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## Pensions - Good News!

At the end of June 2022, the Baptist Pension Scheme signed an agreement with the insurance company Just Group ('Just') to secure members' pension benefits under the Defined Benefit ('DB') Plan. This agreement is referred to as a 'buy-in policy.' It follows a similar agreement with Just in 2019 that covered most pensions in payment at that time. The combined agreements mean that Just are now providing financial backing for all DB pensions provided through the Scheme's DB Plan.

The cost of such policies is largely driven by financial markets and these have moved substantially in the Scheme's favour, particularly over the course of the last few months. As a result, this transaction takes the Scheme out of a shortfall position for the first time in two decades. Although risks remain, the Baptist Union and the Trustee of the Scheme have agreed that deficit contributions from each participating employer in the DB Plan would be reduced to just £1 per month from August 2022.

More details can be found at [www.baptist.org.uk/pensions](http://www.baptist.org.uk/pensions).

## Legal and Operations

*Contributed by the Legal and Operations Team at Baptist House ([legal.ops@baptist.org.uk](mailto:legal.ops@baptist.org.uk))*

**New charge for BUC surveyor costs**  
Churches that are considering a building project should refer to the guidance in leaflet *PC04 Redeveloping or Altering Church Premises*. Where either the Baptist Union Corporation or the East Midland Baptist Trust Company is the property trustee, we incur a cost to obtain the advice of our surveyors prior to giving consent to the works. Having reviewed this situation, we believe it is appropriate to pass on this fee to the applicant church in future. The fee is currently £300 + VAT where the total project cost is below £500,000. Where the project cost is greater than this, a specific fee will be provided prior to the consent being given. Further information can be found in guideline leaflet PC04 ([www.baptist.org.uk/resources/PC04](http://www.baptist.org.uk/resources/PC04)).

**Guideline Leaflet L04 Church Amalgamations and Mergers**  
Our leaflet *L04 Church Amalgamations and Mergers* ([www.baptist.org.uk/resources/L04](http://www.baptist.org.uk/resources/L04)) has been comprehensively revised and updated.

When churches decide that they want to formally amalgamate or merge there are significant legal implications that can arise. Our leaflet outlines these legal issues and the range of decisions that need to be taken before an amalgamation can go ahead.

### Data Protection

Now that Covid-19 measures have ended, churches should ensure that they are complying with Data Protection rules and not retaining any unnecessary personal data that was collected during the pandemic, eg vaccination information, or for test and trace purposes. The Information Commissioner's Office has provided some helpful guidance and questions to ask of your church to help you review your practices and decide if the information you have been collecting is still necessary at [ico.org.uk/global/data-protection-and-coronavirus-19](http://ico.org.uk/global/data-protection-and-coronavirus-19)

### Charities Act 2022

The Legal and Operations Team are reviewing the new provisions in the Charities Act 2022 and considering their implications for churches. The statutory changes are being introduced in a phased process in the period up to Autumn 2023. The Charity Commission will be updating their guidance as each stage is implemented and we will amend our guideline leaflets accordingly.

## Go all-electric, with Newgate

**Electric vehicles – or EVs – are good for the planet, drive well, and they look great too. Let Newgate help you make the switch.**

Through Project EVE we're working with Church people across the country to share our expertise and help you Care for Creation. We can answer all your questions – from how to charge your car, to how far you can travel on one charge, and which EVs offer the best value. With our specialist partners, we can even help with charging point installation.

To find out more, call us on **08000 324 900**.  
Or, for our latest electric, hybrid and petrol offers, visit [newgatefinance.com/baptists](http://newgatefinance.com/baptists)

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Richard Wilson  
Support Services Team Leader

## Property Trusts and Use of Trust Funds

Please be aware that monies held in church trust funds usually have legal restrictions that apply to their usage. For example, funds that result from the sale of church property are typically restricted to capital expenditure such as purchasing other property or capital improvements to a building. Manse trusts are typically less restrictive, but they will usually still contain some restrictions. Trust fund money should not, therefore, be regarded as 'free money' for the church to spend as they wish. Further, churches considering closure will also have to consider 'ultimate trust' provisions which identify the beneficiary of the trust upon closure.

