



# Presbyterian Church of Aotearoa New Zealand

## FINANCE NEWSLETTER 195

**TO:** Parish Treasurers, Presbytery and Parish clerks  
**FROM:** Brendan Sweeney, Manager, Financial Services  
**DATE:** 24 May 2017

1.	<b>Stipend increase from 1 July 2017</b>
2.	<b>Charities Services Webinar</b>

### 1. Stipend increase from 1 July 2017

The statistics department labour wage index shows an average labour increase of 1.6% in the year to March and this is the amount stipends should increase by from July 1. This is slightly different from the estimated increase of 1.5% presented in the March newsletter, so I have adjusted the stipend scenarios for ministers living in a church provided manse or their own home. Refer appendix 1. The CMS Guide has been updated with these figures.

The assumptions at the bottom of scenario two relate to both scenarios, and I have added a summary of costs that churches will incur from 1 July, (assuming 1 full time minister) separating net stipend payments to the minister, beneficiary fund minister and church contributions and Tax (including PAYE and ESCT payments).

A reminder that this office can check and verify church calculations of stipend and tax payments. Please direct enquiries to Margaret Fawcett [margaretf@presbyterian.org.nz](mailto:margaretf@presbyterian.org.nz)

### 2. Charities Services Webinar

Charities Services have advised they will be hosting a webinar (online demonstration) on Thursday 25 May from 12.00 – 1.00pm on reporting categories (groups of accounts) for tier 3 and 4 entities. This may be of benefit to you. An overview is in appendix 2 and you may register for the webinar by accessing this link:

<https://attendee.gotowebinar.com/register/2802160741375083265?source=newsletter>

## Appendix 1

### 2017-18 Ministers Stipend and Allowance Calculation

#### Scenario 1: Minister living in manse owned by parish, or rented by parish from a third party on the ministers behalf

<u>1 Payable to Ministers</u>	<u>Minister's Years of Service</u>				Note
	1st	2nd - 5th	6th - 10th	11+	
Seniority Allowance (% of Basic Stipend)	0%	6%	12%	18%	
ESCT % based on Gross Stipend	17.5%	17.5%	30.0%	30.0%	8
2016 - 17 Basic Stipend	47,200.00	47,200.00	47,200.00	47,200.00	
GA16 Increase 6%	2,832.00	2,832.00	2,832.00	2,832.00	1
Wage Inflation 1.6%	800.51	800.51	800.51	800.51	2
Revised Basic Stipend	50,832.51	50,832.51	50,832.51	50,832.51	
Seniority Allowance	-	3,049.95	6,099.90	9,149.85	
<b>Gross Stipend</b>	<b>50,832.51</b>	<b>53,882.46</b>	<b>56,932.41</b>	<b>59,982.36</b>	
Notional Rent (10% of gross stipend)	5,083.25	5,388.25	5,693.24	5,998.24	3
<b>Gross taxable income</b>	<b>55,915.76</b>	<b>59,270.71</b>	<b>62,625.65</b>	<b>65,980.60</b>	
PAYE	(10,572.00)	(11,625.00)	(12,678.00)	(13,731.00)	4
Net Stipend payable	45,343.76	47,645.71	49,947.65	52,249.60	
Less Ministers contribution to Ben Fund	(2,541.63)	(2,694.12)	(2,846.62)	(2,999.12)	5
Less adjustment for notional rent	(5,083.25)	(5,388.25)	(5,693.24)	(5,998.24)	3
Plus reimbursing allowance	2,623.00	2,623.00	2,623.00	2,623.00	
<b>Net Stipend and Allowances</b>	<b>40,341.88</b>	<b>42,186.34</b>	<b>44,030.79</b>	<b>45,875.24</b>	
<b>2. Payable by Church</b>					
- Net Stipend	40,341.88	42,186.34	44,030.79	45,875.24	
- Beneficiary Fund Contribution					
- Ministers Contribution (5% of Gross Stipend)	2,541.63	2,694.12	2,846.62	2,999.12	
- Church Contribution (5% less ESCT)	2,074.61	2,199.07	1,949.93	2,054.40	7
	<b>4,616.24</b>	<b>4,893.19</b>	<b>4,796.55</b>	<b>5,053.52</b>	
- Tax					
- PAYE	10,572.00	11,625.00	12,678.00	13,731.00	
- ESCT	467.02	495.05	896.69	944.72	8
	<b>11,039.02</b>	<b>12,120.05</b>	<b>13,574.69</b>	<b>14,675.72</b>	
<b>Total</b>	<b>55,997.14</b>	<b>59,199.58</b>	<b>62,402.03</b>	<b>65,604.48</b>	

