

Procedures for paying Ministers from General Assembly Office

The General Office under the authority of the Board of Investment and Finance offers a service to make the payments in relation to ministers' stipend and benefits on behalf of those charges who wish to avail themselves of this service. This scheme is entirely voluntary and there is no compulsion to participate. The procedures to enable this to happen are described here.

It should be noted that the General Office is providing a banking and accounting function including tax reporting which is restricted to certain specific functions. The charge, with the approval of presbytery, will continue to be responsible for determining the level of remuneration and for all associated policy and administration.

It is a requirement that charges participating in the scheme maintain an up to date registration with the Australian Charities and Not-for Profit Commission at all times. Upon commencement of the service and thereafter in June of every year, the charge must provide evidence to the office confirming its registration with the ACNC. Failure to do so will result in suspension of the service.

General

Each month a single payment will be made by the charge to the Trusts Corporation which covers all the obligations in relation to the minister's payments for that month. The funds will be transferred automatically on the 14th of each month from the charge's nominated bank account into the Trusts Corporation's bank account. The payments which the Trusts Corporation will make each month will be:

- Minister's Stipend no later than 14th of each month
- Minister's NCB on the first working day of each month
- Manse Allowance (if applicable) on the first working day of each month
- PAYG Tax to the Australian Tax Office as required
- Monthly Superannuation contributions as required

As well as making the payments, the General Office will produce the annual Payment Summaries (formerly known as Group Certificates) for the minister and do the annual reconciliation of PAYG tax for the Tax Office. For the purposes of PAYG only, the employer will be the Presbyterian Church of Victoria.

Each charge will continue to be responsible for determining the relevant remuneration and will need to advise the General Office of the gross monthly payments for Stipend, Non-cash benefit and Superannuation. Any time there is a change in any of these terms the office must be notified at least 14 days prior to the month in which the change is to take effect. The charge will continue to be the employer although payment will be made and Payment Summaries will be issued in the name of the Trusts Corporation.

Changes in the remuneration including termination of a minister or other worker should be notified to the General Office as soon as possible. The General Office will continue to make payments until formally notified of any change. The charge remains responsible for the consequences of not informing the General Office of any change.

Remittance of Funds to General Office

The local treasurer must ensure that sufficient funds are available in the nominated account on the 12th of each month to meet the total payments for the month. This amount will be processed by direct debit to the Trusts Corporation bank. If funds are not available on this date then the Trusts Corporation will not be able to pay the minister and the charge will be liable for any interest and charges which may apply (See Direct Debit Request Service Agreement for further information).

Payment of Non-Cash Benefits

There are a variety of ways in which non-cash benefits are being paid to ministers. These include payment to a cheque account, credit card and debit card. The recommended method is to provide a debit card, which may have a cheque facility if required. Where a credit card is provided to the minister, the balance may not be cleared every month since the same NCB amount will be paid each month. This may lead to interest and penalty charges. For those charges who have been using credit cards, it is strongly recommended that a debit card be provided and the credit card be cancelled. Any timing issues which arise due to the changeover and outstanding balances will need to be resolved by the local treasurer. Each charge will be responsible for providing the appropriate card and or accounts to facilitate the payment of the non-cash benefit. Cards and accounts used for payment of Non-Cash Benefits should be in the name of the charge. Statements should be addressed to the local who should reconcile the statement with the payment vouchers each month and forward a copy to the minister.

Superannuation

For those charges who participate in this scheme, the superannuation payment is to be included in the monthly direct debit. The minimum Superannuation payment is 15% of remuneration (stipend plus NCB). This is effectively the Employer Superannuation Guarantee Levy contribution. This amount should be entered at item 4.5 on the Information Sheet. Please contact the General Office if you require assistance in calculating the amount.

Some ministers elect to make voluntary superannuation contributions from their taxable income. There are two ways to do this. One is to make the contribution from the Stipend as a Salary Sacrifice amount. This means that the contribution is effectively a deduction against the minister's income. The alternative is to make the payment from the net stipend (after tax has been paid on the full amount). While this results in a higher level of tax, the contribution may qualify for a co-contribution from the government. Depending on individual circumstances either one of these may produce a better result. In general where the contributions are around \$1,000 p.a. or less, making them from after tax stipend will be more effective. For larger contributions it may be better to Salary Sacrifice the contributions. Ministers should seek independent advice relevant to their own financial situation.

If a minister wishes to make a personal contribution to Superannuation, provide the details on the additional form authorising payments to be made on behalf of the minister.

Car Loans / Lease Payments

Where a minister has an existing car loan with the Trusts Corporation, the current debit authority should be cancelled and replaced with an authority to allow us to deduct the loan repayment from the stipend. The form authorizing payments should be completed and signed by the minister.

Housing Allowance

The Housing Allowance when applicable will be paid to the Non-Cash benefit account on the first working day of the month.

Utility Bills and Other Expenses

Payments of utility bills and any other expenses which are the responsibility of the charge will continue to be paid by the local treasurer.

Grants and Sustentation

Where a charge receives assistance from the Ministry Development Committee in the form of a grant, or Sustentation from Maintenance of the Ministry Committee, these amounts will no longer be remitted to the charges who elect to participate in this scheme. The monthly debit amount will be reduced by the total of the grants/sustentation and the net will be transferred from the charge to the Trusts Corporation on the 14th of the month.

Queries and Disputes

The General Office will take queries directly from ministers only about the timing of payments and availability of funds, and matters specifically relating to the payment process. All other queries should be directed to the local treasurer.

Costs

There is no cost or levy being charged by the General Office / General Assembly for this service. Bank charges and penalties may apply where sufficient funds are not available to meet the monthly debit to the General Assembly on the 15th of each month. Any interest or penalty which arises will be passed on to the charge.

Procedure to Establish the Facility

1. Board to approve these procedures
2. Set up appropriate debit card (if required)
3. Treasurer to complete the following documents and send to the General Office at least two weeks before the first pay
 - Ministers Monthly Remuneration Information Sheet
 - Direct Debit Request
 - Direct Debit Request Service Agreement
 - Tax Declaration Form completed by the minister
 - Authorization of monthly payments (if required)
 - Confirmation that the charge is properly registered with ACNC (printout of registration details from ACNC website www.acnc.gov.au)

Changes to these Procedures

Any changes to these procedures will be notified to the treasurer. These procedures are not open for negotiation. In order to provide the service it is necessary for all those participating to be on the same system. If this creates insurmountable problems then the existing payment procedures managed and performed by the charge can remain in place. Please contact the General Office if you are unclear on any part of the procedures or would like assistance in completing the forms.

General Manager