



Guidance on Remuneration of Baptist Ministers

This explanatory document aims to provide guidance to Baptist Churches about the remuneration of ministers.

Baptist Union of Great Britain, PO Box 44, 129 Broadway, Didcot, Oxon OX11 8RT
Tel: 01235 517700 Email: ministries@baptist.org.uk Website: www.baptist.org.uk
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1. Remuneration of Baptist Ministers

Our expectation is that nobody will respond to a call to ministry with an objective of financial reward. However, it is important that ministers receive a suitable package of remuneration so that they are able to focus on their ministry rather than be dealing with constant worries about their financial position. Ministers are appointed as office holders rather than employees. Rather than earning a salary for undertaking work required by an employer, they are provided with a stipend to enable them to fulfil the ministry they are called to without needing to undertake additional work to meet their financial requirements. Churches and other organisations calling Baptist ministers should therefore be conscious of their obligation to provide a suitable package of remuneration. This guidance leaflet provides churches with a framework for setting such a package.

The normal package for remunerating a Baptist minister comprises of the following core elements:

- A stipend.
- Provision of a manse or a cash housing allowance.
- Membership of the ministers' section of the Baptist Pension Scheme.

These are discussed in turn in the following sections.

Alongside the remuneration package a minister should be provided with the facilities necessary to enable performance of the role including a mobile phone, a computer and reimbursement of mileage and out of pocket expenses incurred in their duties as minister.

Alongside this leaflet we also have available on our website Standard Terms of Appointment for [full-time](#) and [part-time](#) ministers and a guide for churches to estimate the costs of appointing a minister.

Also, there is a downloadable [ministerial remuneration spreadsheet](#) that you can use as a guide to calculate the total cost of appointing a minister.

2. Stipend

The Baptist Union Trustees usually set the Standard Stipend for the following year at their May meeting. This is then published on the Baptist Union website [Financial Guidance pages](#). This Standard Stipend is set with reference to the stipends of other Christian denominations and the cost of living as reflected by CPI.

The Standard Stipend is intended to be a baseline for stipends for full-time ministers, based on an expectation that full-time ministers are usually expected to be available to carry out church duties for 6 days per week. Baptists Together advocate that no organisation should pay below the Standard Stipend for a full-time minister. Many Baptist churches choose to offer a higher stipend to their minister, especially where the minister is particularly experienced, has additional responsibilities (e.g. a lead minister in a church with multiple ministers) or the cost of living is particularly high in the local area. We advise that there is a mathematical link to the Standard Stipend put in place (e.g. a stipend set as 110% of the Standard Stipend) such that there does not need to be a potentially contentious discussion of stipend each year.

Usually a Minister in Training (MiT) is provided with a half stipend at their placement church to reflect their ministry to the church alongside their studies. The Colleges will be able to provide you with further information about the costs of calling a MiT.

3. Housing

Housing will be provided for through either a manse or a housing allowance. These options are considered in the following paragraphs.

Provision of a manse

Many Baptist churches own or lease a manse which they provide to the minister and their immediate family to enable them to better perform the duties of the ministerial office. It is important that the manse is suitable for the needs of the minister and their family and has suitable study and meeting facilities. If a manse suitable for the minister is not already owned by church (or other appointing body), then they should look at alternative options to ensure that a suitable manse is provided, which could be by leasing an alternative property or by providing a housing allowance instead.

If the minister owns a suitable property, it may be possible for the church to lease the property from the minister thus enabling the church to provide manse accommodation. The provision by the church of a manse in this way will not normally give rise to a taxable benefit to the minister, though rental income received by a minister (or minister and spouse where a property is jointly owned) in consequence of leasing their property to a church will be taxable (subject to relief for any attributable expenses) as income from property. Please see [Leaflet X03: Taxation Guidelines for Churches and Ministers](#) for more details on taxation considerations for ministers.

As part of the provision of a manse the church will usually bear the costs of council tax, buildings insurance (contents insurance is the responsibility of the minister), water and sewerage charges, broadband connection and telephone line (although the minister should bear the costs of personal calls). In addition, some churches offer to reimburse part or all of the energy costs for the manse.

