

Remuneration Recommendations 2023

Purpose

The purpose of this document is to detail the remuneration for ministers recommended by the Baptist Association of NSW and ACT (BANSWACT) for 2023.

The Association recognises that pastoral appointments continue to become more diverse in nature, and that increasingly churches are employing ministry staff across a range of areas in the life of the church.

Fuller information and worked examples of ministerial remuneration arrangements are contained in the document *Guidelines for the Remuneration of Ministers* which is available on the Association's website.

Definitions

Accredited Ministers	Have gone through a rigorous assessment of their call, character, gifts and doctrine, and have been accepted and accredited by the Baptist Assembly for ministry in our churches and other related ministries. Accredited Ministers have also completed at least 4 years of theological studies focusing on becoming a Baptist minister.
Associate Pastors/ Ministers	Leads and manages areas of ministry under the supervision of a Lead Pastor.
Exempt fringe benefits	Fringe benefits that are exempt from Fringe Benefits Tax. Refer to the Guidelines for the Remuneration of Ministers for further information.
Lead Pastors/ Ministers	Pastors whose responsibilities include leading a team of other paid pastoral staff.
Ministry Assistant (Assistant)	Assists a ministry under the supervision of an Associate Pastor or a Ministry Worker.
Ministry Worker (Worker)	Contributes to leading and managing a ministry under the supervision of an Associate, Pastor or Lead Pastor.



Recognised Ministers While not meeting the requirements for accreditation, are involved in church or related ministry. In light of local endorsement, the Committee for the Ministry has acknowledged their current ministry. The level of theological training among Recognised Ministers varies considerably from person to person.

Pastors/ Ministers Pastors whose ministry roles do not involve leading a team of multiple other paid pastoral staff, though they may lead others e.g. administrative staff person, student pastor, etc.

Components of remuneration

Remuneration provided to ministers for their pastoral duties consist of one or more of the following elements:

- a) Salary or stipend
- b) Use of a fully maintained vehicle or the provision of a car/ travelling allowance
- c) The provision of a manse or the provision of a housing allowance
- d) Superannuation

These recommended salary guidelines are inclusive of leave loading and no separate loading is recommended to be paid.

Some of the above can be paid as an exempt fringe benefit if certain conditions are met, Refer to the section below on Exempt Fringe Benefits for further information.

Also, there are other entitlements and benefits (some which are legal requirements) which need to be considered e.g. provision of annual leave, long service leave, parental leave, personal leave and workers compensation insurance. Note that the list below outlines the most common entitlements and benefits and is not exhaustive.

The Baptist Association of NSW and ACT (BANSWACT) recommendation for the above remuneration components are summarised below:

Remuneration component / other entitlements	BANSWACT Recommendation 2023	Exempt fringe benefit portion ¹	Income tax Treatment
Salary or stipend	In line with BANSWACT's recommended stipends, refer to the Recommended Stipends Section below for details.	50%	50% is Assessable income i.e. subject to income tax by the religious practitioner
Housing allowance	Housing Allowance should be paid where the church does not provide housing accommodation for each pastor (i.e. access to a church owned	100%	Not assessable

¹ There are no available government guidelines for the portion that can be paid as a non-cash component. The percentages listed are a guideline set by BANSWACT. Refer to the section below on Exempt Fringe Benefits for further information.



	<p>manse, or leased property) and should be negotiated between the church and each minister with reference to the church budget and the local property market. The church should consider if it is important to the church that the minister lives close to the church or if it is acceptable that they live further away and may need to travel further for work.</p> <p>Pastors may need to be flexible in relation to the location and type of housing provided by the church.</p>		
Car allowance	An allowance of \$8,126 per annum is recommended to reimburse the vehicle owner for 10,000 kilometres of motor vehicle travel incurred in the course of church ministry.	100%	Not assessable
Superannuation ²	12% including Superannuation Guarantee. ³	n/a	n/a
Annual leave	In line with national legislation (being 4 weeks per annum).	n/a	In line with the split of remuneration component above
Long service leave ⁴	In line with the Baptist Long Service Leave Scheme or state legislation. Refer below to the Long Service Leave section for further information.	n/a	In line with the split of remuneration component above
Personal leave	In line with national legislation (being 10 days per annum for full time employees and on a pro rata basis for part time employees)	n/a	In line with the split of remuneration component above
Parental leave	In line with national legislation. Refer to the Fair Work Ombudsman	n/a	In line with the split of remuneration component above

