

ACCOMMODATION PROVISION FOR MINISTERS

**A Guide for Ministers
and Sessions/Parish Councils**

**Guidelines to help work effectively Presbyterian
Process and Protocol**

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Equip 5000 GUIDELINES

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ACCOMMODATION GUIDELINES

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SECTION A: Housing provisions and terms of Call

Requirements of the Terms of Call – for ministers of the Presbyterian Church of Aotearoa New Zealand

The provision of accommodation, normally in the form of a manse, is part of the stipendiary package for ministers as set down in the terms of Call.

The accommodation arrangements are therefore subject to presbytery/UDC approval. This includes the original arrangement and any subsequent changes.

(Reference, Ministry Regulations, Book of Order, Appendix E17, SectionII, 2.2.2 pp 213 –214)

POSITION DESCRIPTION

It is expected that a position description will be in existence indicating:

- (a) the expectations of person called/appointed to the position
- (b) the model of ministry (*full or part time*) that has been agreed

It is expected that this position description and the model of ministry will be used as a basis for discussion when setting or reviewing the accommodation requirements.

ACCOMMODATION STANDARDS

The accommodation should provide:

- (a) adequate living space separate from and in addition to space used for church activities.
- (b) facilities for offering hospitality.
- (c) study/office with adequate public access and shelving (if not provided in other plant).
- (d) washing machine and refrigerator with adequate freezer space.
- (e) floor coverings in all rooms.
- (f) wardrobes in every bedroom.
- (g) drapes or blinds.
- (h) adequate heating for living areas and study.
- (i) A house and grounds where, as appropriate, all practicable steps have been taken to eliminate, isolate, or minimise any potential hazards.

(Such hazards could include inadequacies in the exterior lighting, fencing, paths, steps, drainage, decking, or verandas: interior wiring, plugs, appliances, staircase railings, provision for safe leaking of dangerous substances, hot water temperature control, smoke detectors, emergency exits.)

This standard applies to all accommodation arrangements provided by the congregation. Should an adequate study/office not be provided within the residential accommodation agreed to by the minister and the congregation it shall be provided in other church plant.

EXPECTATIONS

1. For the minister, expectations that

- The minister can regard the manse as his/her home and have appropriate privacy and security for himself/herself and family.
- The minister is entitled to have uninterrupted use of the manse for the full duration of the ministry term, including times of leave, eg annual and study leave.
- The minister and his/her family will look after the manse and garden and keep them clean and tidy.
- The minister and his/her family will co-operate with the congregation in enabling the regular maintenance programme to be carried out by accommodating appropriate times for repairs and maintenance to be done
- The minister will pay the power and gas bills and any personal toll calls made on the manse phone.

2. For the congregation, the expectations that

- The congregations members will respect the privacy of the minister and his/her family.
- The congregation will attend promptly to any urgent repairs and maintenance tasks, especially any matters which provide a potential hazard eg plumbing and electrical work.

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LOCATION

The accommodation will be located within a reasonable radius of the main worship centre of the Congregation or in a location determined by the Congregation/Charge and the Presbytery/UDC.

If another location is requested by the minister or the congregation the following should be considered:

- accessibility and availability of the minister
- the costs to the congregation and/or the minister in terms of travel expenses (*note that allocation of these costs are determined by the location of the study/office*)
- the effect of travelling time on the attainment of ministry expectations

THE NEGOTIATION

Factors to consider when setting or reviewing the accommodation arrangements:

- that the arrangements are conducive to the mission of the parish
- that the required accommodation standard is met
- that the minister's preferences are met as far as possible within the limitation that the cost to the congregation is not greater than that necessitated by the required standard and the congregation's preferred location.

Alternative Accommodation Arrangements

The accommodation may be provided in one of the following ways:

- (a) accommodation of an approved standard owned by the Congregation/Charge.
- (b) By leasing a house owned by the minister.

(The rental payable to the minister would be at the lower of the market rental of appropriate accommodation that is available within either a reasonable radius of the house owned by the minister or within a reasonable radius of the main worship centre.)

(c) By leasing a house from an independent owner.

(d) By providing an accommodation allowance.

(the allowance payable to the minister would be at the lower of the market rental of appropriate accommodation that is available within a reasonable radius of the worship centre or within a location determined by the Congregation and the Presbytery/UDC.)

