

11. Connexional Allowances Committee

1. Recommendations for Stipends and Allowances 2009-2010

The Connexional Allowances Committee (CAC) makes the following recommendations, taking into account the Conference 2002 resolutions on the Stipends Review Report.

1.1 Standard Stipend

In accordance with the Conference resolution of 2003 (adopted as a consequence of the 2002 Stipends Review report), the annual increase in standard stipend consists of the increase in the Retail Price Index excluding mortgage interest (RPIX), plus 50% of the amount by which the Average Earnings Index (AEI) exceeds the RPIX.

The RPIX rose from 203.5 in December 2007 to 209.2 in December 2008, an increase of 2.8%. The Average Earnings Index rose by 3.3% from October 2007 to October 2008. It is therefore recommended that for the year commencing 1st September 2009, the basic stipend be £19,836, an increase of 3.05%.

1.2 Additional Allowances 2009-2010

The following allowances are applied:

| | |
|---|---|
| President of the Conference | Any existing allowance or 25% of standard stipend, whichever is the greater |
| General Secretary/Secretary of the Conference | 30% of standard stipend |
| Separated District Chair | 25% of standard stipend |
| Synod Secretary | 5% of standard stipend |
| Superintendent | 7.5% of standard stipend |
| Principal of a Training Institution | 25% of standard stipend |
| Staff member of a Training Institution | 20% of standard stipend |
| Connexional Team Secretary | 30% of standard stipend |
| Other ministers or deacons serving in the Connexional Team or stationed in appointments within the control of the Methodist Council | 20% of standard stipend |

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The above results in the following allowances for 2009-2010:

| | £ |
|---|-------|
| President of the Conference | 4,959 |
| General Secretary/Secretary of the Conference | 5,951 |
| Separated District Chair | 4,959 |
| Synod Secretary | 992 |
| Superintendent | 1,488 |
| Principal of a Training Institution | 4,959 |
| Staff member of a Training Institution | 3,968 |
| Connexional Team Secretary | 5,951 |
| Other ministers or deacons serving in the Connexional Team or stationed in appointments within the control of the Methodist Council | 3,968 |

1.3 Relocation Allowance

Tax free allowance payable by the receiving Circuit
or other Connexional body to presbyters and deacons
upon moving manse

£500

1.4 Travel Allowances

The CAC recommends that the rates as prescribed by H M Revenue & Customs (HMRC) 'approved mileage allowance payment scheme' (AMAP) be adopted. If alternative mileage rates exceeding those allowed by the appropriate tax authority are paid locally then it is necessary for this income to be declared to the tax authority and it will give rise to a tax liability on the individual concerned. The CAC would wish to emphasise that this should be regarded as a personal liability – involving the individual and HMRC – and not require handling by the Church's officers, centrally or locally.

The CAC reminds the Methodist Church of our commitment to reducing our carbon footprint, and wants to encourage people to use public transport and share cars wherever possible and practical.

We accordingly recommend that the following rates apply:

Presbyters/Deacons

| | |
|--------------------|--------------|
| First 10,000 miles | 40p per mile |
| Over 10,000 miles | 25p per mile |

Supernumeraries 30p per mile (assuming not more than 10,000 miles)

Lay employees in churches, circuits and districts

| | |
|--------------------|--------------|
| First 10,000 miles | 40p per mile |
| Over 10,000 miles | 25p per mile |

Lay volunteers 30p per mile (assuming not more than 10,000 miles)

Motorcycles 24p per mile

Bicycles 20p per mile

Additional Passenger Rate 5p per mile

Travel Allowance during sickness

Grant payable (taxable) £280

It should be noted that a mileage rate for lay volunteers has been inserted in the list. The CAC believes that HMRC rates should also apply to these essential resources, without whom our Church could not function. It is further proposed to increase this rate - for lay volunteers and Supernumeraries - to 40p, in stages, over the next two years (assuming not more than 10,000 miles per year).

The CAC believes that the rates prescribed by HMRC should become Methodist Church policy and we need to end the confusion as to which rates are payable to whom.

NB Although the HM Revenue & Customs mileage reimbursement rates were issued as from 6th April 2009, the CAC recommends that the increased rates for supernumeraries and lay volunteers be applied as from September 1st 2009, thereby avoiding any retrospective claims for the 5p increase. All other allowances are effective from 1st September 2009. Any future changes to the HMRC approved rates will be implemented straightaway without formal Conference approval.

