

DIOCESE OF CHICHESTER

**FINANCIAL ASPECTS
OF MINISTRY**

A guide for clergy and parishes

January 2024

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CHURCH COMMISSIONERS

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1. INTRODUCTION

The responsibility for providing ministry in our churches is shared between people in parishes, the bishops, archdeacons and diocesan Church House, and the Church Commissioners. Between them they ensure our churches and ministers receive financial and administrative support and pastoral care.

The largest cost of the diocese is paying and housing the parish clergy. In addition, the diocese funds the training of ordinands, curates and experienced clergy, and provides support to parishes such as buildings and safeguarding advice. The diocese also provides guidance and support to our Church schools.

Historically, most of the funding for stipends came from the Church Commissioners, together with income from glebe property. As the cost of providing realistic stipends and proper pension provision for retirement rose significantly, the responsibility for funding shifted to parishes and diocesan authorities. Commissioners' grants for stipends slowly declined and ceased altogether in 1995. There is no government funding for the costs of ministry or support. As a result, these costs must be found from within the parishes and dioceses.

The vast majority of the diocese's income comes from the generosity of parishes through Parish Share. Other sources of income include investment income, rents from vacant parsonages and payments for certain services. This income and expenditure is managed by the Diocesan Board of Finance (DBF) under the authority of the Diocesan Synod.

In order to help parishes understand the cost of providing ministry in the Diocese the total budgeted expenditure is divided across the total number of parish clergy. The costs associated with each member of the clergy are known as Average Parish Ministry Costs ('PMC'). In order to allocate costs the type of post (full time, part time, House for Duty etc) is taken into account and the costs are apportioned appropriately. For 2024 the average Parish Ministry Cost for a parish with one full-time stipendiary post is £81,445

Parish Share is the amount which a PCC pledges to give to the Diocese as its contribution towards the costs of the Diocese. The name Parish Share reflects the joint responsibility we all have for maintaining the Church of England through parochial ministry and other shared resources. Parishes who can give more than the average costs expressed in PMC express their share in the household of faith by supporting those who cannot give as much as the average.

More information about Parish Share and Parish Ministry Costs is available in the leaflet entitled '[Parish Share: Paying for our Churches](#)' and in the video at [Parish Share](#).

This booklet aims to explain the key elements of the stipends and other financial support available to clergy. There are also sections covering parochial expenses, occasional duty fees, housing and pension information which will be of interest not only to clergy but also to churchwardens, parish treasurers and, we hope, all members of congregations. We feel it is important that everyone concerned with the financial, administrative and pastoral support of the ministry should have as full a picture as possible.

2. OUR POLICY

It is our policy that ministers should have:

- a stipend adequate to live in reasonable comfort without anxiety;
- proper reimbursement of expenses incurred by them on behalf of the parish;
- a house for them and their family;
- the prospect of a fair pension and somewhere to live in retirement;
- access to such other financial help as may be needed from time to time.

A few parishes are classed as *light duty* posts where part of a standard stipend, usually 50%, is paid. These posts are usually held by clergy who have another source of income, a pension or hold a dual post.

3. SUMMARY OF STIPENDS, GRANTS AND PENSIONS FOR 2023 AND 2024

STIPENDS

	From 1 April 2023 £	From 1 April 2024 £
Incumbents and team vicars	29,945	31,440
Associate Vicars	29,585	31,060
Assistant curates, parish deacons and licensed lay workers – standard	28,790	30,230
Assistant curates, parish deacons and licensed lay workers – with 3+ children	29,200	30,660
Additional payment to rural deans	1,600	1,680
National stipend benchmark	28,634	30,066
National minimum	26,794	28,134

GRANTS

The grants payable from 1 April 2023 (2024) are as follows. (See page 21 for more details.)

	Incumbents £	Curates £	SSMs £
Resettlement	2,679 (2,813)	2,679 (2,813)	N/A
First appointment	N/A	2,679 (2,813)	1,340 (1,406)
Second appointment	2,679 (2,813)	2,679 (2,813)	N/A
Training incumbent	400	N/A	N/A

PENSIONS

Stipendiary clergy and eligible lay workers are members of the Church of England clergy pension scheme (unless the individual has chosen not to join or is already drawing their clergy pension, in which case they are enrolled into the NEST scheme with lower contributions). The DBF makes contributions on behalf of eligible licensed clergy and lay workers which will be £7,074.20 per annum (2022/23) rising to £7,145.60 per annum (2023/24). Lower contributions are paid on behalf of those who work part time. Members do not have to pay contributions but may wish to make additional voluntary contributions. More information about the Clergy Pension Scheme is available from the Church of England Pensions' Board.

