

## **Objects**

- To provide a facility to assist participating churches of the Baptist Union of Victoria meet their obligations to fund the long service leave of their pastors.
- To recognize the special nature of pastoral ministry and to provide for long service leave entitlement to accrue for pastors for consecutive periods of service in Australian Baptist churches or with other approved employers.
- In certain circumstances to remit pastors not in pastoral ministry their long service leave entitlement.

## **Definitions**

- The Fund refers to the Long Service Leave Fund for pastors recognized by the Baptist Union of Victoria.
- The Union (or BUV) refers to the Baptist Union of Victoria.
- The Council refers to the Executive Council of the Baptist Union of Victoria.
- The Rules refers to the Rules of this Fund as set out in this document.
- The Assembly refers to the annual or other assembly of the churches of the Baptist Union of Victoria.
- Annual levy refers to the amount determined by the Fund to be contributed to the Fund by participating churches on behalf of members of the Fund.
- Participating churches refers to those Baptist churches or other related organizations which have been approved by the Council for inclusion in this Fund.
- Pastors refers to pastors or other persons recognized by the Council as being individual members of the Fund.
- Full-time service refers to 5 days per week; part-time service refers to any portion of that.

- The Act refers to the Victorian Long Service leave Act 1992 (as amended).
- Stipend refers to the total compensation package (taxed and exempt from tax) of the individual member of the Fund as recommended by the Union and published from time to time.
- Administrator – refers to the person authorized by the Executive Council to act on its behalf in matters pertaining to the administration of the Fund.

## **Rules of the Fund**

### **1 ADMINISTRATION**

a) The Fund shall be administered by the Council and by its authorized delegate, the Administrator.

b) In any situation in respect of long service leave in which advice or guidance is desired, either by a pastor or participating church or in any circumstances of special difficulty, the Advisory Board of the Union may be consulted either by the Council, the participating church or the pastor. Any final decision must rest with the Council.

c) Other than as stated in these Rules, the provisions of the Victorian Long Service Leave Act 1992 (as amended) shall be regarded as the guiding principles in determining long service leave entitlements.

#### **1.1 Regulations**

The Council shall have the power to make, amend and repeal regulations for the conduct of the Fund and the attaining of its objects, provided the same are not inconsistent with these Rules.

#### **1.2 Accounts and Audit**

The Administrator shall cause annual financial accounts of the Fund to be prepared and submitted for audit to the Auditors of the Union.

#### **1.3 Alteration**

These Rules may be altered or added to by the Assembly. No alteration or addition shall be considered unless written notice thereof has been given to the Administrator not less than three months prior to the holding of such Assembly.

#### **1.4 Sources of Income**

There shall be paid into the Fund:

1.4.1 Annual levies based on the recommended stipend and an annual declaration by participating churches of their full and part-time pastoral staff. The levy becomes a

part of the Fund and is not refundable to the participating church in the event of the subject pastor(s) withdrawing from service. .

- 1.4.2 All donations and legacies designated for the Fund.
- 1.4.3 Interest or other income earned on any investment made on behalf of the Fund.
- 1.4.4 Transfer of entitlements from other State Baptist Unions or other participating churches.
- 1.4.5 Any other contribution.

## 1.5 **Assessment of Levies**

Annual levies will be assessed on participating churches at an amount sufficient to accumulate funds to meet a leave entitlement of six (6) weeks leave for each seven (7) years of completed service (i.e. 0.8571 weeks leave for each completed year of service), calculated at the then current level of stipend and allowances. The levy will be pro-rata for pastors who have served only part of a year in that church.

## 1.6 **Inter-state transfers**

- 1.6.1 For pastors transferring from another Australian state to Victoria, it is expected that that state's long service leave fund will transfer to this Fund the cash value of the pastor's accumulated entitlement from that state. The accumulated entitlement for purposes of this Fund will then be determined by dividing the cash value transferred into this Fund by the then current recommended stipend and allowances in Victoria.

