

## **PAYROLL ADMINISTRATION**

### **PART 1: PAYROLL ADMINISTRATION**

#### **1 Synod Responsibilities**

- 1(1) The Synod shall maintain a payroll administration service for Synod employees and, as agent of parish corporations, for parish employees. Parish corporations shall cooperate with the Synod's payroll service in ensuring that stipends are paid on a timely basis, that withholdings are properly calculated and remitted/allocated, and that information is reported to regulators, parish corporations and Clergy.
- 1(2) The Synod shall ensure that T4, T4-A, Record of Employment and other forms are prepared and distributed within the appropriate time frames.

#### **2 Parish Corporation Responsibilities**

- 2(1) The primary parish responsibility is to provide the funding required to cover the Payroll Assessment, meaning the total cost related to their employees, including stipend, travel, benefits, and related costs. The Assessment is to be paid by the last Thursday of each month by mandatory direct debit (Policy A-7 -- Mandatory Pre- Authorized Debit for Parish Employment Assessment).
- 2(2) Failure to meet this obligation at the time required puts the parish into default on its employment responsibilities, which can result in employees going unpaid.

#### **3 Parish Arrears**

- 3(1) If a parish is in payroll arrears for one month, the Synod office informs the territorial archdeacon and requests follow-up. If the full amount is not received by the end of the month, the parish is moved to 2-month arrears follow-up.
- 3(2) If a parish is in payroll arrears of two months, the Synod office contacts the parish, with the bishop included in communication. A meeting is arranged with the parish treasurer(s) and wardens, territorial archdeacon, and Synod Finance Committee. The parish then has until the following pay cut-off date (10<sup>th</sup> of the next month) to meet a minimum of 50% of arrears. If that minimum is met, monitoring continues. If the minimum is not met, payroll is run on the 15<sup>th</sup> of the month, but notice is given that the 30<sup>th</sup> pay will be the last.

#### **4 Clergy/Employee Responsibilities**

- 4(1) The employee shall provide all necessary documentation and information for calculating and making payroll as requested, including TD1 forms and notices of:
  - a) Change in withholding amounts;
  - b) Banking information for direct deposit purposes, and
  - c) Monthly reports of kilometres driven for travel claims.
- 4(2) When a pay-statement is issued, the employee shall carefully examine it and immediately advise Synod Office of any errors or omissions.

## 5 Procedure

- 5(1) At the beginning of each year, or at the commencement of a new appointment, the Parish Corporation shall indicate the stipend amount for full-time or part-time clerics. Failure to do so will result in the assumption that the minimum stipend applies ([Regulation 7.2 Schedule A Scale of Minimum Stipends](#)). The Synod will then issue a statement showing the cost for which the Parish Corporation is responsible and, if requested, an estimate of the net pay amount.
- 5(2) Clerics or other employees are paid on a semi-monthly basis on the 15th and 30th days of each month through direct deposit to an account or accounts of the employee's choosing. If a payday falls on a non-banking day, pay is deposited on the prior banking day.
- 5(3) The payroll is processed four working days prior to the applicable pay date. Any changes in amounts must be communicated accordingly.
- 5(4) Withholdings are remitted to the CRA and allocated on a semi-monthly basis.
- 5(5) Employment Insurance premiums are calculated on stipend, car replacement allowance, and the value of housing. An annual maximum premium applies. A Cleric will normally reach that maximum in the latter months of each year, resulting in an increase in net pay for a short time. For Employment Insurance (EI) purposes, a Cleric is assumed to work 93.3 hours per semi-monthly pay period.
- 5(6) Canada Pension Plan premiums are calculated on stipend and car replacement allowance. While a maximum applies, a Cleric will not normally attain it since housing value is excluded.
- 5(7) Income tax is calculated based on the personal exemption as per the TD1 form. In the absence of that form, tax is based on "single" status.
- 5(8) A T4 form will include the following as income: stipend, car replacement allowance, employer contribution to the Group RRSP and housing value. The T4 form will also include a Pension Adjustment amount that is the sum of employee and employer contributions to the Pension Plan.
- 5(9) T4 forms are normally distributed annually in early February.

Adopted  
28 May 2022