4. STIPENDS

Where does the money come from to pay the clergy working in the parishes of this diocese?

Money to pay stipends comes mainly from the following sources:

PARISHES

1 ***Parish Share***

Every parish in the diocese, through the deanery, is asked to contribute an amount, known as the Parish Share, towards the overall cost of maintaining the Church of England in Sussex. The Parish Share forms the majority of diocesan income and payment of stipends, national insurance and pension form the majority of diocesan expenditure.

Stipends are paid each month. It is therefore essential for parishes to pay their Parish Share monthly so that the diocesan bank account is not overdrawn which would mean incurring heavy bank charges. Most parishes pay by monthly standing orders through their bank or by direct debit.

INVESTMENTS OWNED BY THE DIOCESAN BOARD OF FINANCE

2 ***Diocesan stipends capital account***

This fund comprises proceeds of sales of glebe properties plus legacies and gifts which have been given to provide income for stipends. The income from this account is earmarked to help pay clergy stipends.

3 ***Diocesan pastoral account***

The capital in this fund has arisen from surpluses on the sale of redundant parsonages, churches and other property. The income goes towards ministry costs.

CHURCH COMMISSIONERS

4 ***Guaranteed annuities from the Church Commissioners***

The Church Commissioners make grants to some dioceses with particularly high levels of deprivation by way of Lowest Income Communities funding, but not the Diocese of Chichester. Payment of guaranteed annuities attached to certain benefices represents the only payment made by the Commissioners to the diocese. Due to legislation this is being gradually withdrawn as the incumbent of each benefice departs, and is already a very modest amount of income to the diocese, less than £10,000 a year.

OTHER MAJOR SOURCES

5 ***Glebe land income***

Since 1978 glebe has been put under diocesan administration as part of the diocesan stipends capital fund (see above). The income is used to support stipends across the diocese.

6 ***Lettings***

The diocese generates additional income by letting out parsonage houses when not required for parochial use (for example during vacancies).

7 ***Parochial fees***

Statutory fees are payable to the diocese for weddings and funerals.

How is the stipend paid?

The stipend is paid by 12 equal monthly payments from the Church Commissioners (net of tax and national insurance) not later than the last working day in the month. The Commissioners act as agents in paying the clergy for this diocese as they do for dioceses throughout the country.

What about income tax?

The monthly stipend paid into the bank by the Church Commissioners is net of income tax and national insurance.

Working expenses not reimbursed

All stipendiary ministers may set against their taxable income any working expenses for which they have not been reimbursed. Nevertheless, this still means they have to find, at present tax rates, 80% of these expenses out of their own pocket. It is therefore diocesan policy that ministers should be reimbursed expenses incurred by them on behalf of the parish, and stipends are fixed on that basis.

Heating, lighting and cleaning

Full time clergy and most full time parochial lay workers who occupy an official residence, *ie* not their own home, are entitled to claim tax relief for running their office. In practice this amounts to a percentage of the cost of heating, lighting and cleaning the whole residence. For further information, see <https://www.churchofengland.org/more/clergy-resources/clergy-payroll/hlc-scheme>

Further information

Further information on income tax can be found at <https://www.churchofengland.org/more/clergy-resources/clergy-payroll/ministers-religion-tax-return-pages>

What happens when clergy are sick?

The stipend continues to be paid in full for as long as the individual is entitled to receive statutory sickness payments. It is important that a [self certified sickness form](#) is completed and returned to the Diocese's Clergy HR Officer. A doctor's certificate must be obtained for illness lasting longer than a week. Clergy (Terms of Service) legislation stipulates that all on Common Tenure must notify the Diocese's Clergy HR Officer of any periods of illness either by email (ClergyHR@chichester.anglican.org) or by post to Church House.

Further information can be found in the [Diocesan Clergy Manual](#).

When an incumbent or priest-in-charge is sick, the DBF may pay occasional duty fees for services taken in the parish (see section on occasional duty fees on page 13).

Other Leave

Information about Parental Leave is available in the [Family Friendly Policy](#). Information about annual leave, compassionate leave and other forms of leave such as to undertake jury service can be found in the [Clergy Manual](#). Both are available on the diocesan website.

