



Human Resources Committee Newsletter

The Anglican Diocese of Fredericton

Committee Membership:

Victoria Garrett, Chair	Neville Cheeseman	Walter Williams
Jack Walsworth, Vice-Chair	Geoffrey Hall	Elaine Hamilton
Maureen Vail	Fred Scott	Roger Castonguay

Committee Updates:

Proposed Travel Reimbursement System

In response to questions and concerns that have been raised, the following is a summary of action taken by Diocesan Council in regard to the proposed new Travel Reimbursement System for automobile costs associated with ministry-related driving. The Human Resources Committee presented the proposal to the November 10th meeting of Council with the recommendation that the new system be adopted, for implementation on January 1, 2011.

Council studied the proposal in great detail and developed a very good understanding of the new system and its impact. The Council expressed its appreciation to the HRC and the Travel Task Force for their work and approved the new travel reimbursement system. However Council did not approve the full implementation of the new system on January 1, 2011 as recommended. Instead Council opted for a more gradual implementation as follows:

- All new clergy appointments in 2011 will be subject to the new system. This applies to newly ordained/appointed clergy, transfers within the Diocese or transfers from outside the Diocese.
- For all other clergy the new system will begin on January 1, 2012
- Council also made provision whereby clergy and their parishes can opt to start participation in the new system on January 1st, 2011. This is in recognition that clergy in higher-mileage situations may be favorably affected by the new system and at the same time, there would be no financial impact on the parishes involved.

Council opted for this more gradual approach in order to allow time for the HRC (and Council itself) to more closely study the impact of the new system on individual clergy and to determine how best to deal with that situation on a more global basis.

There will be more detailed information coming out in due course including detail on the opting-in provision and the need for a cooperative approach to mileage reporting that will assist the previously referenced effort to develop a solution in respect of the impact of full implementation in 2012.

Making the decision to opt into the new system in 2011

This option should be discussed locally, by the Cleric and the Wardens. It should be noted that if the parish ministry typically requires driving of 20,000 km or

more it, could be of benefit to opt in. There is the matter of a bit more work at the parish level as the new policy is not administered at the Diocesan level. From the clergy perspective they will need to consider the loss of the flat allowance which will result in fluctuation in personal cash flow..

Consider this example where 20,000 km's is driven on parish business:

- Under the new system, the \$4,600 Travel Allowance is eliminated.
- The parish would reimburse the cleric \$4,600 over the course of the year.
 - (20,000 km X \$0.23).
 - Reimbursements are non taxable and not subject to EI or CPP premiums.
- The parish would also pay to the Diocese, a Travel Pool Assessment of \$475.
- On application, the parish would receive a rebate for the cost of reimbursing all km's above the new 17,500 threshold.
 - The rebate in this case would be \$575 (2,500 km X \$0.23)
- Net parish cost then would be \$4,500 (\$475 + \$4,600 – rebate \$575)

Review of Minimum Clergy Stipend Scale

The HRC reviewed the minimum stipend scale this fall, for the 2011 year. As a result of recommendations from the committee, Diocesan Council has approved a 2% increase to in minimum scale.

Annual Review of Diocesan Benefit Plan

This fall, the HRC also reviewed our Diocesan Benefit Plan. Based on the review the HRC decided to remain with our current benefits carrier, Manulife. However, there was a negotiated rate increase of 8.1%. As a result of the increase in cost of the plan, the HRC has committed to examining every possible long term cost savings solution. This work will be done over the coming months, to ensure long term sustainability of the plan.

Review of Retiree Benefit Plan

The Finance Committee asked the HRC to review the retiree's benefit plan with respect to cost containment, eligibility and the options for moving to cost sharing plan. At present there are a significant number of issues around each of these topics. The committee is committed to continuing research on these issues to find solutions that will be the least disruptive to your current policy, as possible. We will keep you updated as to our progress with this review.