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1.5 Preaching Fees and Expenses for Supernumeraries

In line with the requirements of the Conference supernumeraries must be offered a minimum preaching fee and travel allowance. The CAC recommends the following:

| | |
|-------------------|--|
| Preaching fee | £25 (increased in line with the increase in the level of standard stipend) |
| Travel allowances | as per paragraph 1.4 above |

1.6 Lay Employees Recommended Hourly Rates

The CAC recommends that the Living Wage, as published from time to time by Church Action on Poverty, be used as the minimum pay rate for lay employees. This should be implemented after any update is published. The current hourly rates are £7.00 outside London and £7.45 within London.

1.7 Book Allowance for Ministers

The CAC has been asked to consider the payment of a book allowance to ministers. We are aware that some circuits already pay such an allowance to their staff. However there can be tax complications if such an allowance is paid. We refer circuits and ministers to the Taxation Dictionary which is available online from Financial Services – Benefits and item O104 on pages 17 and 18 of that document which clearly sets out the position.

1.8 Methodist Ministers' Pension Scheme

The CAC has been advised by the Trustees of the Methodist Ministers' Pension Scheme that a significant increase is required in contributions in order to make good a deficit calculated in a recent actuarial valuation. Based on information in a paper prepared by the Connexional Treasurer, the CAC recommends that additional contributions of 7% of standard stipend be required from 1st September 2009, with a further 7% from 1st September 2010.

We recommend that the 7% for 2009/10 be split 5% from circuits and 2% from members, resulting in total contributions of 22% from circuits and 9% from members.

We further recommend that the Scheme, particularly its benefits, be reviewed and a report brought to the Conference in 2010.

2. Response to Notice of Motion 102 Conference 2008

Headed *Travel Allowances*, the Notice of Motion read “Conference directs the Connexional Allowances Committee to consider ways of responding to the higher costs of motoring, to continue to make representation to H M Customs and Revenue regarding the unrealistic current rates, and should the rates not be raised, to bring to Conference 2009 options for realistic reimbursement of car travel expenses.”

The CAC reports that dialogue with H M Revenue and Customs has been maintained and in a letter dated 27 February 2009 HMRC stated “As you may know, the Government carried out a review of the AMAP (approved mileage allowance payment) rates in 2007, but it decided at the 2008 Budget not to change them. The rates have to cater for a wide variety of drivers. They were never intended to reflect the actual costs of motoring for every car, but are still sufficiently high to cover the business motoring expenses of most drivers. The Government believes the rates strike a balance between giving tax relief for amounts that represent fair recompense for car use whilst reflecting its wider environmental aims by discouraging the unnecessary use of cars for business and promoting the use of more efficient, lower-emission cars. It keeps the rates under constant review.”

As indicated in paragraph 1.4 above, any amounts over 40p and 25p per mile will give rise to a tax liability. The CAC, mindful of the present volatile economic situation, does not feel that now is the time to propose the revision of travel allowances above HMRC's AMAP rates.

3. Work Undertaken by the Committee

All the above recommendations are as a result of extensive work, research and reviews undertaken by the CAC and the members of the financial department of the Connexional Team.

The CAC also deals, on behalf of the Trustee, with the management of a number of available funds – The Auxiliary Fund (to be known in future as the Fund for the Support of Presbyters and Deacons – see the Law and Polity Committee report elsewhere in this Agenda), Methodist Ministers Children's Relief Association, Trinity Hall Trust and Methodist Medical Benevolent Fund. It is important for the Church to be able to respond to requests for help from ministers and their dependants both during service and once they have “sat down”. As the body to whom the Methodist Council has delegated the task of overseeing the administration of the funds, the CAC is able to respond to urgent needs.

The CAC works closely with the Methodist Ministers' Housing Society and strategic loans have been made in order to smooth out the purchase and sale of properties in their care.

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Extensive work has been undertaken in advising the Methodist Council in relation to Pension Fund contributions following actuarial valuations.

The CAC also spends a considerable amount of time dealing with requests for permission to make payments to ministers which are in excess of 10% of the basic stipend, in accordance with SO 801. The CAC wishes to remind the Conference, and the Church, of our commitment to both the spirit and the letter of the decisions of the Conference of 2002 regarding ministerial remuneration, and also of the reasons why it is necessary for the nominated body, the CAC, to give express permission to exceed 10% above standard stipend. In addition to upholding the principles of fairness and transparency so vital to our Connexional system of ministerial deployment, the CAC is charged with ensuring that Methodist employing bodies do not threaten or put at risk the hard-won allowances and exemptions that the Church has acquired from HMRC.

The CAC sees itself as an important element in allowing all the above activities to proceed smoothly and its continuing aim is to facilitate these activities in an effective and efficient manner.

*****RESOLUTION**

11/1. The Conference adopted the Report.