It is important to note that the Clergy HR Officer (imogen.robins@chichester.anglican.org) must be notified of all intended leave other than annual leave as soon as possible so that funds can be reclaimed from the government. This is needed particularly early for maternity and paternity leave: see the Family Friendly Policy for timescales.

What about House for Duty priests?

As their name implies, House for Duty priests do not receive a stipend but are provided with a house in exchange for providing ministry.

5. PAROCHIAL WORKING EXPENSES

Like many workers, clergy often pay for incidental working expenses (travel, stationery etc) from their own pockets. ***Diocesan policy is that all expenses properly incurred on behalf of the parish should be reimbursed.*** We encourage all clergy to put in regular itemised claims for all expenses to the PCC, so that the Church can understand the full real costs of ministry.

If all expenses are not claimed then the full cost of running a parish is not known. Furthermore it is unfair on future clergy who may not be able to afford to subsidise a parish. If clergy want to donate part of their expenses to the parish, they should make the full claim, and then make a separate voluntary donation, preferably *Gift Aided*. This is a tax efficient and fair way of proceeding.

Types of expenses payable by PCCs

The main types of expenses for which a PCC is responsible are:

- 1 ***Travel:*** eg car expenses or cost of public transport incurred on parochial business.
- 2 ***Office:*** eg postage, telephone, stationery, administrative assistance and the provision and depreciation of office equipment or computers as appropriate.
- 3 ***Professional:*** eg maintenance of robes, teaching aids, literature, books and church publications.
- 4 ***Locum tenens:*** eg the provision of a locum to do holiday duty or to cover during sabbatical leave. However, the payment of a locum when the priest is sick is normally paid by the diocese. (See page 13 for information on occasional duty fees.)
- 5 ***Hospitality:*** to visiting preachers and so on.

In addition to these parochial working expenses PCCs are responsible for meeting the council tax, water rates and environmental charges for all houses occupied by parish stipendiary staff including licensed lay workers.

Full details of parochial working expenses are contained in the Archbishops' Council's booklet ***The Parochial Expenses of the Clergy - A Guide to their Reimbursement***, available at <https://www.churchofengland.org/sites/default/files/2017-10/parochial-expenses-guide-2017.pdf>

All these legitimate expenses should be reimbursed monthly by the PCC in full. Where a minister officiates in a plurality or a multiple parish benefice, ie a benefice with two or more parishes, the expenses should be shared by the PCCs by prior agreement.

Expenses should be set out on a proper form every month so that there is no doubt as to what has been spent and how much should be reimbursed. The [Diocesan expense form](#) can be adapted for PCC use and blank forms may be obtained from Diocesan Church House. If expenses are not reimbursed, clergy have to pay them from their stipend. This is grossly unfair, because the level of the stipend has been set on the assumption that all such expenses are reimbursed. Flat rates should not be used, as clergy will then either be reimbursed too little, which is unfair, or too much, which will give rise to tax liabilities.

We recommend that reimbursements for the use of a car on parochial duty should be based on a fixed sum per mile and not in terms of road tax, insurance and so on. HM Revenue and Customs issues rates each tax year commencing 6 April, which will not involve any potential tax liability on any so called profit. The rates as at December 2023 are:

Car	45p for the first 10,000 miles, dropping to 25p for any further mileage
Motorcycle	24p per mile
Bicycle	20p per mile

Whether parishes use the rates set out, or any other basis, full records *ie* details of all official and private mileage and all car running expenses, including invoices, should be kept. Such records are required to substantiate a tax relief claim for any un-reimbursed element of car expenses, or to use in any dispute with HMRC about over reimbursement.

Self-supporting ministers and Readers

SSMs and Readers do not receive a stipend or housing but are entitled to reimbursement of appropriate working expenses from the appropriate PCC. SSMs and Readers are not normally entitled to occasional duty fees during interregna or sickness, but may claim travelling expenses for these services.

Financial relationship between clergy and the PCC:

The Guidelines for Professional Conduct of Clergy state

- The clergy need to ensure that all their financial activities, whether personal or corporate, meet the highest ethical standards. There must be strict boundaries between church finance and personal moneys in order to avoid the possibility of suspicion or impropriety. This will require accurate and careful record keeping of money which is received from others, including Parochial Fees, and a proper audit trail for all money which is to be passed on to third parties including the PCC, the Diocesan Board of Finance and

the tax authorities.

- The clergy should never seek any personal advantage or gain by virtue of their clerical position. Those who receive personal gifts should keep a record in case of later misunderstandings or false accusations.