## Scenario 2: Minister living in their own home

### 1 Payable to Ministers

	Minister's Years of Service				Note
	1st	2nd - 5th	6th - 10th	11+	
Seniority Allowance (% of Basic Stipend)	<b>0%</b>	<b>6%</b>	<b>12%</b>	<b>18%</b>	
ESCT % based on Gross Stipend	<b>17.5%</b>	<b>17.5%</b>	<b>30.0%</b>	<b>30.0%</b>	8
Current Stipend	47,200.00	47,200.00	47,200.00	47,200.00	
GA16 Increase 6%	2,832.00	2,832.00	2,832.00	2,832.00	1
Wage Inflation 1.6%	800.51	800.51	800.51	800.51	2
Revised Basic Stipend	50,832.51	50,832.51	50,832.51	50,832.51	
Seniority Allowance	-	3,049.95	6,099.90	9,149.85	
<b>Gross Stipend</b>	<b>50,832.51</b>	<b>53,882.46</b>	<b>56,932.41</b>	<b>59,982.36</b>	
Housing Allowance (based on market rental)	26,000.00	26,000.00	26,000.00	26,000.00	6
<b>Gross taxable income</b>	<b>76,832.51</b>	<b>79,882.46</b>	<b>82,932.41</b>	<b>85,982.36</b>	
PAYE	(17,343.00)	(18,391.00)	(19,440.00)	(20,489.00)	4
Net Stipend payable	59,489.51	61,491.46	63,492.41	65,493.36	
Ministers contribution to Ben Fund (5%)	(2,541.63)	(2,694.12)	(2,846.62)	(2,999.12)	5
Plus reimbursing allowance	2,623.00	2,623.00	2,623.00	2,623.00	
<b>Net Stipend and Allowances</b>	<b>59,570.88</b>	<b>61,420.34</b>	<b>63,268.79</b>	<b>65,117.24</b>	

### 2. Payable by Church

- <b>Net Stipend</b>	<b>59,570.88</b>	<b>61,420.34</b>	<b>63,268.79</b>	<b>65,117.24</b>	
- <b>Beneficiary Fund Contribution</b>					
- Ministers Contribution (5% of Gross Stipend)	2,541.63	2,694.12	2,846.62	2,999.12	
- Church Contribution (5% less ESCT)	2,074.61	2,199.07	1,949.93	2,054.40	7
	<b>4,616.24</b>	<b>4,893.19</b>	<b>4,796.55</b>	<b>5,053.52</b>	
- <b>Tax</b>					
- PAYE	17,343.00	18,391.00	19,440.00	20,489.00	
- ESCT	467.02	495.05	896.69	944.72	8
	<b>17,810.02</b>	<b>18,886.05</b>	<b>20,336.69</b>	<b>21,433.72</b>	
<b>Total</b>	<b>81,997.14</b>	<b>85,199.58</b>	<b>88,402.03</b>	<b>91,604.48</b>	

1 Stipend adjustment agreed at 2016 General Assembly

2 1.6% average wage index increase in the year to March 2017

3 Notional Tax of 10% of Stipend. No deduction for manse use

4 Tax calculation presumes tax code "M". Includes ACC Levy

5 Minister contributions are 5% of stipend (including Seniority Allowance)

6 Housing allowance calculated as \$500 per week (assumed market rental)

7 Church Contribution is 5% of Stipend + Sen Allowance (excl housing allowance), less ESCT

8 ESCT % is on Gross Stipend (excl housing allowance) plus Ben Fund (1.05\* gross stipend)

# Ngā Rātonga Kaupapa Atawhai Charities Services

Information for charities in New Zealand



## Webinar on Minimum Categories in the Performance Report (for Tier 3 & 4 Charities)

Your Tier 3 or Tier 4 charity needs to group financial information together into minimum (compulsory) categories in the Performance Report.



If you're stuck on what goes where, **register** for our webinar on making sense of the Minimum Categories in the Performance Report next **Thursday 25 May** from **12.00-1.00pm**

If you can't make the live event, feel free to register anyway and we'll email you the **following day** with the webinar recording and other helpful information for you to work through in your own time. **The webinar recording will also be published on our [Website](#) and [Facebook page](#) the next day.**

[Register now](#)