



# Presbyterian Church of Aotearoa New Zealand

## FINANCE NEWSLETTER 196

**TO:** Parish Treasurers, Presbytery and Parish clerks  
**FROM:** Brendan Sweeney, Manager, Financial Services  
**DATE:** 30 June 2017

<b>1.</b>	<b>Beneficiary Fund contributions from 1 July</b>
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Further to recent newsletters, this is an update on the calculation and payment of ministers and church contributions to the Beneficiary Fund from 1 July.

Yesterday you should have received a communication from the secretary of the Fund advising of the appointment of a new administrator, Melville Jessup Weaver. Attached to that letter is a calculation of the church and ministers contributions, and the associated Employer Contribution Superannuation Tax. The calculation is based on ministers' stipend, seniority and housing assumptions' and there is a requirement to contact MJW if these assumptions do not match your records. Please note the contact at MJW to refer communications to on page two of this newsletter.

My apologies for the late notification of this appointment which has only been made in the past few weeks. The Trustee's letter to church treasurers and administrators (excluding ministers calculations) is reproduced below:

### ***To all Parish Treasurers and Kindred Service employers***

*As you are aware, from 1 July 2017 PCANZ is changing its Beneficiary Fund and the new fund will be a defined contribution fund rather like KiwiSaver.*

*As part of this, there have been changes to the stipend, the way the Beneficiary Fund contributions both by Ministers and by Church bodies (including parishes) / Kindred entities are calculated and who now collects these (the Administration Manager).*

### ***Administration Manager***

*The Administration Manager is changing as part of the overall review of the Beneficiary Fund. Melville Jessup Weaver (MJW) have been appointed and this becomes effective from 1 July 2017. MJW have been involved with the Beneficiary Fund for some time as the actuary and their administration services complement their involvement. As Administration Manager, MJW are responsible for the collection of contributions, recording membership details and completing*

financial statements / annual reports. From 1 July you may contact MJW with any questions in relation to the Beneficiary Fund, contribution payments and its records; they can be contacted at:

Kirstie Knapp  
Phone: 0800 266 787  
Email: [presbyterian@mjw.co.nz](mailto:presbyterian@mjw.co.nz)  
Melville Jessup Weaver  
Level 5, 40 Mercer Street  
PO Box 11330,  
WELLINGTON 6142

### **Contributions**

The contributions are now going to be calculated as 5% of the total stipend (basic stipend plus seniority allowance). This is effective from 1 July and details of this are on the attached sheet.

At the same time, we are also changing the way that the parish contribution is paid. In the past, the parish contributions were collected as part of the Assembly Assessment; now the parish contributions will be deducted from the parish account along with the Minister's contribution. Deductions will also be made for other Church bodies / Kindred entities.

If you currently make contributions to the Fund through an automatic payment or direct credit it is important that you cease these payments from 1 July 2017.

Going forward, all contribution amounts will be calculated by MJW and MJW will process the direct debits to retrieve the amounts from the parish bank account monthly. We acknowledge that some Ministers are paid fortnightly and MJW will allow for this as part of their calculations.

**If you are making payments into the Fund's bank account by automatic payment or direct credit, please stop these, these will be replaced by the direct debits as noted above.**

The attached is a calculation of proposed deductions for the Minister(s) paid through your parish, done by MJW. Please review this and ensure that the data matches with yours. Specifically look at the seniority allowance and any changes for part time Ministers, also (with the section on ESCT) the housing allowance. If you have any questions or concerns with these calculations, please contact MJW immediately.

In the next two weeks we will send out a Direct Debit authority form. This is required in order for MJW to deduct the contribution payments that they have calculated. Please return to MJW at the above address (or scan and email to [presbyterian@mjw.co.nz](mailto:presbyterian@mjw.co.nz)).

**We need this form returned by 17 July 2017**

### **Please note:**

- The contribution is based on the minister's actual stipend including seniority allowance (not on the old basic stipend like the old system)
- Any changes in the seniority allowance throughout the year will change the amounts and MJW will advise of these in advance (though if you are aware of such changes please check with them so we can ensure our records are correct)
- You need to contribute for every National Ordained Minister paid by your Church body / Kindred entity. All contributions will be by way of a Direct Debit from the Church body / Kindred entity bank account. The Direct Debit form authorises this.
- An Employer Superannuation Contribution Tax (ESCT) is applicable to the 'Employer' subsidy. When contributions are deducted by MJW they will debit the net contribution. It is your

responsibility to pay the ESCT to Inland Revenue when you make your usual monthly PAYE payments. More can be found about ESCT at:

<http://www.ird.govt.nz/payroll-employers/make-deductions/deductions/super-contributions/#02>

or refer to page 83 of the Church Management Guide:

[http://www.presbyterian.org.nz/sites/public\\_files/gmo/CMS\\_Guide\\_-\\_Update\\_30\\_May\\_2017.pdf](http://www.presbyterian.org.nz/sites/public_files/gmo/CMS_Guide_-_Update_30_May_2017.pdf)

*If you need assistance on contributions you can call Steve Grant at MJW on 0800 728 370*

*We have also sent this to all Ministers. Belonging to the Beneficiary Fund is a condition of being a National Ordained Minister, and the contributions to their beneficiary fund accounts is part of the remuneration that we as a church are committed to paying them.*

*Kos van Lier  
Secretary, Beneficiary Fund*