It is good practice in many organisations to maintain a gift register and clergy may want to consider asking their PCC Secretary to do so on behalf of the parish.

6. PAROCHIAL FEES

There are statutory fees payable for services which the incumbent is under a legal obligation to provide (such as marriages and funerals). The amount of the fee is set centrally by law and it is the PCC's responsibility to collect the fee due for any service (except for funerals at crematoria or cemeteries where the officiant is a minister with Permission to Officiate in which case the fee should be paid direct to the DBF).

The fee consists of two elements: an amount due to the PCC (except for funerals at crematoria or cemeteries where the officiant is a minister with Permission to Officiate) and an amount due to the DBF.

When a service is taken by a minister retired from stipendiary ministry then the diocese has agreed that 80% of the DBF's fee can be paid to the retired minister. This is capped for funerals taken at crematoria or cemeteries where the officiant is a minister with Permission to Officiate. More information about this, including the definition of retired minister, can be found at <https://www.chichester.anglican.org/parochial-fees/>.

It is the diocese's policy that the whole fee due should be paid directly to the PCC or DBF as appropriate. It is the PCC's responsibility to forward the correct amounts to the DBF and the retired minister as appropriate. The DBF will forward the correct amount to the retired minister where the fee is paid direct to the DBF. More information about parochial fees, including the up-to-date fees table and DBF forms, and a quick reference table showing the amounts due to retired ministers as well as the PCC and DBF can be found on the diocesan website: <https://www.chichester.anglican.org/parochial-fees/>

7. OCCASIONAL DUTY FEES

These are the amounts payable to a minister for taking a service in church because the church is in vacancy (known as sequestration), or the incumbent or priest-in-charge is ill. In these circumstances the diocese is responsible for paying occasional duty fees.

Stipendiary clergy, SSMs, clergy in full time employment and Readers are not entitled to a fee, but are entitled to travelling expenses.

For retired stipendiary ministers the DBF will pay occasional duty fees within certain financial ceilings (see below). The scales are:

Fees for 2024

Full Sunday duty (<i>two or more services</i>)	£69
Main Sunday service (<i>or major festival service</i>)	£43
Weekday service (<i>or short Sunday service or baptism service which is not part of the Main service</i>)	£26.75

Subject to a maximum of £96 per church per week. This cap does not apply to Holy Week and Easter or Christmas.

Travel expenses

The diocese will also pay travelling expenses at the current mileage rate, 45p, subject to a usual maximum return journey of 30 miles. However mileage in excess of 30 miles incurred by a priest living in the same deanery may be paid in full. Travel expenses over and above this figure should be met by the parish.

How to claim

Clergy and readers should complete the appropriate claim form and give it to the churchwarden. It should be signed by both the person taking the service and the churchwarden. The PCC should pay the individual the appropriate fee, The PCC can claim reimbursement of expenses incurred on a quarterly basis. The PCC reimbursement claim form can be found at <https://www.chichester.anglican.org/information-for-parishes-in-vacancy/>

Further information

For further information, see ***The payment of parochial and other fees*** (guidelines prepared by the DBF), copies of which may be obtained at <https://www.chichester.anglican.org/documents/fees-guidance/> or from Church House, Hove. If any questions or queries arise, please contact the Accounts Department or the Diocesan Secretary at Church House, Hove.

8. HOUSING

A stipendiary minister is entitled to a house, free of rent, repairs and rates or charges, to serve as both office and home. A similar right is conferred on most part time stipendiary ministers and house for duty ministers. There is no obligation to use it for PCC or other meetings.

Parsonages

The DBF normally provides a parsonage for an incumbent or priest-in-charge. All parsonages are administered by the Property Director and his/her staff under the auspices of the parsonage sub-committees.

The PCC is responsible for the payment of water rates, environmental charges, and Council Tax. It is suggested that parishes in a multiple parish benefice or in plurality should share the costs in the same way as they share working expenses.

The priest pays for services (gas, electricity, telephone, broadband, etc) and insurance of contents but may be able to claim tax relief. Accountancy advice should be sought where necessary.