² The salary component for the superannuation contribution should include the following amounts:

- Stipends
- Housing allowance or notional value of housing if the minister is provided with a manse
- Other allowances that are not expense type allowances. (Expense allowances are those allowances paid to an employee with a reasonable expectation that the employee will fully expend the money on expenses in the course of their work e.g. car allowance)

³ Superannuation guarantee rate for the period 1 July 2022 to 30 June 2023 is 10.5%, the additional superannuation component will be 1.5%, totalling 12%. Likewise, from 1 July 2023 to 30 June 2024 the superannuation guarantee rate will be 11%, the additional superannuation component will be 1% totalling 12%.

⁴ The salary component for the long service leave payments under NSW Legislation should include their ordinary pay rate which may include:

- Stipends
- Housing allowance (or notional value of housing if the long service leave payment is on termination and the minister is no longer living in the church manse)
- Other allowances that are not expense type allowances.



	Website. ⁵		
Workers compensation	It is a requirement to hold workers compensation insurance if the salaries and wages of your church exceed \$7,500 p.a.	n/a	Refer to https://www.icare.nsw.gov.au/ for more information
Preaching fees	<p>The recommended amounts to be paid to visiting preachers are as follows:</p> <ul style="list-style-type: none"> ○ For one Service \$200 ○ For two Services \$300 <p>Churches should also reimburse travelling expenses at least to the extent of petrol costs where substantial travelling costs have been involved.</p> <p>The above guidelines also apply for visiting Baptist Association staff. Please make payments direct to the Association.</p>	n/a	Assessable income (in most instances)

Refer to the *Guidelines for the Remuneration of Ministers* for further information and examples.

Eligibility for exempt fringe benefits

The following conditions must be met to be eligible to pay exempt fringe benefits:

- The benefit must be paid by a registered religious institution with the ACNC and
- The benefit must be paid to a religious practitioner and
- The benefit is provided principally in respect of pastoral or other directly related religious duties.

Refer to the *Guidelines for the Remuneration of Ministers* for further information and examples.

It is important that any fringe benefits provided to employees be paid directly by an employer, or be paid by the employee and then reimbursed by the employer upon receipt of documentation by the employee. Employees should not have any amounts paid to them directly (other than for the reimbursement of eligible expenses already paid by the employee), as these will be deemed to be allowances and not fringe benefits. If the payment is deemed to be an allowance then it will form part of the employee's assessable income for tax purposes. This may not have an outcome as favourable as if the payment was a fringe benefit.

The simplest way to overcome this is to ensure employees use a credit card, which is subsequently reimbursed by the employer as discussed earlier. There must be a policy of no cash advances on the credit card.

⁵Available at <https://www.fairwork.gov.au/leave/maternity-and-parental-leave>



Alternatively, many churches set up specific working accounts and corporate credit cards for a minister to use, and deposit regular amounts into these for the minister to expend. As the account and card is in the church's name, this ensures that any remaining funds cannot be assessable to the minister. The church should be able to reconcile the account and provide documentation if required by the Taxation Office.

Recommended stipends

Following are the recommended 2023 stipends for those undertaking pastoral roles. These have been based on an increase of 3.1% from the prior year, as per the relevant government index for changes in wage levels.

These recommendations and benefits are minimums for full-time ministers (full time being 5 days/ 38 hours a week) or on a pro rata basis for part time ministers. It is recommended that relevant allowances are provided to all pastoral staff.

Where possible we encourage churches to be generous in supporting pastors and their families. On the other hand, we also note that some churches may not be able to afford these recommendations; in such cases we would encourage churches to employ their pastors on a part-time basis, which would permit them to seek additional employment to supplement their income, should their personal financial circumstances warrant this response.

The following recommendations are based on the 5 levels of pastoral responsibility as noted in the definitions. The relationship in terms of salary level between each of these levels is as follows unless otherwise noted:

- Lead = Associate + 15%
- Pastors/ Ministers = Associate + 7.5%
- Worker = Associate - 7.5%
- Assistant = Associate - 15%
- Accredited = Non-Accredited + 10%
- Experience = 2% p.a. (up to 5 years)
- Experience = 1% p.a. (after 5 years, capped at 10 years)

Recognised Ministers and other Non-Accredited Ministers

Years of Ministry Experience	Assistant ⁶	Worker	Associate	Pastors/ Ministers	Lead
Upon commencement ⁷	\$42,247	\$44,622	\$48,238	\$51,857	\$55,474
1 yr	\$42,660	\$45,515	\$49,203	\$52,894	\$56,584
2 yrs	\$43,514	\$46,423	\$50,187	\$53,952	\$57,717

⁶ The Recognised Assistant is based on the minimum wage which at this time is \$21.38 per hour. We recommend that this amount is reviewed by the church in line with any minimum wages increases through the year.

