



November 1, 2022

Dear Pastor or Treasurer:

I am writing to inform you of the recommendations from Canadian Baptists of Atlantic Canada regarding salary increases for 2023 and the changes to the cost of benefits which need to be reflected on your employee's payroll beginning January 1, 2023.

Cost of Living Adjustment: For 2023, we are recommending a cost-of-living adjustment of 4%. The average inflation rate since 1991 (30 years) is just under 2%, however inflation in 2022 is running close to 7%. It may take a couple of years to settle back into the target inflationary range, so a multi-year adjustment approach is what we have elected to recommend. We have attached a worksheet, per the Treasurer's Handbook, that can be used to help determine your pastor's salary, considering the church budget, the experience of the pastor and the value of housing in your area.

Benefits: We provide our members our own benefits plan contracting Canada Life for Administrative Services Only. The plan collects premiums and pays claims. When the plan experiences a surge in claims beyond the premiums collected, a deficiency results requiring an appropriate adjustment to the premiums to cover anticipated claims. The following are the rate changes for benefits:

	2022 Rates	2023 Rates	% Change
Basic Life Insurance	19.32	19.32	
Spousal & Dependent Life Insurance	4.88	4.88	
Accidental Death & Dismemberment	0.43	0.43	
Employee & Family Assistance Program	4.90	5.05	3.0%
Long Term Disability	2.518 per \$100	\$2.707 per 100	7.5%
Medical Dental – Single	159.86	183.84	15.0%
Medical Dental – Family	378.16	434.88	15.0%
Administration Fee	6.00	6.00	

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 January 1, 2023. 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 the T1213 and continue to have taxes deducted at 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.

Insurance: **Be sure to review your church's insurance policy, especially for coverage limits.** Replacement values have taken a significant jump and you do not want to be under-insured if a loss were experienced. Please call Tina Belyea to review. For those churches who are part of the blanket property and liability insurance through Ecclesiastical Insurance Company, through Gallagher Insurance, of Hartland, NB, there are free services available. Questions? Contact Insurance Advisor, Tina Belyea TF:1-800-267-8006 D:1-506-375-7578 Tina.Belyea@ajg.com

Respectfully,
Jeff MacArthur
Interim Director of Operations and Treasurer



PASTOR'S SALARY RECOMMENDATIONS

The following are minimum salary guidelines, intended to assist a church in setting the salary package of a Pastor who is the sole employee of one or more congregations. Additional compensation should be considered for a multi-staff church and a church located in a higher cost of living area. For multi-point charges, the total church budgets should be used.

Step 1	Base Salary		<u>\$39,850</u>
Step 2	Budget	% Added to Base Salary	\$
	\$0 - \$59,999	0%	0
	\$60,000 - \$99,999	5%	1,993
	\$100,000 - \$149,999	7.50%	2,989
	\$150,000 - \$249,999	10%	3,985
	\$250,000 - \$299,999	15%	5,978
	\$300,000 - \$349,999	20%	7,970
	\$350,000 - \$399,999	25%	9,963
\$400,000 and above	30%	11,955	
Step 3	# of Years Ordained	% Added to Base Salary	\$
	0 - 4	0%	0
	5 - 9	10%	3,985
	10 - 14	15%	5,978
	15 - 19	20%	7,970
	20 - 24	25%	9,963
	25 +	30%	11,955
Sub-Total			
Add value of housing and utilities			
TOTAL MINIMUM SALARY PACKAGE			

In addition to the above, a minimum of 2.5% should be added to the Minister's total salary package on the completion of a major educational program, such as a Doctor of Ministry degree.

Churches may be paying less than the amount indicated by the table. Attempts should be made to increase the Minister's compensation package as the church is able to do so.

In some cases, churches may be paying a salary package which exceeds the minimum recommended by the table. In each situation, there can be various circumstances which will justify paying the Minister a higher figure.

When a pulpit committee is prayerfully considering the calling of a new Pastor, its task must be to first determine if a candidate possesses the gifts needed to do the ministry. The negotiation of a salary package should always be secondary.

It is recommended to provide the full employment costs to all employees on a yearly basis to help educate employees on their full benefits of employment.