Please email the legal team at [legal.ops@baptist.org.uk](mailto:legal.ops@baptist.org.uk) for advice at an early stage in your discussions, so that we can review the trusts that apply to your property or funds and ensure that you understand the limits to their use.

## Support for Listed Buildings

Contributed by our Church Historic Buildings Support Team ([listedbuildings@baptist.org.uk](mailto:listedbuildings@baptist.org.uk)) funded through a partnership with Historic England. Please email us if you would like to be added to the listed buildings mailing list.



Historic England

### Heritage Property Initiative

As part of the Historic England funded Heritage Property Initiative, we are currently gathering information on how Baptist churches are using their listed buildings. We know that many churches bring people together through events, activities and essential services – which is of immense value to the welfare and wellbeing of the local community. However, this is often dependent on whether the building they meet in serves a church's needs. Information about the types of activities taking place in listed buildings will help us to support churches in making their space fit for their worship, ministry and mission. To take part, please visit [www.baptist.org.uk/heritagepropertyinitiative](http://www.baptist.org.uk/heritagepropertyinitiative)

## Quinquennial Inspection Grants

We are pleased to be running a third and final round of £400 Quinquennial Inspection Grants at the start of 2023. Applications will open at the beginning of January and close at the end of March. These five-year condition surveys are essential for every Baptist church, as they help churches to access funding, undertake maintenance, increase energy efficiency, and ensure their building is safe and accessible. For more information or an Application Form, please email [listedbuildings@baptist.org.uk](mailto:listedbuildings@baptist.org.uk).

## Environmental Issues

Contributed by Dave Gregory, Former President, Baptist Union 2018-19, Convenor of Baptist Union Environment Network (BUEN) and Director, John Ray Initiative – Connecting Environment, Science and Christianity.



With the record-breaking July heatwave, many people's thoughts have been focused on the issue of climate change. What often seems a distant prospect has now started to become a lived experience that connects us with people around the world. Churches are beginning to ask how they can respond and work towards making their buildings more sustainable.

At the National BUEN showcase in July, Eddy Murphy of Ollio Consultants shared about the partnership he has with Cemetery Road Baptist Church - exploring decarbonisation of their older buildings. He highlights some of the challenges of making their buildings sustainable and explores some creative solutions around community energy projects.

Scan the QR code to watch a recording of Eddy, or see <https://youtu.be/2ho7MMEwAaA>



## HR & Safeguarding

Contributed by the HR & Safeguarding Team ([safeguarding@baptist.org.uk](mailto:safeguarding@baptist.org.uk))

### Issuing of Fit Notes

A fit note is a certificate stating that an individual is fit for work, unfit for work or able to do a limited type or amount of work because of health issues. The law has recently changed to allow a wider range of healthcare practitioners to issue fit notes. Traditionally, fit notes have only been issued by GPs or hospital doctors, but now they can be issued and signed by qualified healthcare professionals in five professions. These are doctors, nurses, occupational therapists, pharmacists and physiotherapists.

The Government has published guidance for employers that you can find here: <https://www.gov.uk/government/publications/fit-note-guidance-for-employers-and-line-managers>

### Parental bereavement leave and pay

Sadly, each year more than 4,000 parents will suffer the pain of a baby who is stillborn or who dies in the first few months after birth. Often churches as employers are unsure of the legal provisions for staff in these very difficult circumstances. Church staff may be eligible for Parental Bereavement Leave and Statutory Parental Bereavement Pay if they, or their partner, either had a child who has died under 18 years old or had a stillbirth after 24 weeks of pregnancy.

A member of staff can take two weeks' leave from the first day of their employment for each child who has died or was stillborn. They can choose to take two weeks together, two separate weeks of leave or only one week of leave. Statutory parental bereavement pay is paid at the same rate as Statutory Maternity Pay.

