

**ANGLICAN CHURCH OF CANADA  
DIOCESE OF NIAGARA**

**TASK FORCE ON COMPENSATION**

**MINUTES** of the Seventh Meeting of the Task Force on Compensation held in the Geddes Room at Cathedral Place, Hamilton, on Wednesday, May 10, 2006, at 8:00 a.m.

**ROLL CALL**

The following were present: Mr. Jonathan Marler (Chair), Mr. Kirk Boyd (FAC), Ms. Sharon White (Compensation), The Rev. David Long (HR Director), Mr. Bob McKinnell (Treasurer), The Rev. Robert Park (Compensation).

Mr. David Bucsis (HR Committee), The Ven. Lynne Corfield (Synod), Mr. Gordon Ross (Compensation) and Ms. Debbie Young (Secretary) sent their regrets.

**INTRODUCTIONS**

Mr. Marler took the Chair and acted as secretary of the meeting.

Mr. Marler introduced special guest Judy Robinson, Executive Director, Pension Office Corporation, The Anglican Church of Canada, and summarized the background to the Task Force and its work to date.

Mr. Marler introduced The Rev. Robert Park, Rector of St. George's, Georgetown. Mr. Park has agreed to assume the role of Communications Director for the Task Force, ensuring that all affected parties are kept abreast of the work of the Task Force by email and through the creation and maintenance of postings to the Diocesan website [www.niagara.anglican.ca](http://www.niagara.anglican.ca)

**PRESENTATION BY MS. JUDY ROBINSON**

Ms. Robinson described the relationship between salaries, housing allowances and pensionable earnings as follows: pension law requires that pensionable earnings be equal to actual earnings; recognizing that clergy earnings usually comprise a salary and a housing allowance and that the amount of housing allowances, especially where rectories are involved, tend to be based upon arbitrary figures (as in Niagara, where the housing allowance attributable to rectories has been fixed at \$12, 6000 per annum for many years) the Canada Revenue Agency (CRA) has authorized Church employees to fix housing allowances, for the purpose of determining pensionable earnings, at an amount equal to at least 50% of more of salaries, resulting in pensionable earnings of 150-170% of salaries. In the case of most dioceses of the Anglican Church of Canada this housing allowance

gross-up has been fixed at 160%; the gross-up in some dioceses is 170%; in the case of two dioceses, where salaries and housing allowances have combined into one figure, the gross-up has been fixed at 110%. Ms. Robinson observed that there is no legal justification for a pensionable earnings gross-up of any amount, where salaries and housing allowances have been combined, but that the practice has been permitted in the interest of maintaining equity among the members of the Synod Pension Plan by providing an equal pension bonus to all Clergy.

Mr. Marler observed that the concept of a pension bonus and the requirement that pensionable earnings be based upon actual salary appeared to be in conflict.

Mr. Park observed that if clergy were to be adequately paid in the first place there would be no need to gross-up their salaries for pension purposes.

Mr. Long observed that clergy salaries were, generally speaking, seen to be inadequate.

Mr. Marler observed that observations on the general adequacy or inadequacy of clergy compensation should be withheld, until Mr. Ross has completed his work on the methods and amounts of compensation in other dioceses and denominations, which might need to be expanded to include other occupations.

On the matter of the pensionable earnings gross-up, Ms. White observed that she could not abide by the Diocese providing Revenue Canada with incorrect information on earnings. This committee could not recommend.

Mr. Marler pressed Ms. Robinson to justify the concept of a pensionable earning gross-up. Mr. Robinson responded by saying that a combination of salaries and housing allowances into one adequate compensation amount, upon which pensionable earnings would be based, without the need for any gross-up, would be the perfect situation.

## **OTHER BUSINESS**

Considerable discussion followed on a variety of topics, both related to and not related to, the relationship between salaries, housing allowances, rectories and pensionable earnings, including: the healthy state of the Synod Pension Plan; the inconsistent treatment of lay employees as members of the Synod Pension Plan, the Lay Employees Pension Plan, or no pension plan at all; the eligibility for enrolment in the Synod Pension Plan of every employee of the Anglican Church of Canada, regardless of whether or not the employee is considered to be a national church employee, a diocesan employee or a parish employee and regardless of the number of hours worked; the eligibility for enrolment in the Synod benefits plan of every Anglican Church employee who works 20 hours or more per week (a restriction that does not apply to enrolment in the Synod Pension Plan); the practice of some parishes of paying lay employees an honorarium, without T-4 deductions (a practice which Ms. White denounced); the role of the diocese as a resource centre for the parishes, rather than as an overseer.

## **TERMINATION and CLOSING PRAYER**

Notwithstanding the absence of four key members of the Task Force, the meeting resulted in a highly energized and productive exchange of views on a wide range of important issues, which concluded with Ms. Robinson's generous offer to return on another day.

The Rev. Robert Park closed the meeting with a prayer of uncommon eloquence.

(sgd.) Jonathan H. Marler (Chair)

Dated: May 11, 2006

G:\my documents\task force 7b