



December 19, 2011

To: Incumbents, Wardens and Treasurers of All Parishes

From: The Synod Office

Re: Financial Information Update

The following information is of **vital importance to your parish**. Please read it carefully and act upon it where required.

APPROACHING YEAR-END 2011

Our Bishop and Diocesan Council have great appreciation for your effort to meet your requested critical Parish contribution in support of our Shared Ministry Budget. We urge each parish to make every attempt to provide the funding requested in support of the important ministry we all share.

PREPARING FOR 2012

The Diocesan Shared Ministry Budget 2012:

At the time of writing the Diocesan Council has not yet approved the 2012 Shared Ministry Budget which is still in the hands of the Finance Committee. This unusual situation is the result of the untimely death of our Diocesan Treasurer, Canon Fred Scott, with the resulting delays of others doing the work he did so efficiently plus the fact that Diocesan Council is not meeting until January 2012.

Our 2009 Diocesan Synod adopted a new stewardship and sharing model for the diocese, but recognized that implementation of such a model would take time and a great deal of stewardship teaching and training. In the meantime, Synod requested that parishes continue their current levels of support for the Diocesan Shared Ministry Budget and that those not able to provide support to the requested levels be encouraged to do so. Neither the model nor the request was modified at the recent 2011 Synod.

As a result of the decisions of the last two Synods the amount requested of parishes in support of the Shared Ministry Budget has been held at the 2006 level for the past five years. Given the impact of inflation and the need for programs to be developed, expanded etc, fixing the principal source of funding in this manner continues to be extremely limiting.

In summary, there is currently no approved budget for 2012. The Finance Committee will present a new budget to the January meeting of Diocesan Council. In the meantime the formal request of parishes for shared ministry budget support in 2012 will remain the same as in 2011. The Finance Committee will continue its followup with parishes that have been unable to meet their requested budget support, in an effort to encourage and support their efforts in that regard.

Employment Costs (Clergy and Laity) for 2012:

Clergy Minimum Stipend Scale: The Executive of Diocesan Council has approved a recommendation from the Human Resources Committee for a 2% increase in the minimum clergy stipend scale for 2012. This reflects the overall New Brunswick Consumer Price Index (the measure of inflation).

The new scale is below. It should be noted that clergy with less than 11 years of service will move up one level on the scale. You are reminded that the scale is a minimum and parishes may exceed the scale if they choose to do so and for this year all parishes and clergy are encouraged to negotiate the stipend so clergy are compensated in stipend for any loss of income due to the introduction of the new travel reimbursement system.

YEAR ORDAINED	YEARS OF SERVICE	MINIMUM STIPEND	EMPLOYER PENSION PREMIUM	EMPLOYER LTD PREMIUM
2011/2012	1	\$31,814	\$6,699	\$1,188
2010	2	\$32,418	\$6,811	\$1,208
2009	3	\$33,025	\$6,924	\$1,228
2008	4	\$33,628	\$7,036	\$1,248
2007	5	\$34,234	\$7,149	\$1,268
2006	6	\$34,829	\$7,259	\$1,288
2005	7	\$35,444	\$7,374	\$1,308
2004	8	\$36,050	\$7,487	\$1,328
2003	9	\$36,656	\$7,599	\$1,348
2002	10	\$37,261	\$7,712	\$1,368
PRIOR TO 2002	11	\$37,866	\$7,824	\$1,388

Travel Reimbursement System: Diocesan Council approved the new system of reimbursement for each kilometre travelled with a gradual approach to implementation over 2011 and 2012.

Complete details on the new system, have already been forwarded to you and are found at [Regulation 7-2 - Remuneration, Travel and Housing](#)

The **Car Replacement Allowance** will stay at it current level of \$4,200 (\$350/month) in 2012. The Travel Pool Assessment is set at \$480 (\$40/month) for 2012.

NOTE: In 2012 the basic reimbursement for automobile use for those not in receipt of a travel allowance will increase to 44 cents per km.

Parish Pension Premium: The General Synod Pension Plan, in which all clergy participate, is a national plan managed by a Pension Committee and a Board of Trustees. As with all pension plans the market downturn during 2007 - 2009 and the unsteady recovery since, have had a negative effect on the value of pension fund assets. 2011 was the second year of a plan to address the pension shortfall. The plan called for a twostage increase in the premium rate for employer contributions. In 2010 the rate went from 10% of pensionable earnings to 11.2% . In 2011 the premium rate rose to 12.4% of pensionable earnings and has been set at the same 12.4% of pensionable earnings for 2012. The pension premium forms part of the Parish Employment Assessment.

For your information “Pensionable Earnings” is calculated as 150% of the total of the stipend and car replacement. This recognizes the value of the housing provided as part of clergy remuneration.

