



Miss Susan E Pope
Diocesan Secretary
Tel: 01727 818130

Email: spope@stalbans.anglican.org

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

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I am writing to you to confirm the levels of stipend which have been approved by the Diocesan Synod from **1 April 2021** to **31 March 2022** and 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 stipends for incumbents will remain at £27,987 per annum with effect from **1 April 2021**.

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 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) From 1 January 2013 parochial fees previously payable to incumbents are payable to the Diocesan Board of Finance (apart from a few clergy with freehold who advised the Bishop before 1 January 2012 that they wished to retain the fees). Other income, such as that from local trusts or chaplaincies is regarded as part of the stipend.
- iv) Fees due to the Board of Finance should be sent to the Diocesan Office each quarter.

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The St Albans Diocesan Board of Finance, a company limited by guarantee registered in England and Wales No 145227. Registered Charity No 248887

Registered Office: **Holywell Lodge, 41 Holywell Hill, St Albans AL1 1HE**
Switchboard: 01727 854532 Fax: 01727 844469 Web: www.stalbans.anglican.org

- v) Clergy are permitted to retain the first £250 (net of allowable expenses only) of income from any additional appointments, e.g. hospital, educational and teaching before this income is taken into account in calculating augmentation grants. Chaplaincy income should be paid to the person who undertakes the chaplaincy duties and **not** under any circumstances to the PCC.

b) Assistant Curates and Accredited Lay Ministers

- i) The Diocesan Board of Finance follows a recommendation from the Central Stipends Authority that no **full-time clergy and licensed lay workers** should receive less than the national minimum stipend. This means that the stipend for assistant staff in Years 1 to 3 will be £25,265 for the year **from 1 April 2021**.

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

	£
Years 1, 2 & 3	25,265
Years 4, 5 & 6	25,577
Point A (Years 7 & 8)	25,970
Point B (Years 9 & above)	26,350

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.

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) For those whose previous appointment was not in an English diocese or who did not take up an appointment immediately following the completion of training the amount will be determined by the Board in the individual circumstances.

Any person contemplating a move within the diocese should consult Janet Hurley, e-mail jhurley@stalbans.anglican.org 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 2021** resettlement grants will be **£2,527**.

4) FIRST APPOINTMENT GRANTS

The Board also provides for the payment of grants to persons taking up first appointments:
Group (a) above - towards the cost of setting up home for the first time in the sort of house provided.

Group (b) above - towards the cost of robes, theological books and any other equipment which they will need.

From **1 April 2021** first appointment grants will be **£2,527**.

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. The Church Commissioners issue an email to the eligible payees when the HLC return is available on their website. The Church Commissioners are prohibited by HM Revenue & Customs from operating this tax concession in all cases where a return has not been completed 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 the stipends department needs 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 contact 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

<https://www.churchofengland.org/sites/default/files/2017-10/Parochial%20Expenses%20Guide%20-%202017.pdf>

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 rates which HM Revenue & Customs have agreed may be paid without risk of tax liability are **45p** per mile for the first 10,000 miles and **25p** per mile thereafter. There is also an agreed bicycle rate currently **20p** per mile. PCCs are encouraged to help clergy with the cost of running a car on this basis.

9) FEES

a) DIVINE WORSHIP

Retired Stipendiary Clergy

A PCC or other church should offer retired stipendiary clergy (but not other ministers) fees for conducting Services of Divine Worship (other than weddings and funerals). The fee payable shall be 50% of the current parochial fee payable to the DBF for a funeral in church. For 2021 this will be £54. For each subsequent service on the same day in the same parish or group of parishes the fee shall be 25% of the same parochial fee. The minister should be paid expenses as described above in addition to the fee.

Said services on weekdays may be the subject of individual arrangements at reduced rates.

b) PAROCHIAL FEES

Where an occasional office is taken by a Reader or SSM, the whole of the DBF fee, or in the case of retired clergy one-third of the fee, must be paid to the DBF. Retired clergy who were previously SSMs are entitled to fees on the same basis as other retired clergy.

Fees should be paid **only** to retired clergy. Clergy who are on the diocesan payroll in any sense whatever, Self-supporting clergy (unless they have relinquished their Licence and have the Bishop's Permission to Officiate), and readers should pass fees to the responsible person in the parish who should send such fees to the DBF.

In all cases, expenses should be paid in full at diocesan rates which are set in accordance with HMRC limits. Expenses are extra to, and not deducted from, the fee. Details of current rates can be found at: <http://www.stalbans.anglican.org/finance/mileage-rates/>

A lump sum payment, or rates in excess of HMRC limits, is likely to give rise to a liability tax and is not recommended. Any payment received by an individual in excess of the approved rates for actual mileage involved should be paid to the PCC. Expenses incurred in pastoral visits prior to or following as service should be met by the PCC. A meal or other refreshment should be provided, where appropriate.

10) 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
hertfordsickness@stalbans.anglican.org
stalbanssickness@stalbans.anglican.org

All Clergy:

Anyone absent from work because of illness for a continuous period of more than 7 days must provide the archdeacon of the archdeaconry in which the person concerned holds office with a copy of their medical certificate, which will then be sent to the Church Commissioners. You must keep the original certificate, but please take a copy for your records and send a copy to the Clergy Payroll Team.

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. If the sickness absence continues beyond the date when entitlement to SSP ceases, the stipend will be reduced to 50%. The continuing payment of stipend shall be reviewed every 3 months in the light of the medical evidence available.

A copy of this letter will be sent to your PCC Treasurer.



Susan Pope
Diocesan Secretary