Housing Allowance

Where it is not possible for the church to provide a manse, or if the minister prefers, a cash housing allowance should be provided instead. This allowance will be subject to tax and national insurance in the same way as though it was additional stipend.

A housing allowance should be set by reference to the actual cost to the minister of providing their own housing in the local area. That comprises of the cost of renting a suitable property in the local area plus the council tax and water charges. These can usually be fairly easily calculated by considering adverts for appropriate properties with local rental agents and then adding estimates of the value of other elements. The Manse Value used in calculating pensionable income (see below section on pension provision) **should not** be used as a guide to the level of housing allowance.

4. Pension provision

Our normal expectation is that ministers should be enrolled in the ministers' section of the Baptist Pension scheme. The employers' contributions under the scheme are calculated as 10% of Pensionable Income. Pensionable Income is defined as:

- the sum of the stipend plus the Manse Value used by the scheme (published on the Baptist Union website [Financial Guidance pages](#)) where a manse is provided, or;
- the sum of the stipend plus cash housing allowance, where a housing allowance is provided.

In either case, the Pensionable Income is subject to a minimum of the Standard Stipend plus the Manse Value (pro-rated where a role is part-time). This minimum is in place to ensure that ministers have a basic level of pension provision.

The reason the Manse Value is used in calculation of pensionable income rather than the market value of housing provided is for practical purposes as it would be impossible to calculate the pensionable value of manse accommodation provided to each member of the scheme, and to reflect the fact that subsidised retirement accommodation is available to ministers through the Retired Baptist Ministers Housing Organisation.

The contributions to the ministers' section of the Baptist Pension Scheme also provide income protection and life assurance benefits which are crucial in supporting ministers and their dependents should they fall ill or pass away while in ministry.

5. Other elements

It is important that ministers are provided with the equipment and service to carry out their role. This will normally include:

- a mobile phone;
- a suitable computer and associated software;
- reimbursement of reasonable travel and other out-of-pocket expenses, including attendance at events such as ministers' conferences organised by a Regional Baptist Association or the annual Baptist Assembly;
- provision for Continual Ministerial Development.

These should all be funded by the church, and, in order to avoid a taxable benefit, a phone/broadband line, mobile phone or computer should be provided and paid for directly by the church rather than by way of reimbursing the minister (see [Leaflet X03: Taxation Guidelines for Churches and Ministers](#) for further information).

6. Part-time ministers

There may be circumstances where appointing a minister full time is not appropriate or possible, including where a church does not have the finances to sustain full-time ministry, or the minister wants to engage in some work outside the church. In such circumstances there needs to be a discussion about the appropriate remuneration package between the church and minister. However, the core components of remuneration for part-time ministers remain the same as those described above.

The setting of remuneration for a part-time minister should reflect the proportion of full-time service the minister is offering to the church. (Please see notes to clauses 2 and 3 of the [part-time terms of appointment](#)) Churches certainly should not offer a part-time remuneration package whilst expecting a minister to be obliged to work full-time anyway. The usual expectation is that the minister is able, if they wish, to undertake other work in the time they do not have ministry obligations to supplement their part-time stipend and the church should endeavour to structure the minister's duties to support this.

Where a housing allowance is offered, it would normally be the pro-rated amount of a full-time housing allowance (see above). However, a church offering such a package may have difficulty finding a minister who can identify a paid role to go alongside their ministry to make such an appointment financially viable. It is also important to remember that a cash housing allowance is subject to income tax and national insurance in the same way as stipend.

Where a church provides a manse for a part-time minister it will not give rise to a taxable benefit, but the tax exemption in respect of the associated council tax and water charges strictly applies only to a full-time employee. However, HMRC has accepted that if a minister is required (under the terms of appointment) to respond at all times to pastoral emergencies (as in the case of a full-time minister) the exemption will apply (see [Leaflet X03: Taxation Guidelines for Churches and Ministers](#) for more details on taxation considerations for ministers).

Setting remuneration for part-time ministers is a complex topic which will vary depending upon the circumstances of the church and the minister. It may prove advantageous to seek advice from your local Regional Minister or the Ministries Team in Baptist house to help find the best option for your situation.