The DBF is responsible for virtually everything else including:

- Insuring the fabric but not contents. Claims must be made through the Property Department staff.
- Fabric repairs and exterior decoration (including the installation of at least two smoke detectors, if not already done).
- Repairs to the fabric on an interim basis, e.g. storm damage, but not: the cleaning of gutters; maintenance of the garden (except mature trees); repairs to sheds, greenhouses, washing lines or television aerials; repairs to gas fires or cookers or any other appliance. These items are the responsibility of the occupant of the house although the PCC may assist.
- All property repairs, other than emergency repairs, must be authorised by the Property Director or his/her staff, who issue orders to contractors. In extreme emergency situations, provided that the total value of the contract, excluding cost of materials, does not exceed £300, any reliable firm may be instructed by the occupant to undertake the repairs.
- Improvements: the cost of major improvements is usually shared with the PCC. For details of how to apply, see the Property Strategy (currently being updated).
- Under government safety regulations, all gas boilers and appliances must be inspected annually by a registered operator. For benefice and glebe properties

and those owned by the DBF, the property department will set up an annual servicing contract for boilers and heating systems. The DBF will cover the cost for this. The diocese will also inspect and pay for the servicing of oil fired heating systems.

The PCC or parish or parochial trusts retain the responsibility for making similar arrangements and paying the cost for **all properties** owned or held in trust by the PCC, parochial officers or parish trusts.

The DBF also makes grants to incumbents or PCCs for interior decoration on the production of receipted accounts for work done or materials purchased:

- (a) Up to £350 for the five-year period to 31 December 2022 and each subsequent 5 year period.
- (b) Up to £350 on removal to another benefice.
- (c) Up to £350 after ten years in the same house (not transferable to a new incumbent).

Applications for all grants must be made ***before the work is started.***

The Parsonages Board strongly recommends that each year one room of the parsonage is decorated, for which the PCC should pay the full cost. Alternatively, the PCC should put aside money each year for this cost.

During an interregnum, the churchwardens with the Rural Dean are automatically appointed sequestrators. Part of their duty is to be responsible for the parsonage and any other benefice property. Details of their responsibilities are contained in the ***Diocesan vacancy guide***, a copy of which is issued when sequestrators are appointed. Further copies are available at <https://www.chichester.anglican.org/documents/diocesan-vacancy-guide/> or from the Archdeacons' PAs at Diocesan Church House. If the parsonage is to be empty during the winter months, the plumbing and heating systems must be fully drained down; the property department will arrange this.

Further information can be found in the Diocese's Housing Handbook: <https://www.chichester.anglican.org/documents/property-handbook/>

Houses for Associate Vicars

Where the DBF owns a house in the benefice which was previously a parsonage house or a replacement for such a house, most commonly because the benefice was previously two separate benefices, that house will be used to accommodate the Associate Vicar and the Average PMC for the parishes will include a housing element, in the same way as for incumbents and priests-in-charge living in the parsonage house.

Otherwise, parishes are usually expected to provide housing for Associate Vicars and other assistant ministers, either in a property owned by the PCC or by renting in. Where the house is owned by the DBF, a market rent will be assessed.

Ordinarily, the PCC will be asked to pay the market rent for the property. However, where there is a clear need for the additional ministry but these housing costs are unaffordable, an appropriate rate will be discussed.

Where the PCC owns the property or it is rented in, maintenance and other costs will be borne by the PCC. Where the house is owned by the DBF, the DBF will maintain the fabric, but the PCC is responsible for internal decoration.

Where the house is owned by the DBF the responsibility for the servicing and inspection of the gas installation and appliances rests with the DBF. Where the house is owned by the PCC, it rests with the PCC.

The Property Department at Church House Hove is very willing to advise and offer guidance at any time. Please contact the Property Director in the first instance.

Housing Allowances

Within the Diocese of Chichester it is the expectation that clergy office holders will live in a house provided for the better performance of the duties of the office held.

By exception, and at the discretion of the Bishop, an office holder may be given permission to live in alternative accommodation. There need to be convincing reasons for the request, and the property must be close to the benefice, and suitable for the needs of the office holder.

At the discretion of the Bishop, the DBF will pay a housing allowance of £8,000 p.a. to an office holder who is not living in the provided accommodation.

A housing allowance will not be payable where an office holder lives in the house provided for their spouse/civil partner who is also an office holder.

Council tax and water rates should be met by the appropriate PCC, up to the amount that would have been payable in respect of the parsonage house.

The extra cost of travel expenses to and from the house and the parish will not be reimbursed. This is considered a cost to the office holder for choosing not to live in the provided accommodation in the parish. Expenses for work within the parish should be paid as normal.

Office holders and curates who live in their own house or accommodation are not entitled to the heat, light and cleaning allowance as part of their stipend. Those who work from their own home or accommodation should also consider wider issues related to working from home such as insurance, mortgage conditions etc.

