



MINISTERIAL SUPPORT PACKAGE EXPLAINED FACTSHEET

Changes to the ministerial support package are recommended to create a more aligned support package for all ministers. Proposed changes will remove distinctions that currently exist based on when a minister joined the Beneficiary Fund. This Factsheet explains the proposed changes in more detail, and has sections for national ordained ministers, local ordained ministers and parishes.

NATIONAL ORDAINED MINISTERS

How will my support package change?

The table below notes the differences between current and proposed ministerial support package:

Current	Proposed change
Member scheme contribution	Change from 5 percent of basic stipend to 5 percent of total stipend including seniority allowance.
Church scheme contribution	Change from being nationally funded through Assembly Assessment to a contribution of 5 percent of total stipend including seniority allowance.
Basic Stipend	Increase by around 5 percent
Disability benefit	No longer provided by the Beneficiary Fund*
Death cover	No longer provided by the Beneficiary Fund *
Funeral cover	No longer provided by the Beneficiary Fund *
Hardship allowance	No longer provided by the Beneficiary Fund **
Special grants	No longer part of support package**
Seniority allowance	No change
Housing allowance	No change

**The value of this entitlement is included in your lump sum cash distribution and will be paid out in cash as part of your wind-up proceeds.*

*** It is proposed that these benefits will be provided from the Charitable Fund established from the Fund surplus.*



What about my disability, death and other cover?

Under consideration is the establishment of a Church scheme for life, health and income protection cover. If this proceeds, contributing ministers and church employees would be able to purchase (at their own cost) cover from this scheme. The possibility of annuitants joining the scheme will also be investigated. The matter is still under consideration and further updates will be provided on this in due course.

Will I be financially worse off?

Work has been undertaken by the scheme's actuaries to determine whether the new support package offered to contributing ministers, once payment of the Defined Benefit scheme wind-up lump sum payments are taken into account, will see most contributing ministers receive a package of at least equivalent value as their existing support arrangements.

Their conclusion is that if this new support model is adopted alongside the

recommendations made with respect to wind-up distributions, most ministers will be no worse off in value terms than they were prior to the wind up of the scheme's Defined Benefit section.

Why can't you say exactly what the change in stipend will be?

The level of stipend increase will be set at a rate which helps ensure that most ministers will be no worse off in value terms than they were prior to the wind up of the scheme's Defined Benefit section. Preliminary analysis indicates that a 5 percent increase will deliver this result. The availability of audited accounts for 30 June 2016 will help the actuary to firm up the recommendation in this area.

Do I continue to contribute to the Beneficiary Fund between now and 30 June 2017?

Yes. You need to continue to contribute to the existing scheme to remain a member of it. All the payments you make will be counted in the final lump sum payment when the scheme is wound up on 30 June 2017.

LOCAL ORDAINED MINISTERS

(This section last updated: 23 Sept 2016)

Addressing the inequity between retirement support provided to national and local ordained ministers was one of the drivers behind the proposed changes.

How will my support package change?

The table below notes the differences between current and proposed ministerial support package:

Current	Proposed Change
KiwiSaver scheme member contribution	No change. A minimum of 3 percent as required by law, or more if you nominate.
KiwiSaver employer contribution	Change to a minimum of 5 percent <i>(updated 23.9.16)</i>
Basic Stipend	Increase by around 5 percent
Seniority allowance	No change
Housing allowance	No change

Can I join the Beneficiary Fund now?

No. Membership of the Beneficiary Fund remains open only to national ordained ministers. However, other changes are being implemented to ensure that the retirement needs of our local ordained ministers are better catered for by the Church.

How are my retirement support needs being met?

Under proposed changes parishes will be requested to make contributions to your nominated KiwiSaver account at a rate of not less than 5 percent. *(NB: 23.9.16 - Please note that this was originally 4 percent and was changed on confirmation that a 5 percent payroll option is available.)*

You will also receive the proposed increase in basic stipend that national ordained ministers will receive.

Why is it recommended that the church contribute only 4 percent to LOMs retirement support?

This recommendation has changed from that originally published. As at 23 September 2016, the recommendation is that the parish contribution to LOMs' nominated KiwiSaver accounts be made at a rate of not less than 5 percent. The original recommendation was based on the understanding that a five percent payroll option wasn't available. The change in recommendation reflects the changed understanding that a five percent payroll option is available. *(Updated 23.9.16)*



Beneficiary Fund

Presbyterian Church
of Aotearoa New Zealand

PARISHES

(This section was last updated: 23 Sept 2016)

How will this affect Assembly Assessment?

The changes will enable a considerable reduction in Assembly Assessment levies since the parish contribution to the Beneficiary Fund will change from central funding through Assembly Assessment to a parish contribution as a percentage of stipend.

If the proposal for change finds favour with General Assembly, parishes will be invited to contribute to a review of Assembly Assessment in the New Year, with a view to a new rate being effective from 1 July 2017.

How will we pay Beneficiary Fund contributions under the new system?

It is envisaged that the Beneficiary Fund contributions will be facilitated at the time of payroll, and more information will be available to parishes about this in the New Year.

Who pays for what?

The minister will continue to make their own personal contribution to the Beneficiary Fund (or their nominated KiwiSaver account if they are a LOM).

The parish will fund the proposed increase in stipend, and as is currently the case, the parish will make the “employer” contribution to their ministers’ KiwiSaver or Beneficiary Fund accounts. For LOMs, parishes will be requested to increase the rate of contribution to not less than 5 percent. *(Updated 23.9.16)*

The 2012 General Assembly adopted a living wage policy where congregations were encouraged to pay the living wage for all employees, and parishes are also being encouraged to offer a 4 percent contribution to KiwiSaver for all employees (rather than the required 3 percent).

Does the parish need to continue to pay the Beneficiary Fund part of the Assembly Assessment between now and 30 June 2017?

Yes. The current Beneficiary Fund scheme remains in place until 30 June 2017 and it is part of the support package that we have committed to pay to our ministers. Until the Defined Benefit scheme is officially wound up on 30 June 2017, it remains part of the terms of call.

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