



November 30, 2020

Dear Pastor or Treasurer:

In order to help you with planning for 2021, I am writing to inform you of the recommendations from Canadian Baptists of Atlantic Canada regarding salary increases for 2021 and also the changes to the costs of benefits which need to be reflected on your employees' payroll.

For 2021, we are recommending a salary adjustment of 1%. We have attached a worksheet, per the Treasurer's Handbook, that can be used to help determine your pastor's salary, taking into account the church budget, the experience of the pastors, and the value of housing in your area.

The following are the rate changes for benefits:

	2021 Monthly Rates	2020 Monthly Rates
Basic Life Insurance	13.05	13.05
Spousal & Dependent Life Insurance***	4.88	4.88
Accidental Death & Dismemberment Insurance	0.43	0.43
Employee & Family Assistance Program	4.76	4.76
Medical/Dental – Individual	152.25	145.00
Medical/Dental – Family	360.15	343.00
Long Term Disability	2.342 per \$100	2.342 per \$100
Administration Fee	6.00	6.00

The following is an example of how to determine what the Long-Term Disability would be:

Pastor's total salary, including housing = \$60,000
LTD benefit would be 67% of total salary = \$40,200
Annual premium = $0.02342 \times \$40,200 = \941.48
Monthly premium = $\$941.48/12 = \78.45

Clergy Residence Deduction – Pastors who own their homes are reminded to complete the CRA form T1213 this fall if they do not wish to have taxes taken on the Fair Market Value of their home, commencing in January 2021. Written authorization from CRA to reduce deductions at source must be received by the treasurer, otherwise the treasurer is required by law to withhold taxes. If pastors do not wish to complete a T1213 and continue to have taxes deducted as source, they are still required to inform their treasurer, in writing, of the amount they plan to claim as a clergy residence deduction when filing their tax return so that CPP is not calculated on that portion of salary.

Respectfully,

Heather Burke, CPA, CA
Interim Director of Finance and Treasurer