



# Presbyterian Church of Aotearoa New Zealand

## FINANCE NEWSLETTER 140

**TO:** Parish and Presbytery Treasurers

**FROM:** Brendan Sweeney, Manager, Financial Services

**DATE:** 29 February 2012

1.	<b>Parish Human Resources Support</b>
2.	<b>Update: Tax on ministers housing allowance</b>

### 1. Parish Human Resources Support

Today I sent out a communication to treasurers, session clerks and presbytery clerks regarding an initiative which will enable us to ascertain the needs of parishes with regards to human resource and employment law support. The letter had a link to a questionnaire asking your understanding of employment concepts. The survey is voluntary and is to be completed by **6 April**. Hard copies are also being distributed and you should have this in the next few days.

It is a simple fact finding exercise that will greatly increase our ability to advise and instruct you on this important aspect of parish management, so your cooperation is greatly appreciated. As the communication states, if you have any queries about the survey, please contact me.

A reminder that this office does offer advisory support on employment and management matters. If you have a query or issue that requires advice, please contact Margaret Fawcett or myself. We can respond directly or refer to a contracted resource we have available. Please note that employment dispute matters will require a written explanation to enable us to respond or refer.

### 2. Update: Tax on ministers housing allowance

Following up on the entry in the January newsletter, I am aware that the instruction of the IRD requirement to adjust stipend by the actual rental expense (in the case of a rented manse) may have a significant impact on the tax treatment of some ministers. I very much appreciate this position and understand that the comparative tax treatment may well be greater than that used in the example, in cases where manse rental is greater than \$300 per week.

I would like to reiterate that this is not a change in IRD rules. This anomaly has always been the case, it is just that it has only recently been brought to my attention, by the Inter Church Working Party on Taxation. The same applies to the rule that 15% of rental expense (or notional housing allowance) may be deducted from the taxable amount.

I understand that some other denominations have also had to change their advice to parishes. I am happy to discuss the correct application of tax law if the change puts strain on the parish or minister.