For example, Pastor Allan transfers from Western Australia to a Victorian church. At the date of the transfer he has fourteen (14) weeks accumulated leave under the Western Australian rules with a value of \$7,500. The current recommended stipend and allowances in Victoria is \$951; the \$7,500 will convert to an accumulated entitlement in Victoria of 7.886 weeks ( $\$7,500 \div \$951 = 7.886$ ). Likewise, if the Western Australia value had been \$20,000, 21.03 weeks would be the converted transfer.

- 1.6.2 For pastors transferring out of Victoria to another Australian state this Fund will transfer the value of their accumulated long service leave to that state on written

notice from the fund administrator, of acceptance of the pastor into their fund.

**1.7 Admission to the Fund**

At the time of the commencement of service of a new pastor in a Victorian Baptist church, the church and pastor must submit to the Fund administrator details of the appointment, date of commencement, stipend and allowances being paid and, in the case of a pastor transferring from another state, authority to have the accumulated value of their accrued entitlement transferred to this Fund.

**1.8 Application for Long Service Leave Entitlement**

Applications for long service leave entitlement must be made in writing by churches and pastor to the Administrator.

**1.9 Payment of Leave**

Long service leave payments from this Fund will be calculated on the basis of the pastor's equivalent full-time service at the current recommended stipend. The Fund will remit the calculated amount to the participating church who will in turn pay the pastor after deducting the required PAYG tax and any other appropriate payroll deductions. In exceptional cases where a pastor is not affiliated in ministry with a particular church, the leave entitlement shall be paid directly by the Fund to the Baptist Union of Victoria for remittance to the pastor.

**2.0 Expenses and Investments**

Reasonable expenses of administration are a permitted charge on the Fund. The Fund will be treated as a restricted Fund within the finances of the Union and any balance of the Fund will be invested at the discretion of Council.

**2.1 Financial Year**

The financial year of the Fund will coincide with that of the Union, currently 1 August to 31 July.

**2.2 Forfeited Benefits**

Any entitlements forfeited will be retained as unallocated benefits of the Fund and may therefore be applied to the benefit of other members of the Fund at the discretion of the Council.

## **2**     **MEMBERSHIP**

Council will admit to membership of the Fund all those persons in respect of whom admission to the Fund has been sought by the participating church in which the person is engaged and shall have entered into an agreement to pay the annual levy.

Membership shall begin on the date of commencement of pastoral service and shall remain until such time as the pastor retires from pastoral service, transfers inter-state, or the annual levy has not been paid.

The following persons are also deemed to be members of the Fund as at 1 August 1996:

- a) Those pastors whose name is included on the Official Ministerial Lists of the Union.
- b) Those persons approved by Council who are wholly or mainly engaged by a participating church in service similar to that normally performed by ministers of or belonging to the Union.
- c) Those persons, approved by Council following formal application by the individual, who had been wholly or mainly engaged in paid ministry in Victorian Baptist churches affiliated with the Union prior to 1 August 1996, but had not been included in the Fund at that date.
- d) Other persons approved by Council as being appropriate for inclusion in this Fund at that date.

## **3**     **ENTITLEMENTS**

- 3.1     Subject to provisions of Clause 3.5, the period of long service leave shall be six weeks in respect of each completed period of seven (7) years' pastoral service (full or part-time) in one or more participating churches affiliated with the Baptist Union of Australia or with other participating churches or organizations approved by the Executive Council pursuant to rule 4.2 of this Fund.

Although under the Rules of the Fund it is intended that six week's long service leave be taken after each completed period of seven years' service and therefore that it accumulate and be taken in six week 'blocks', the Council has the authority to grant leave on a pro-rata basis for periods subsequent to the first seven years if, in its opinion, the pro-rata leave is appropriate to the circumstances of the pastor.

In the event of a pastor withdrawing from or not being engaged in pastoral service for a period exceeding five years,

all previously accumulated years of service and any related long service leave entitlement shall be forfeited unless, in the opinion of the Council, such forfeiture is inappropriate. This provision for cancellation shall not apply where a pastor transfers to active service with another Christian organization with which this Fund has a reciprocity agreement in force.

