

Past issues are available at www.baptist.org.uk/transform

Baptist Assembly

This year the Baptist Assembly is being expanded to a 2-day event on 18 and 19 May. The Support Services team will be making use of the additional space in the programme to run a seminar stream to support Church Secretaries, Treasurers and Deacons in their roles, on the afternoon of Saturday 18 May. We hope to see many of you there. More details can be found at www.baptistassembly.org.uk.

HR and Safeguarding Matters

Contributed by the HR and Safeguarding Team at Baptist House (safeguarding@baptist.org.uk)

We have recently launched a new guide for churches on *Supporting Those Who Have Experienced Abuse*. Many churches will come into contact with people who have experienced abuse and this guide provides practical advice on how best to support them. This is a valuable new resource for everyone involved in pastoral work in local churches, chaplaincy or other settings. It is now available on our website at www.baptist.org.uk/safeguarding-support.

Pension Scheme Matters

Contributed by the Pension Scheme team (pensions@baptist.org.uk). Please note that the Baptist Pension Scheme is operated by Baptist Pension Trust Limited, a separate legal entity from BUGB. See www.baptistpensions.org.uk for more details on the scheme.

New Scheme Administrators - BBS Consultants and Actuaries (BBS)

BBS became the administrators of the scheme on 1 October 2018. Their new employer website is www.4mystaff.co.uk and if you have not already registered, please do so as soon as possible. The website contains detailed information about your organisation's involvement in the Baptist Pension Scheme (BPS) and allows you to manage pension matters on a day-to-day basis. You can use 4mystaff to advise us of changes to membership and contact details, apply for a Period of Grace and, if your organisation has a responsibility for funding the Defined Benefit Plan deficit, you will be able to see your monthly employer debt estimate.

BBS can be contacted by email at baptistpensions@bbs-actuaries.co.uk or by phone on 0117 937 8700 (ask for the BPS team).

Provision of Financial Information 2019

All churches with a responsibility for pension deficit funding are legally required to provide the Baptist Pension Scheme (BPS) with information about their finances. The 2019 online questionnaire is now open and can be found on the 4mystaff website. It saves the scheme both time and cost if the returns are made promptly, so please complete it as soon as possible.

Baptist Pension Scheme Employers' Group

Contributed by the Baptist Pension Scheme Employers' Group, a group established to represent the interests of employers in the scheme. The Employers' Group can be contacted at pensionemployersgroup@baptist.org.uk

Family Solution Implementation

At the time of going to press, we are working with the pension scheme in putting the finishing touches to implementation of the Family Solution announced last year. This will involve a contribution of at least £30m going into the scheme to reduce the deficit. For the latest updates, please go to www.baptist.org.uk/familysolution.

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Legal News

Contributed by the Legal and Operations team at Baptist House (legal.ops@baptist.org.uk)

Waste Collection Charges for Churches

This is a topic that causes confusion from time to time. Most church buildings are exempt from business rates and for that reason most churches should not be charged for waste collection. The Churches' Legislation Advisory Service (CLAS) has recently issued the following information which churches can quote if they are having difficulties with their local authority:

Paragraph 1 of Schedule 1 to the Controlled Waste Regulations 2012 classifies waste from a hereditament or premises exempt from local non-domestic rating by virtue of, in England and Wales, paragraph 11 of Schedule 5 to the Local Government Finance Act 1988 as household waste. In practice, this means waste from places of religious worship is regarded as domestic waste and authorities with waste collection duties must collect it

and may not charge for its collection or disposal. Under paragraph 11(1) and (2) of Schedule 5 to the Local Government Finance Act 1988, that provision also applies to buildings used in connection with the conduct of public religious worship – such as an office or church hall.

However, if a church hires out its buildings to other groups not connected with the conduct of religious worship, that would be regarded as a commercial activity and any waste arising from such use would be commercial waste – for which a charge for both collection and disposal can be made.

BUGB Annual Returns

Churches are reminded that their Annual Return for the Baptist Union should be completed as soon as possible. An email inviting churches to complete their return will be sent, to the email address we have as the main contact email address, during the first half of January. Where we do not have an email address, paper forms will be sent – these will also be available to be downloaded from our website. For more information please go to www.baptist.org.uk/annualreturns.

Serious Incident Reporting

All Baptist churches are charities whether or not they are registered with the Charity Commission and all Baptist churches therefore have to comply with the Commission's serious incident reporting procedures.

The Commission defines a serious incident as an event, whether actual or alleged, which results in or risks significant:

- » harm to a charity's beneficiaries, staff, volunteers or others who come into contact with your charity through its work
- » loss of a charity's money or assets
- » damage to a charity's property
- » harm to a charity's work or reputation

Charity trustees should refer to the Commission's detailed guidance on reporting serious incidents which can be found here: www.gov.uk/guidance/how-to-report-a-serious-incident-in-your-charity, which was updated in October 2018. Our guideline leaflet C01 Charity Legislation and Churches has been updated and can be found at www.baptist.org.uk/resources/C01.



