

## **MANDATORY PRE-AUTHORIZED DEBIT (PAD) FOR PARISH EMPLOYMENT ASSESSMENT**

Background: Diocesan policy requires that all clergy appointed to stipendiary parish ministries be paid via the Central Payroll System administered at the Synod Office. Many parishes also use the payroll system for lay employees.

It is the responsibility of Synod Office Staff to process payroll ensuring that:

- earnings are in accordance with parish instructions
- withholdings correctly reflect legal requirements and/or employee instructions
- employment related remittances are processed in a timely manner
- parishes are informed of their monthly cost obligations
- follow up is carried out in respect of non-payment of those obligations

It is the responsibility of the employing parishes to:

- provide stipend and/or salary information within established timelines
- inform Synod Staff of any changes to employee earnings, withholdings or status
- honor their funding obligations in full, on a monthly basis

General Information: The components of the Employment Assessment include stipend or salary, allowances, employer EI/ CPP charges, employer premiums for pension, benefits, LTD, and continuing education plans as well as an assessment for the travel pool where applicable. Payroll is run semi-monthly (on the 15th and 30th) and the Employment Assessment is due by the 22<sup>nd</sup> of each month. The total of employment obligation for all parishes is approximately \$380,000 monthly.

The Issue Being Addressed: The Employment Assessment typically runs in arrears at a rate of 10% - 12% (6- 10 parishes and \$35,000 - \$50,000).

Direct debit processing will operate under the following framework:

- the debit will be processed on the 25th of each month
- parishes will have no less than 3 business days before that date, to inform Synod Office of any need to reduce the debit amount due to shortage of funds and/or to inform as to when the rest of the payment will be made.

In the event of rejected payments:

- parish will be contacted to determine cause
- arrangements will be made for a full or partial debit within 5 business days
- if second attempt fails, amount will be added to the next debit run on the 26<sup>th</sup>
- a surcharge of \$20 may be applied

The near constant level of Employment Assessment arrears, requires the Diocese to serve as a lender, covering the cost while awaiting payment from the parish(es). The direct debit system has the potential to greatly reduce arrears,

especially with the possibility of partial payment. Moreover the process serves to underscore the notion of parish accountability and fiscal responsibility.

Comes into effect 01 September 2011

by Diocesan Finance Committee  
05 April 2011