**3.2 Continuity of Service**

Continuous pastoral service includes approved sick leave of up to 48 weeks in any year on account of illness or injury, but any absence for that reason in excess of that period is not to be counted as continuous service. Continuous pastoral service may, at the sole discretion of the Council, also include a reasonable period of time between the date of termination of service in one participating church and the commencement of the next succeeding service.

**3.3 Public Holidays**

Public holidays falling within the long service leave period should be recognized and added to the leave taken.

**3.4 Pastors Attaining Age 65**

Subject to the provisions of Clause 3.5, in the case of a pastor having attained or attaining age 65 and there being an entitlement to long service leave on his/her part, the Fund shall pay to such pastor an amount up to the stipend equivalent of such entitlement in lieu of long service leave always provided that:

3.4.1 the pastor shall be retiring from full-time pastoral service;

3.4.2 the payment shall be calculated on the basis of the Union recommended stipend and allowances. .

**3.5 Leave Due But Not Taken**

Long service leave entitlements are calculated on the basis of the current recommended stipend at the time the long service leave is taken.

**3.6 Prohibitions**

It is an offence under the Act for accumulated entitlements to be used to subsidize other remuneration payments, or for a person to be lawfully employed elsewhere during the period of the leave being taken.

## **4 ELIGIBILITY**

Every church and fellowship which is a constituent of the Baptist Union of Victoria shall be eligible to receive the benefits of the Fund if it has paid the annual levy. In exceptional cases, where a church having a pastoral team has applied to the Council for exemption from the Fund (with written consent from each of its pastors), the Council may grant exemption from the Fund if it is satisfied as to that church's ability to adequately fund long service leave entitlement as defined in these rules of its pastors.

### **4.1 Reciprocal Arrangements**

4.1.1 The Council is empowered at its absolute discretion to enter into reciprocal arrangements with the other Baptist Unions in Australia relative to long service leave in respect of pastoral transfers.

4.1.2 In a case where such arrangements cannot be made the Council is empowered to make such payment to pastors transferring to and from another State as it shall in its absolute discretion deem appropriate.

4.1.3 The Council may also enter into reciprocal arrangements with non-Baptist Christian organizations which from time to time may engage the services of Baptist pastors.

### **4.2 Pastors Employed in Other Agencies**

4.2.1 When a pastor is appointed to the staff of the Union or any of its Departments, Committees, Agencies or Affiliated Organizations the Council shall pay from the Fund to such body a sum of money representing the then current pro-rata entitlement to long service leave of such pastor; and such payment shall be deemed to be the fulfillment of any claim which such pastor may have had upon the Fund up to that date.

Alternatively, and at the sole discretion of the Council, it may upon formal application admit the Union or any of its Departments, Committees, Agencies, or Affiliated Organizations to participating membership of this Fund on the same conditions as those applying to churches or transfers from other states.

4.2.2 When a pastor is appointed to the staff of the A.B.M.S. or a body engaged in Christian service as defined in By-Law XIII Clause 7 (3) (f) (iii) the Council shall endeavour to make arrangements in respect of any long service leave entitlement to such pastor; and may make

payments to such body on the basis described in 4.3.1 above, always provided that such body shall have entered into a reciprocal agreement with the Council in respect of such pastor's long service leave entitlement.

## **5 DUTIES OF CHURCHES AND PASTORS**

### **5.1 Between Pastorates**

Where suitable to the churches and pastors concerned, a period of leave may be taken between pastorates when a new settlement is arranged, provided the churches agree between themselves concerning how any balance of stipend that may be necessary is supplied, and how the levy payable might be apportioned.

### **5.2 Relieving Pastors**

The Council or its delegate is authorized to negotiate with churches and pastors concerning the possible arrangement of part-time (and part-paid) pastoral relief in an endeavour to expedite the provision of leave periods.

### **5.3 Utilization of Leave**

It is the desire of the Union in administering the plan that the period should be one of genuine leave for each pastor concerned. The pastor and church concerned should reach a clear understanding, not necessarily in detail but in principle, concerning how the leave period is used.

### **5.4 Stipends, Conditions and Guidelines**

These rules should be read and interpreted in conjunction with and in the spirit of the current *Guidelines for Churches and Pastors: Stipends, Conditions & Statements of Understanding* the Union.