Baptists Together Loan Fund

Baptist Union member churches can apply to our Loan Fund for help with a variety of projects.

We are able to help churches who are looking to enlarge, improve or redevelop their existing church premises, or who are wanting to buy new premises. We can also help churches to buy a new manse or other residential property for a church worker. The Loan Fund is also able to help churches faced with paying off debt to the Baptist Pension Scheme. In addition we can offer bridging finance which is at a higher rate of interest.

We are here to help Baptist churches with their mission and we also understand the way Baptist churches work. Having been around for many years we have helped hundreds of our churches in this way.

CURRENT TERMS:

- Loans available from £25,000 to over £1m
- Standard interest rate of 3% above Bank of England base rate
- Repayment terms between 10 and 20 years
- Fee free, subject to certain conditions

The BUC is only able to enter into a loan that is a relevant credit agreement (as defined by the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005) as lender for the purposes of the business of a church (or if the church is unincorporated, the business of the church trustees) and not for any other purpose.

For more information visit

www.baptist.org.uk/loans

CIO (Charitable Incorporated Organisation) Training

In November the Legal and Operations Team ran an online webinar offering an introduction to CIOs. Please go to www.baptist.org.uk/CIOwebinar to view a recording of this webinar. Another CIO training event will take place in the New Year in the Eastern Baptist Association. Booking details will be available on the website.

New Guideline leaflet PC13: VAT and Church Buildings

A new guideline leaflet on VAT and church buildings has been written by our surveyors, Rapleys. This is now available from our website at www.baptist.org.uk/resources/PC13. This short guide is intended to address some of the initial queries that often occur when a church is about to undertake a new building project or if it is planning to do some remedial works or repair.

Finance Matters

Contributed by the Finance Team at Baptist House
(financeoffice@baptist.org.uk)

Baptist Together accounts

Following a review of the Authorised Signatory Cards we hold for the churches that have a Baptist Together Account with us, we have found that some are very out of date. A letter has been sent notifying that new signatures are required. If you have yet to respond, please can you reply as soon as possible.

If you think your signatory card may not be current, please fill in the new Authorised Signatories form at www.baptist.org.uk/depositaccounts. This may either be emailed to jjsherwood@baptist.org.uk or sent back to us in the post.

Please remember if any of your signatories leave or retire, this form must be updated.

Webinars

We recently hosted a webinar on Church Accounts in partnership with ACAT (the Association of Church Accountants and Treasurers). A recording can be viewed at www.baptist.org.uk/accountswebinar. Our next financial webinar will be on Payroll in March.

Stamps and collectibles

Alan Cookson has supported Home Mission for a considerable number of years by collecting, sorting and selling stamps and collectibles on our behalf. He has done a fantastic job in raising over £70,000 during this time and we wish to thank him for all his hard work and to wish him well for the future. We will continue to collect stamps and collectibles. Please send any donations to Baptist House (address on the back page of this leaflet). More details can be found on our website at www.baptist.org.uk/stamps.

Subscriptions

Thank you to all who have paid their 2018 subscriptions. Unfortunately, a small number of churches have yet to pay the 2018 subscription and we would ask that you now pay this promptly.

The 2019 subscription fee has been calculated at £4.60 per member, representing an increase of 2.4% based on the September CPI (rounded to the nearest 5 pence). We continue to ask you to pay your subscription by direct debit as this results in the lowest cost for processing payments.

If you have any questions on subscriptions, please contact subscriptions@baptist.org.uk.

2019 Stipend, Manse value

The 2019 stipend has been set at £23,450 and the manse value at £6,144. Full details of these and other useful information can be found on the financial guidance page of our website www.baptist.org.uk/financialguidance.

Taxation Topics

Contributed by Philip Cooke FCA, our Honorary Tax Adviser
(philipjcooke@aol.com).

October 2018 Budget changes

There were a couple of items in the November 2018 Budget affecting churches, namely:

- (a) GASDS (small cash) donations: As from 6 April 2019 the £20 limit for 'small cash donations' qualifying for top-up relief (ie donations not given under a Gift Aid declaration) will increase to £30 bringing it into line with the limit for 'contactless' payments – but the £8,000 annual limit for such donations (giving rise to a maximum top-up payment of £2,000) remains unchanged.

- (b) VAT registration: It has been decided not to reduce the existing £85,000 turnover threshold for VAT registration which, having regard to the imminent introduction of the Making Tax Digital provisions involving quarterly online returns, will be of some relief to churches operating coffee shops or the like. The threshold will remain at £85,000 until 31 March 2022.

Manse maintenance

The paragraph under this heading appearing in *Transform 50* gave rise to some enquiries as to whether the cost of repairs, maintenance or replacement of landlord's fixtures and fittings (eg boilers, central heating, bathrooms and fitted kitchens etc) gives rise to a taxable benefit to the minister. The answer is 'no' – there is no taxable benefit in this situation and further information is available at sections 1.7 and 1.8 of *Taxation Guidance Notes for Churches and Ministers* – guideline leaflet X03 at www.baptist.org.uk/resources/X03.