For more information please see the Government guidance for employers at: <https://www.gov.uk/employers-parental-bereavement-pay-leave>

## Finance

Contributed by the Finance Team at Baptist House ([financeoffice@baptist.org.uk](mailto:financeoffice@baptist.org.uk))

### Stipend

The 2023 Stipend has been set by the BUGB Trustees at £26,500. Full details can be found at [www.baptist.org.uk/financialguidance](http://www.baptist.org.uk/financialguidance). The Manse Value used for the calculation of pensionable income will be set in October based on September CPI.

### Subscriptions

Thank you to all who have paid their subscriptions. Unfortunately, there are still many churches yet to pay for one or more years and we would ask you to pay this promptly (as a reminder the 2021 rate was £4.75 per church member and the 2022 rate is £4.90).

We ask wherever possible that you pay by Direct Debit as this reduces our administration costs. Instructions on how to do this are on our website [www.baptist.org.uk/directdebit](http://www.baptist.org.uk/directdebit). A direct debit form can be sent in at any time of the year, and we will work with you on the first year as to when the first Direct Debit payment is taken and how much we will take. Any subscription questions can be emailed to [subscriptions@baptist.org.uk](mailto:subscriptions@baptist.org.uk).

### Baptists Together Deposit Account Rates

We have updated the interest rates our Deposit Accounts pay following the recent base rate changes. These accounts provide churches with an opportunity to obtain competitive rates of interest and support the work of the wider Baptist family at the same time. Further details and current rates can be found at [www.baptist.org.uk/depositaccounts](http://www.baptist.org.uk/depositaccounts).



### Church Energy Bills

Do not forget that the price cap does not apply to commercial premises including church buildings. In fact, there is no price cap on business energy, which means that suppliers can increase their out-of-contract rates by as much as they see necessary to cover their increased costs.

If you are concerned about your energy costs rising this winter, please get in touch for a free Energy Audit and receive help and advice with your church's energy needs. Enter your church details to start the process. [www.utility-aid.co.uk/baptist](http://www.utility-aid.co.uk/baptist)



# Baptists Together Deposit Accounts

Baptist member churches with savings and reserves are encouraged to lodge these in a Baptists Together Deposit account.

These accounts, provided by the Baptist Union Corporation Limited, offer a competitive rate of interest to depositors. They also provide funds which are used to make loans to finance the purchase of new church sites and manses and fund the construction of new churches, as well as redevelopment and improvement projects. Such projects help churches to develop their mission in their community and it is a fantastic way for churches with surplus funds to support mission across the Baptist family.

## CURRENT RATES:

**2.00% interest**  
on 1 year fixed rate deposit

**0.35% above Base Rate**  
on 3 month notice account  
(reducing to 0.25% from 1 October)

**0.10% above Base Rate**  
on 7 day notice account  
(reducing to Base Rate from 1 October)  
(all rates subject to regular review)

**Minimum deposit £1,000**  
for all accounts

For more  
information visit

[www.baptist.org.uk/depositaccounts](http://www.baptist.org.uk/depositaccounts)

## Taxation Topics

Contributed by Malcolm Gunn - our Honorary Taxation Adviser. Please send any tax related queries to ([financeoffice@baptist.org.uk](mailto:financeoffice@baptist.org.uk))

### **Transferable marriage tax allowance**

If a minister's spouse has income below the personal allowance, which is £12,570 for the current tax year, it is possible for him or her to transfer £1,260 of that allowance to the other. This will then give the minister a tax reduction equal to the basic rate of tax on the transferred amount.

### **Example**

Minister's spouse has income of £11,000 which is within the personal allowance so there is no tax to pay. The minister's stipend bears basic rate tax after deduction of the personal allowance of £12,570.

