to the Diocese, or, where fees have not been assigned, declared on the annual return of income and expenditure. The fees should be paid only to retired stipendiary clergy and not to clergy who are on the diocesan payroll in any sense whatever or to non-stipendiary clergy, (unless they have relinquished their Licence and have the Bishop's Permission to Officiate), or to Readers. Expenses at the current rate should be paid **automatically** to all clergy, **whether or not** retired. A meal or other refreshment

should be provided, where appropriate. Said services on weekdays may be the subject of individual arrangements at reduced rates. A detailed paper about fees will be found in the Diocesan Handbook.

## 10. ASSIGNMENT OF FEES

This scheme is available for anyone who wishes to make use of it. Those who want to assign their fees to the Board and receive in exchange a balancing stipend grant must complete a Deed of Assignment which will be sealed by the Board and sent to the Inland Revenue. Deeds of Assignment and information about the scheme can be obtained from the stipends department. See also the Clergy Handbook at [www.stalbans.anglican.org/information/clergy-handbook](http://www.stalbans.anglican.org/information/clergy-handbook).

## 11. STATUTORY SICK PAY AND SICKNESS BENEFIT FOR THE CLERGY

### **Those on Common Tenure:**

The Terms of Service Regulations provide that anyone in receipt of a stipend who is unable to perform the duties of his or her office because of illness for one working day or longer must report the absence to the archdeacon of the archdeaconry in which the person concerned holds office, who will then inform the Church Commissioners.

Each Archdeacon has a separate email address to be used solely for the purpose of reporting sickness absence:

- [bedfordsickness@stalbans.anglican.org](mailto:bedfordsickness@stalbans.anglican.org)
- [hertfordsickness@stalbans.anglican.org](mailto:hertfordsickness@stalbans.anglican.org)
- [stalbanssickness@stalbans.anglican.org](mailto:stalbanssickness@stalbans.anglican.org)

### **All Clergy:**

Anyone absent from work because of illness for a continuous period of more than seven days must provide the archdeacon of the archdeaconry in which the person concerned holds office with a doctor's certificate which will then be copied to the Church Commissioners.

If your illness lasts longer than twenty-eight weeks, the Church Commissioners will send you a change-over form SSP1 which will enable you to claim Employment and Support Allowance direct from the Department for Work and Pensions. In principle this would be for your use but if the illness is long-lasting the Board may wish to review the situation in consultation with the Bishop and treat the amount of sickness benefit you receive, net of any necessary medical or convalescence expenses, as part of your stipend.

A copy of this letter will be sent to your PCC Treasurer with a mailing from the Accounts Department in the New Year. Additional copies are available, if required, from the Diocesan Office.

Further information which may be of interest, particularly to those moving to Common Tenure, is available in the new on-line Clergy Handbook at [www.stalbans.anglican.org/information/clergy-handbook](http://www.stalbans.anglican.org/information/clergy-handbook).

**Susan Pope, Diocesan Secretary**