(The key reason for these regulations is to provide alternatives to the traditional manse on a financial basis that is fair to all parties.)

1. Where the congregation owns accommodation of an approved standard and the minister resides in that accommodation.

- The minister receives standard minimum stipend (including a rent allowance component)
- The minister pays notional rent (equivalent to the rent allowance) thus meeting IRD requirements
- The congregation pays all costs associated with the accommodation that is normal to the role of landlord.

2. Where the congregation rents accommodation of an approved standard from a third party

- The minister receives standard minimum stipend (including a rent allowance component)
- The minister pays notional rent (equivalent to the rent allowance) thus meeting IRD requirements
- The congregation pays the agreed rent to the landlord

An appropriate level of rent that a congregation should be prepared to pay to a third party landlord may be determined by working through the following approach:

- (a) determine an agreed standard of accommodation taking into account the requirements set out in step two above. (*For those congregations with their own residential accommodation the standard may match that accommodation or be of a larger or smaller size*).
- (b) determine the desired location from the congregational viewpoint. This will most likely be in the immediate vicinity of the main worship centre but might be another suitable location if rental costs were lower and this factor was important to the congregation.

This option can be applied flexibly allowing the minister, for example, to choose to live in a more expensive locality or in a higher standard house than the congregation is either able or willing to meet. Any rental in addition to that which is required to meet the agreed standard and location will be met by the minister. It may be preferred that the minister rent the house him/herself if the rent is higher than the level the congregation is prepared to pay, and receive a housing allowance (*see alternative four*).

3. Where the minister lives in his/her own home and lets the property to the parish.

- The minister receives the standard minimum stipend (including a rent component)
- The minister pays notional rent (equivalent to the rent component) thus meeting IRD requirements
- The congregation pays an agreed rental to the minister
- The minister pays tax on the rental received.
- The minister pays all costs related to the home.

An appropriate level of rent that a congregation should be prepared to meet where the minister lives in his/her own home may be determined by working through the following approach:

- (a) determine an agreed standard of accommodation taking into account the requirements as set out in step two above. (*For those congregations with their own residential accommodation the standard may match that accommodation or be of a larger or smaller size*).

- (b) determine the desired location from the congregational viewpoint. This will most likely be in the immediate vicinity of the main worship centre but might be another suitable location if rental costs were lower and this factor was important to the congregation.
- (c) find the market rent of a property of agreed standard in the desired locality by consulting real estate agents and if possible inspecting properties.
- (d) determine a market rental for the house the minister owns. This can be done by finding the rental level of comparable properties in the vicinity of the minister's house or on the advice of real estate agents.

The rental payable to the minister per annum is the lower of the rental calculated in c. and d. above. *(Note that this arrangement does not absolve the minister from paying the notional rent).*

4. Where the congregation pays a housing allowance.

- The minister receives the standard minimum stipend
- The congregation pays an agreed allowance to the minister
- The minister pays tax on the allowance received
- The minister pays maintenance rates etc on the property.

It is suggested that the housing allowance option might only be used in exceptional circumstances, such as when the minister is in a part time position, or when ministry is shared and both ministers live in one family home, or when the minister prefers a residence that costs more than the congregation is prepared to pay. Nevertheless this option might be the minister's choice and should be considered in other circumstances.

An **appropriate allowance** that a congregation should be prepared to pay may be determined by working through the following approach:

- (a) determine an agreed standard of accommodation taking into account the requirements as set out in step two above. *(For those congregations with their own residential accommodation the standard may match that accommodation or be of a larger or smaller size).*
- (b) determine the desired location from the congregational viewpoint. This will most likely be in the immediate vicinity of the main worship centre but might be another suitable location if rental costs were lower and this factor was important to the congregation.
- (c) find the market rent of the property in the desired locality by consulting real estate agents and if possible inspecting properties.

The **allowance payable to the minister** is as calculated above.

SECTION B:

REVIEW OF THE ACCOMMODATION ARRANGEMENTS

Normally a review of the terms of call and accommodation arrangements shall be conducted at the completion of two years ministry in a congregation/charge. This is to ensure that the following matters are considered:

- that the accommodation arrangements continue to remain conducive to the mission of the parish
- that the required accommodation standards continue to be met, taking into account any change in the minister's circumstances
- that the minister's preferences continue to be met within the limitation
- that the cost to the congregation is not greater than that necessitated by the required standard, and the congregation's preferred location.
- that any cost of any changes in arrangements to meet changed preferences is born by the minister.