Following are sample Calculations, using a stipend of \$37,866 and car replacement of \$4,200: Pensionable Earnings = $(37,866 + 4,200) \times 1.5 = \$63,099$. 2012 Parish Pension Premium at 12.4% of 63099 = \$7,824. 2012 Disability Plan Premium at 2.2% of 63,099 = 1,388

Long Term Disability Premium: The employer premium rate for 2012 remains at 2.2% of Pensionable Earnings. This is part of the Parish Employment Assessment

Parish Benefits Plan Assessment: The Human Resources Committee with help from our consultants has negotiated renewal on the Health and Dental Plan. The renewal carries a premium increase of just under 12.5%.

Even with the pooling effect where the benefits cost is spread among all parishes, there is a need this year to increase the employer premium share in 2012. It will increase to \$360 per month. Parishes not employing a full time cleric pay half this rate. This increase reflects the increase in the premiums for the health plan, the long term disability premium and the high number of parishes only paying the half rate. This is part of the Parish Employment Assessment.

Continuing Education Plan for Clergy: The employer premium for this item remains at \$450 annually. That premium also applies for Vocational Deacons. This is part of the Parish Employment Assessment.

Parishes employing retired clergy on a part-time stipendiary basis are required to provide an Education Allowance in the amount of \$300, which is to be paid to the Incumbent at his or her request, for educational endeavors.

Pension Bonus Assessment: This assessment amount will be unchanged in 2012.

Legislated Costs: The rates for CPP will remain at 4.95% for both employee and employer. The maximum premium for each is increased to \$2,306.70 (up by \$89). The EI premium rates will remain at 1.78% in 2012 for employee and 2.492% for employer. The maximum employer premium will be \$1,175.96 (up by \$74.50). Many clergy reached their maximums in September, around the time of Fred’s demise. Parishes continued to be charged the employer’s premium. These are being rebated to the parishes in December by reducing the amount of funds collected from parish accounts for employment assessment by the overage in employer’s premium.

Note Re Parish Lay Employees: Some parish lay employees are participating in the lay pension plan offered through General Synod. This is a “defined contribution plan” which calls for premium rates of 5% of salary for both employer and employee. The employer premium for Long Term Disability Plan is 2.2% of salary. The 2012 rates for insurance and medical coverage for lay employees will be communicated as soon as they are available.

Parish Assessment Statements For 2012:

The key to the production of this important statement is the stipend information for clergy and salary information for any lay employees the parish may have. To that end we have developed a form which lists, for each parish, those persons who are on the central payroll system, along with their 2011 stipends or salaries. The form includes instructions for completion and requires an authorized signature (preferably a warden or the treasurer). A sample of form is included herein. A hard copy will be sent to the Parish Treasurers.

The first pay run for 2012 needs to be submitted to our service provider in advance of the pay date. In order to allow us time for input we must have the information by Jan 7th.

Incumbents, Wardens and Treasurers are asked to work together to ensure this request is answered. It is strongly recommended that remuneration be set via a specific motion of the Parish Corporation.

The Diocesan Consolidated Investment Fund (DCIF): Arising out of its ongoing monitoring of our portfolio results during 2011, including such factors as interest & dividend rates and a volatile but somewhat negative growth trend in market values, decisions have been made in respect of rates of return for parish and diocesan funds within the DCIF.

Bonus Capital Addition: The addition of a bonus addition to capital at year end 2011 is still under review. It is hoped that at least a 1% addition to capital can be applied and a decision will be made early in 2012.

2012 rate of Return: The current “regular” rate return of 3.25% will be continued in 2012. Continuing our past practice, the rate is being set for the first six months of the year and will be reviewed at mid-year for a decision as to the rate to apply for the second half of 2012. You will receive the interest for the last six months of 2011 in January of 2012.

Change in Portfolio Management: Letko Brousseau and Associates, of Montreal were appointed as managers of the DCIF effective January 1, 2011. This is a globally focused and dynamic manager with a strong history of upper level performance. Moreover they are well known in our Anglican community, as a major player in the management of assets of the General Synod Pension Plan as well as many investment and endowment funds of the General Synod.

The Diocesan Group Property/Liability Insurance Plan:

We now have 75 of 81 parishes in the program. More and more we are realizing the benefit of participating in a group plan as a viable way to ensure adherence to the Diocesan Minimum Insurance Standards and doing so at a cost better than that available elsewhere.

The renewal of our policy on December 1, 2011 (to November 30, 2012) has been finalized and it comes with no rate increases. There will be a 3.0% inflationary factor added to the property and contents values only. So while the rates are unchanged there will be an increase in the overall premium.

Last year we took on responsibility for a \$2,500 deductible. This provision results in a property/contents premium credit of 2.5%. Payment of this additional deductible on claims will be charged against a Trust Fund established for that purpose. The Trust is funded by a levy of \$100 to all parishes and related organizations participating in the group insurance plan. It will be added to your 2011-2012 renewal invoice. Full details will be provided with the renewal documents.

As mentioned, there is much information in this correspondence. It has been forwarded via e-mail to those with that capability. You are urged to study it carefully and to bring it to the attention of the parish corporation and others in the Parish.

Canon David Kierstead,
Acting Diocesan Treasurer

Related Documents:
Stipend/Salary Reporting Form

NOTE: 2012 Budget information will be provided when approved by Council in January 2012.