⁷ For recognised ministers this is intended to mean when first approved as a Recognised Minister by the Association. If a minister moves churches this experience should be understood as cumulative – i.e. the salary level paid in subsequent ministries where they renew their Recognised Minister status in a different role should reflect all their years as a Recognised Minister. With respect to non-accredited ministers, the same general principle is intended to apply and these guidelines should be seen to reflect the cumulative ministry experience of the minister, not simply the years of experience in their current role.



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3 yrs	\$44,195	\$47,354	\$51,192	\$55,033	\$58,871
4 yrs	\$45,272	\$48,300	\$52,216	\$56,133	\$60,048
5 yrs	\$46,177	\$49,266	\$53,260	\$57,255	\$61,249
6 yrs	\$46,640	\$49,758	\$53,791	\$57,827	\$61,862
7 yrs	\$47,106	\$50,256	\$54,330	\$58,406	\$62,479
8 yrs	\$47,577	\$50,758	\$54,874	\$58,990	\$63,105
9 yrs	\$48,052	\$51,265	\$55,422	\$59,579	\$63,736
10 yrs ⁸	\$48,534	\$51,779	\$55,977	\$60,175	\$64,373

Accredited Ministers

Years of Ministry Experience after accreditation	Assistant	Worker	Associate	Pastors/Ministers	Lead
Upon accreditation	\$45,103	\$49,083	\$53,062	\$57,043	\$61,023
1 yr	\$46,005	\$50,064	\$54,124	\$58,184	\$62,243
2 yrs	\$46,925	\$51,065	\$55,207	\$59,347	\$63,487
3 yrs	\$47,863	\$52,088	\$56,311	\$60,535	\$64,757
4 yrs	\$48,822	\$53,129	\$57,436	\$61,745	\$66,052
5 yrs	\$49,798	\$54,191	\$58,586	\$62,980	\$67,374
6 yrs	\$50,295	\$54,735	\$59,172	\$63,610	\$68,047
7 yrs	\$50,799	\$55,281	\$59,765	\$64,246	\$68,727
8 yrs	\$51,308	\$55,834	\$60,361	\$64,888	\$69,415
9 yrs	\$51,820	\$56,391	\$60,964	\$65,536	\$70,109
10 yrs ⁸	\$52,338	\$56,957	\$61,573	\$66,192	\$70,811

Where a minister has had years of ministry experience prior to accreditation, and their recommended stipend as a non-accredited minister with that experience (as per the first table above) is higher than their recommended stipend as a recently accredited minister, the higher stipend should be paid.

Gender Remuneration Equity

The Baptist Association accredits for ministry both male and female pastors. Therefore, as a matter of principle, there should be no differentiation of pay rates and allowances between male and female pastors in equivalent roles.

⁸ A further loading could be considered for highly experienced ministers (more than 10 years' experience if desired, however this is not a formal recommendation.



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Long Service Leave Contributions

Long Service Leave (LSL) is a period of paid leave granted to an employee, including permanent, part time and casual employees, who has served a specified period of continuous employment in one organisation. In NSW, this is 13 weeks for 15 years of service vesting at 10 years. In the ACT, the benefits are the same but the vesting period is 7 years. Due to the nature of pastoral ministry, which at times requires the pastor to move from one church or organisation to another, the minister will accrue a reduced entitlement to LSL as prior service is not taken into account under statutory rules. This means that entitlements may not vest where the period of service is under the minimum continuous period of service requirement.

The Baptist Association of NSW & ACT LSL Program was established so Baptist churches, Baptist Union of NSW and other approved organisations can accumulate on behalf of their ministers an amount of money which will be available to pay the liability for Long Service Leave of their ministers when it falls due and to recognise continuity of service where a Pastor moves from one church or organisation to another. Refer to the *Long Service Leave Fund Rules and FAQ document* available on our website.

Further information

For further information and examples, please refer to the *Guidelines for the Remuneration of Ministers*.

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