In the rare case that the DBF requests that an office holder lives in alternative accommodation, then the DBF will consider the appropriate financial arrangements on a case-by-case basis.

Tax Considerations

The housing allowance is treated as additional stipend and is subject to income tax and national insurance which is collected at source through PAYE.

The council tax and water rates should be paid by the PCC on behalf of the office holder. As long as the property is the residence from which the office holder performs the duties of office, the payments will not be construed as a taxable benefit-in-kind and therefore the amount is not subject to income tax.

On very rare occasions the DBF rents in a property which belongs to the office holder and then makes the house available. In this instance the income is rental income in the hands of the landlord (office holder) and is subject to income tax through a self-assessment tax return. Landlords can deduct allowable expenses from the income and they are taxed on the net rental income.

9. PENSIONS & RETIREMENT BENEFITS

In this diocese Rural Deans have pastoral responsibility for retired clergy and clergy widow(er)s living within their deanery. In most instances the parish priest will have day to day pastoral concern.

The Revd Simon Hobbs, at Church House, Hove, is the Bishops' Chaplain for Retired Ministry and tries to be as helpful as possible with practical and financial matters.

Many clergy are members of the Retired Clergy Association which has a number of active groups within the diocese. For more information please see: <https://rcacoe.org/>

Clergy and licensed lay workers

Currently all stipendiary clergy and licensed lay workers are automatically members of a non-contributory pension scheme. For members who are able to complete the maximum reckonable service (full service) before their scheme retirement age, the position is as follows:

1. Members who completed full service before 1 January 2011 will be entitled to a maximum pension of $\frac{2}{3}$ of the prior year National Minimum Stipend.
2. Members who joined on or after 1 January 2011 and complete full service will be entitled to a maximum pension of $\frac{1}{2}$ of the prior year National Minimum Stipend.
3. All other members will receive a maximum pension of somewhere between $\frac{1}{2}$ and $\frac{2}{3}$ of the prior year NMS dependent on the proportion of service completed before and after 1 January 2011.

The following table summarises the maximum benefits payable at scheme retirement ages to members in the first 2 categories (outlined above) from 1 April:

	April 2023 ($\frac{1}{2}$ NMS)	April 2023 ($\frac{2}{3}$ NMS)	April 2022 ($\frac{1}{2}$ NMS)	April 2022 ($\frac{2}{3}$ NMS)
Basic Pension	£12,759	£17,012	£12,633	£16,843
Retirement lump sum	£38,277	£51,036	£37,898	£50,530

Clergy with fewer years of service will normally get lower pension benefits.

If clergy are unsure whether they qualify for a full pension they should contact the Church of England Pensions Board for advice, using the contact details given below.

Retirement Housing

For those clergy requiring help with their retirement housing both when leaving ministry and into their retirement, the Pensions Board offers assistance. The two main offers are:

- CHARM Housing – clergy can apply up to 5 years before their proposed retirement date and should aim to apply at least 2 years before their proposed retirement date. The Board offers shared ownership for those who have savings but not enough to buy outright, or subsidised rented accommodation for those who have limited savings. Clergy can choose from properties in locations all over England and some in Wales.
- For those looking for a more supported environment the Board owns 7 sheltered housing schemes where residents enjoy communal living in a Christian environment.

Further details are available from the Housing Team on 020 7898 1824 or email housingservices@churchofengland.org.

Early retirement through ill health

The Pensions Board has the ability to grant a pension if early retirement is necessary on the grounds of ill health. As the regulations and calculation of benefit payable are complicated, reference to the Pensions Board is advised.

Clergy dependants

Widow(er)s receive two-thirds of their spouse's pension. Widow(er)s of clergy who have died in post having completed two years of pensionable service receive a pension of two-thirds of the disability pension which would have been received if retirement due to ill-health had occurred on the day of death. The pension takes into account potential service to pension age.

Orphans may also receive a pension. The first and second child would receive one sixth each of their parent's pension entitlement. If there are more than two, they share a one third pension. This means a widow(er) and children effectively receive the equivalent of the spouse's pension.

Widow(er)s are legally entitled to remain in a parsonage house for a minimum of two months after the death of their spouse. In this diocese it is the practice for them to be allowed to stay for longer than that. Further details are available at <https://www.chichester.anglican.org/documents/policy-widows-widowers-and-civil-partners-2020/>

Archdeacons have pastoral responsibility for separated or divorced spouses of the clergy.

