

Explanatory Notes for Central Payroll

Travel Allowance

We encourage the Parish or Pastoral Unit to pay the Travel Allowance amount at the parish level as this allows the parish and clergy to adjust the allowance to the actual kilometres, on a timely basis. A T4 should not be issued for the Travel Allowance as it is not taxable if it is based on actual kilometres, is backed up with receipts and an accurate travel log is maintained. We recommend that the clergy be paid the Allowance on a monthly basis and the Travel Log be reviewed and any differences settled on a quarterly basis. For further information, please consult the Diocesan Travel Policy 2.1.2 (attached).

2009 Minimum Stipend Scale

Please complete the 2009 Salary Return Form for all employees on Central Payroll, both Clergy and Lay. Effective January 1, 2009, Central Payroll will automatically move Clergy to the new rate according to the 2009 Minimum Stipend Scale at the level based on their "years of service". In any case where Clergy are being remunerated "above scale" or there are other considerations, please note these items on the 2009 Salary Return Form.

Rectories & Housing Allowances

New for 2009 effective January 1, Parishes are to provide both a washer and dryer in every Rectory as per guideline 2.2.2.

If the Clergy Member is living in a Rectory, please fill in the line listing the **Current Fair Rental Value of the Rectory**. Include an approximate value for rent, water, power, heat and basic telephone. Do not include costs for property taxes or insurance.

Please note that by Guideline 2.1.11, included in the Handbook, the Regional Dean and the Parish Council are to conduct a review of the amount of Housing Allowance every 2 years after consulting with 3 local realtors.

If the employee is receiving a Housing Allowance then it is not necessary to fill in the Fair Rental Value. Both the Fair Rental Value and the Housing Allowance are used to calculate the earnings of the employee for Tax and Employment Insurance purposes but not for Canada Pension Plan payments.

Parish Pension

There has been no change in the 2009 Parish Pension percentage of 10.0% of Pensionable earnings. The Pension Fund is managed out of the Toronto Pension Office by the Fund Administrators. The Long Term Disability percentage does not change in 2009.

Personal Tax Credits Return: TD1 Form

The Federal and Provincial TD1 form should be completed by a employee in the following situations when a TD1 should be filled in are as follows:

- ❖ Marriage
- ❖ Birth of a Child
- ❖ Changes in Education Credits (from spouse or children)
- ❖ An adjustment in the amount of pension income
- ❖ An adjustment in the amount of other income
- ❖ Request for Additional tax to be taken off at Source

Clergy Residence Deduction: TD1223 Form

The form T1223 "Clergy Residence Deduction for 2008, will accompany the T4 when issued in early 2009.