A **review** may be called at any time if:

- the session/parish council wishes to review the accommodation arrangements due to changes in its financial position or in the preferences of the congregation/charge
- a minister asks that the session/parish council make changes to the accommodation arrangements due to changed personal circumstances or preferences
- a presbytery/UDC wishes to review the accommodation arrangements due to concerns as to whether the arrangements are conducive to the mission of the parish or the financial ability of a congregation/charge to meet its obligations.

When the congregation requires a review:

When a congregation requires that accommodation arrangements be reconsidered the session/parish council shall consult the minister. It may then ask the presbytery to appoint a committee to meet with the session/parish council to consider their proposal. If and when satisfied that changes sought by the congregation are warranted, have the agreement of the minister and have the concurrence of a congregational meeting, the committee shall recommend that the presbytery approve the changes.

When the minister requires a review:

When a minister requires that accommodation arrangements be reconsidered he/she shall ask the session/parish council to consider proposed changes. Having decided that the proposed changes are acceptable the session/parish council should then ask the presbytery to appoint a committee to meet with them and consider the proposal. If and when satisfied that changes sought by the minister are warranted, have the agreement of the session/parish council and have the concurrence of a congregational meeting, the committee shall recommend that the presbytery approve the changes.

When the presbytery/UDC requires a review:

When a presbytery believes that accommodation arrangements should be reconsidered it may request that the session/parish council meet with a duly appointed committee of the presbytery/UDC to consider its proposals. If and when satisfied that the changes it has initially proposed are warranted, have the agreement of the session/parish council and the minister, and the concurrence of a congregational meeting, the committee shall recommend that the presbytery approve the changes.

APPENDIX TO ACCOMMODATION GUIDELINES

Accommodation Arrangements (refer to pages 2 and 3 of the Guidelines)

Sample calculations: For stipend effective from 1 July 2007 to 30 June 2008
 Stipend figures as applicable from July 2007. For example purposes it is presumed that seniority allowance is not applicable. This will need to be added to the gross stipend before tax is calculated. Tax codes are presumed to be “m” the PAYE will need to be recalculated for ministers on other tax codes. The Minister receives the Standard Minimum Stipend if the position is full time or if part time a pro rata amount.

The following full time calculation applies to

- 1. Where the congregation owns accommodation of an approved standard and the minister resides in that accommodation. The parish pays the minister the stipend example below and pays the cost of maintaining the manse rates etc.**
- 2. Where the congregation rents accommodation of an approved standard from a third party the parish pays the stipend calculation below and pays rent to the landlord**
- 3. Where the minister lives in his her home and lets the property to the parish**
 An agreed rental is paid to the minister (See Guidelines)= \$15,600 (say \$300 per week)
 The minister receives \$45,836 from the parish (net pay and rental)
 The parish pays the minister the agreed rental (minister is the landlord)
 The minister discloses the rental income to the IRD less the cost of the home and depreciation

Full time Standard Minimum Stipend as at	=	\$39,231	per annum
The notional rental is added 10% of basic stipend	=	\$ 3,923	per annum
The result is a Basic Stipend which is taxable	=	\$43,154	per annum
P.A.Y.E. Income tax is deducted	=	\$ -9,656	(M rate) if applicable
Beneficiary Fund contributions if applicable are deducted=	=	\$ -1962	5% of basic stipend
Less manse rental	=	\$ -3,923	per annum
Reimbursing allowances are paid (Pro rata if part time)	=	\$ 2,623	per annum
NET STIPEND	=	\$30,236.	per annum

Where the Congregation or Employing Body pays a housing allowance the following calculation applies.

Full time Standard Minimum Stipend as at	=	\$39,231	per annum
An agreed allowance (as per Assembly rate or Guidelines) is paid to the minister (eg presumes \$300 per week)=	=	\$ 15,600	per annum
The result is the taxable income	=	\$ 54,831	per annum.
P.A.Y.E. Income tax is deducted	=	\$-13,669	per annum
Beneficiary Fund contributions if applicable are deducted=	=	\$ -1962.	5% of basic stipend
Reimbursing allowances are paid (Pro rata if part time)	=	\$ 2,623	per annum
NET STIPEND	=	\$ 41,823	per annum

The minister is responsible for all maintenance costs rates etc