Voluntary contributions scheme

Clergy and lay workers may improve their retirement benefits by making additional voluntary contributions.

Life Assurance

Stipendiary clergy and licensed lay workers are treated similarly under the Pensions Board's life assurance scheme. In the event of death in office a lump sum is payable. For clergy and lay workers still in service beyond pension age, payment under life assurance ceases after 5 years, on a sliding scale.

The Pensions Board has discretion as to who this lump sum death benefit is payable to. To assist the Board in exercising this discretion, all stipendiary clergy and licensed lay workers should complete a nomination form indicating their wishes in this respect. The nomination form is at the back of the pensions booklet (available from the Pensions Board).

For further information

Further information is contained in the booklets issued by the Church of England Pensions Board. Please see:

<https://www.churchofengland.org/more/pensions/clergy-pensions>

The Pensions Board will be pleased to answer any questions about pension benefits and related matters. Their address is: **29 Great Smith Street, London SW1P 3PS (020 7898 1802 Email pensions@churchofengland.org)**. Please quote your national insurance number in any correspondence.

10. OTHER FINANCIAL HELP

Stipendiary ministers may be entitled to certain benefits to help them in their work and to support their families. Some of these may be open to self-supporting ministers in certain circumstances.

Car loans

The Church Commissioners formerly made loans for cars. The scheme has been discontinued, but the Churches Mutual Credit Union offers an alternative - see <https://churchesmutual.co.uk/>

First and Second appointment grants

Grants are made to stipendiary ministers on their first appointment to their title post after ordination and to those taking up their second appointment, whether or not that is an incumbency. Currently the grant is 10% of the national minimum stipend set by the Central Stipends Authority. From 1 April 2023 each of these grants is £2,679. SSMs will receive £1,340 on ordination followed by appointment in the diocese.

Resettlement and removal grants

Removal and resettlement grants are normally only paid to clergy moving into DBF provided accommodation. By exception, the DBF will pay discretionary removal and resettlement grants to clergy moving into their own home if approved by the Diocesan Secretary.

Resettlement grants aim to help with costs of carpets, curtains, etc. Currently the grant is 10% of the national minimum stipend set by the Central Stipends authority. For all clergy (**incumbent status and assistant ministers**) the grant from 1 April 2023 will be £2,679 (£2,813 from 1 April 2024). Grants are not normally made to SSMs.

Any stipendiary minister moving into or within the diocese into a DBF provided house is also entitled to reclaim the cost of the removal carried out by a removal firm, provided three independent estimates are obtained. Pickfords and GB Liners offer 10% discount to clergy and at least one quote should therefore be obtained from them. The Stipends Administrator can assist with contact details for firms. The diocese will usually meet the cost of the lowest quote subject to an upper limit of £6,000.

Quotes should be obtained at least three weeks in advance.

If the total of the removal, resettlement and first appointment grant is in excess of £8,000 then the total needs to be reported on the minister's tax return. Further information can be found at

https://www.churchofengland.org/sites/default/files/2017-10/removal_and_resettlement_grants.pdf

Charitable funds

There are charitable funds available to help clergy or their families. Most national charities restrict their giving to clergy who find themselves in particular financial need. However there are some organisations which will help with extra costs such as music lessons for children. The Church of England website lists some grant-making trusts: <https://www.churchofengland.org/more/clergy-resources/national-clergy-hr/supporting-clergy-health-and-wellbeing#na> Archdeacons are usually able to help with applications.

The diocese has a number of charitable funds for designated purposes to benefit both clergy and their families through either interest free loans or grants. For example, one fund offers grants for up to half the cost of retreats and another for more general financial needs. The archdeacons should be contacted in the first instance about applying for help from these funds.

11. BRIEF EXPLANATION OF PARISH AND DIOCESAN FINANCES IN THE DIOCESE OF CHICHESTER

Each parish is a legal charity in its own right. PCC members (as charity trustees) are legally responsible for generating, managing and then spending the funds needed to run the parish. PCC members act collectively rather than individually. Currently many parishes are 'excepted' from needing to register with the Charity Commission, and the annual reporting that this entails, but this 'exception' only applies to parishes with income of less than £100,000 (see next paragraph).

Since 2008 parishes with gross annual income greater than £100,000 have been required to register with the Charity Commission and will need to send annual reports and accounts and an information sheet to the Commission. The straightforward registration process is done online, and follows a standard national format applicable to all English parishes.

ALL PARISHES are required to submit their annual report and accounts and a finance return to the diocese (which are then forwarded to the national Church authorities), and to answer Articles issued by archdeacons etc.