If the minister's spouse makes an election to transfer marriage allowance to the other, the minister will receive a tax deduction of £1,260 at 20%, that is £252 for the current year. The transferor's personal allowance is reduced by the same amount but in this example this makes no difference. There is no form to complete to make the election so it can be made by letter to HMRC or by phone call. If the election would have been advantageous in earlier years as well, a claim can also extend to the past three tax years 2018/19 to 2020/21. Claims must be made within four years of the end of any tax year so 2017/18 is now out of time.

The claim cannot be made if the minister's income is such that it gives liability at any of the higher rates of tax.

### **Couples with income from property letting**

We have published a new guidance leaflet, X04 ([www.baptist.org.uk/resources/X04](http://www.baptist.org.uk/resources/X04)) to set out some basic tax planning for those with income from letting a property on shorthold tenancy. The note covers the situation where one of the couple has unused income tax allowances whereas the other has income taxed at the basic rate. In such circumstances it can be advantageous to arrange for the letting income to be taxed on the one with the unused tax allowances.

Married couples cannot simply decide to declare the income on whichever tax return gives the lower tax charge. However, they can transfer beneficial ownership of the property so that it then belongs to the one who has the unused allowances. The guidance note sets out a straightforward means of transferring the beneficial ownership and the steps which must be taken to have this recognised for tax purposes.

### **Manse utility bills**

With this year's substantial increase in heating and lighting costs, here is a reminder of the best ways of setting up these utility bills in relation to the church manse.

Manse lighting and heating bills should not be in the name of the church. If they are, the amounts paid give rise to a taxable benefit on the minister and a NICs liability on the church. The better arrangement is that accounts should be in the name of the minister, and for the church to reimburse the minister. Generally, 25% of the usage may be regarded as use for church business, so if the reimbursement is limited to that amount, there will normally be no taxable benefit on the minister. Note however that the 25% figure is not set in stone and it all depends on the amount of use of the manse for church meetings, minister's office and other church business. Any reimbursement is exempt from national insurance contributions, even if greater than the 25% figure.

If reimbursement is greater than the allowable proportion for church use, the excess is taxable. This is dealt with via the payroll, ie added to stipend for the purpose of calculating income tax under the PAYE system, but care must be taken to exclude the taxable amount from the charge to NICs.

If there is no reimbursement from the church, ministers should claim tax relief for the business proportion of the utility bills on their self-assessment tax returns.

The amount of manse expenses upon which a minister is liable to tax is capped at 10% of the minister's taxable stipend and benefits. Where this is likely to apply, please refer to Leaflet X02 ([www.baptist.org.uk/resources/X02](http://www.baptist.org.uk/resources/X02)).

### **Manse telephone**

A landline at a manse is tax free to a minister so long as the contract is directly with the church and any private use is insignificant. This exemption will therefore apply only to a line specifically for church business. Churches could therefore consider supplying the minister with a mobile phone, contracted in the name of the church, rather than a landline. There is no restriction on usage as regards the tax exemption for employer provided mobile phones, and no NICs liability arises either. The usefulness of the mobile does of course depend on sufficient signal being available at the property.

### **Motor expenses**

Despite the substantial increase in fuel costs this year, HMRC has not (at the time of writing) seen fit to increase the tax-free allowance for car mileage. It therefore remains at the rate of 45p per mile, for the first 10,000 miles, a rate which was set in 2011. There is nothing to prevent a higher rate being paid, but any excess over this figure will be taxable through the payroll and therefore the excess amount should be included in monthly pay.

These notes are offered to provide general information for Baptist churches. We hope they will be helpful in highlighting new guidance and providing reminders about other important matters relating to the life of a local Baptist church. Although every effort is made to ensure that the information is correct at the time of publication, we make no representations, warranties or guarantees (whether express or implied) that the information is accurate, complete or up-to-date. Further, these summary notes are not intended to amount to advice on which you should rely and cannot be a substitute for formal professional or specialist advice. We do not assume and will not be liable to any party (who has either taken or refrained from taking action in reliance on these notes) for any loss or damage caused by errors or omissions, whether resulting from negligence or any other cause. If you want to ask detailed follow-up questions, please contact us through the Baptist Union website.