Minister's relocation expenses

Whilst a church may bear or reimburse the cost of qualifying relocation expenses up to a total sum of £8,000 without giving rise to a taxable benefit, the payment of a round sum allowance should be avoided and payment(s) should be supported by a detailed list of the expenses involved. Please refer to section 6 of guideline leaflet X03 (www.baptist.org.uk/resources/X03) for further details of what constitutes qualifying relocation costs.

Work related training expenses

Expenses paid or reimbursed by a church relating to qualifying 'work-related training' (which includes relevant sabbatical projects) does not give rise to a taxable benefit but, following due consideration by HMRC, it has been decided not to extend relief to expenses borne personally by a minister. See section 5.3 of guideline leaflet X03 (available on our website at www.baptist.org.uk/resources/X03) for further information.

VAT on expenditure relating to facilities for the disabled

Expenditure incurred by a church on the provision or maintenance of facilities for disabled persons (for example ramps and toilet facilities) qualifies for the zero-rate of VAT – and this is so even where a church



Baptists Together Deposit Accounts

Rates up to 1.35%

Baptist member churches with savings and reserves are encouraged to lodge these in a Baptists Together Deposit account

www.baptist.org.uk/depositaccounts

is not presently required to register as a charity. A contractor will require completion of a form of declaration that the customer is a charity but it will be sufficient to indicate (instead of a Charity Commission registered number) that the church is 'excepted from registration as a charity' or, alternatively, to indicate the HMRC Gift Aid Relief reference.

Ministers are appointed as office holders

Churches and ministers are reminded that under the Baptist Union's recommended terms of appointment, ministers are appointed to the 'office of minister' - and whilst for income tax and NIC purposes they are 'treated as employees' they nonetheless remain the 'holder of an office', rather than an employee serving under a contract of employment. In consequence they are outside the scope of many aspects of employment law including, for example, the automatic pension enrolment and minimum wage provisions which would otherwise give rise to certain reporting requirements under the PAYE provisions.

Gift Aid Relief – is tax being repaid incorrectly?

Treasurers are reminded, especially following the cessation of tax deduction at source from interest payments and the introduction of the annual savings allowance, that some donors who have signed gift aid declarations may no longer be paying sufficient tax on their income to cover all the tax which is being reclaimed by all of the charities involved - thus rendering themselves personally liable to make good the tax repaid to charities in error. It is understood that HMRC has taken steps to recover tax in some situations, and it would therefore be 'good housekeeping' for churches to check with donors whether there has been any change in their tax status before making claims for repayment.

Guidance notes on tax matters

Treasurers and ministers are reminded that the following tax-related documents are available on our website and can be accessed from the Treasurers' area found at www.baptist.org.uk/treasurers

- » X01 Online tax return facility
- » X02 Self Assessment and the Minister
- » X03 Taxation Guidance Notes for Churches and Ministers
- » F06 Employment allowance
- » G01 Claim for Top-up payment for small cash donations
- » G02 Form of Gift Aid declaration

NOTICE IN RESPECT OF THE BAPTIST UNION STAFF PENSION SCHEME

The Trustee is required by Section 27 of the Trustee Act 1925 to issue a notice confirming that the Baptist Union Staff Pension Scheme (formerly known as the Baptist Union 1969 Pension Plan) (the 'Scheme') is shortly to be wound-up. Statutory notices have been placed in the *London Gazette*, *Edinburgh Gazette* and *The Times*. Because of *Transform's* wide circulation amongst staff and former staff, the Trustee thought it worthwhile also publishing in this edition.

The Trustee of the Scheme request that any person who believes that he or she has a claim against, or entitlement to a pension or any benefit from, or interest in the Scheme send particulars in writing on or before 28 February 2019 of his or her claim or entitlement (together with full name, present address and date of birth) to Baptist Pension Trust Limited, Baptist House, PO Box 44 129 Broadway, Didcot, Oxon, OX11 8RT marked for the attention of Mark Hynes (or send this information by email to mhynes@baptist.org.uk).

After this date, the Trustee will distribute the assets of the Scheme among the persons of whose claims and entitlements they have notice and will not be liable to any other person. Any individuals who have already been contacted on behalf of the Trustee about this matter should not respond to this notice as the Trustee already has details of their claims and entitlements.

Issued on behalf of the Trustee of the Scheme

These notes are offered to provide general information for Baptist churches. We hope they will be helpful in highlighting new guidance and providing reminders about other important matters relating to the life of a local Baptist church. Although every effort is made to ensure that the information is correct at the time of publication, we make no representations, warranties or guarantees (whether express or implied) that the information is accurate, complete or up-to-date. Further, these summary notes are not intended to amount to advice on which you should rely and cannot be a substitute for formal professional or specialist advice. We do not assume and will not be liable to any party (who has either taken or refrained from taking action in reliance on these notes) for any loss or damage caused by errors or omissions, whether resulting from negligence or any other cause. If you want to ask detailed follow-up questions, please contact us through the Baptist Union website.