Parish finances

Parishes have a number of potential sources of income. Although these are all accounted for as income, it is helpful to see the sources in two distinct categories:

Income to support normal running expenses

- Regular giving by church members (through the Parish Giving Scheme, standing orders, weekly envelopes etc.)
- Gift Aid reclaims (currently worth an extra 25% on eligible donations)
- Other cash collections (uplifted by Gift Aid where possible)
- Trading activities (e.g. bookstall, magazines, letting of premises to external bodies)
- Parochial fees for weddings and funerals etc.
- Dividends and interest from investments
- Grants from public funds or charitable trusts earmarked for running costs (e.g. youth worker's salary)

Income to support capital projects

- Legacies and gifts of shares, property or other assets
- Gift Days (for specific church purposes or missionary giving)
- Fundraising events (e.g. fêtes, concerts)
- Proceeds of sale of investments
- Donations or grants from associated Friends of St X or similar local bodies
- Grants from public funds or charitable trusts earmarked for specific capital projects

In times of economic uncertainty it is vital for parishes to keep a close watch on their finances. An annual budget should be debated and agreed by the PCC each autumn. The Treasurer should report to the PCC actual progress against the budget at least every quarter, and the forward budget should be adapted to reflect changing circumstances.

Committed, regular giving is always important. Parishes are advised to run an annual 'stewardship renewal' promotion at roughly the same time each year. Of the programmes available, 'Giving in Grace' (<http://www.givinginGrace.org/>) is probably the most widely-used, with a wide range of web-based resources (sermons, letters, agendas, leaflets, children's resources etc.) that can be adapted to local needs. The Parish Giving Scheme, which is used by Chichester and many other dioceses, offers a simple method by which donors can automatically uplift their gifts each year, if they so choose. Please remember to thank donors regularly and report back to them on what their gifts have achieved.

The diocese's Parish Adviser (Finance, Governance, Stewardship) can offer advice and guidance, so it may be helpful to involve her in planning, or to access the wide range of web resources available at <https://www.chichester.anglican.org/Information%20for%20PCC%20Treasurers/>.

Diocesan finances, Average Parish Ministry Costs (PMC) and the 'parish share'

The Diocesan Board of Finance (DBF) makes the arrangements to pay all clergy stipend and pension costs centrally. It also pays centrally parish support, clergy housing, training the next generation of clergy, administration etc. In total these centrally-paid items are called Average Parish Ministry Costs (PMC) and are spread across the parishes of the diocese to show the average cost of having a priest.

PMC does not track inflation for a number of reasons, for example variations in the number of candidates training for Ordination.

Each autumn, the DBF calculates how much of the following year's PMC it will need to recoup from deaneries in the form of 'Parish Share'. The actual amount of Parish Share for each parish is then negotiated by local Deanery Treasurers with individual PCCs.

The whole budget for each year is approved in advance by the Diocesan Synod at its autumn meeting. The individual Parish Shares are then collected the following year – usually by monthly direct debit – by the DBF, thus enabling PCC Treasurers to budget more accurately.

The Diocesan Strategy challenges all individuals, parishes, benefices and deaneries to become More Generous. As part of the household of faith that is the Diocese of Chichester, all parishes who can are asked to give above the average costs shown in PMC in order to provide mutual support to those in more deprived circumstances who cannot.

For further information about parish or diocesan finances, please contact the Accounts Department in Hove (01273 421021).

Help for local churches seeking to resource their ministry:

The Diocesan Parish Adviser (Finance, Governance, Stewardship) is here to help: please call 01273 421021 and ask for Sarah Rogers or see <https://www.chichester.anglican.org/parish-support/>

Online resources:

<https://www.chichester.anglican.org/Information%20for%20PCC%20Treasurers/>

- a good starting point for all Diocesan money matters

www.parishresources.org.uk

- an excellent website setting out all aspects of stewardship in the local church

www.churchlegacy.org.uk

- a site with information about gifts in wills, or legacies

www.parishgivingscheme.org.uk/

- a scheme to help with the administration of regular giving in a parish.

www.parishbuying.org.uk/

- Centrally negotiated discounts available to parishes on a range of products and contracts

Four key points from Giving for Life – the C of E's stewardship approach:

1. Preach and teach generous giving
2. Link giving to mission and ministry
3. Encourage annual review of giving
4. Thank givers annually

For more information, see

www.parishresources.org.uk/givingforlife