

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

Baptist Assembly 2020

Please save the dates for next year's Baptist Assembly at the Bournemouth International Centre, 8-10 May 2020. The draft programme begins with an opening celebration on the evening of Friday 8 May and finishes with closing worship before lunch on Sunday 10 May. We are hard at work developing the full programme for the event over the coming months and are looking forward to seeing you there. As the Government has moved the May bank holiday to Friday 8 May, we recommend making early enquiries on accommodation as Bournemouth is likely to be busy.

Pension Scheme Matters

Contributed by Steve Kaney, Pensions Manager (skaney@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.

Transitions to CIO

Many churches are planning – or considering – switching to Charitable Incorporated Organisation (CIO) status and have been patiently waiting on further information from the Pension Trustee on how this transition can be

done without any negative impact on pension liabilities.

I'm pleased to say that the Trustee has now completed the process of reviewing appropriate professional advice and has posted a set of Guidance Notes found at www.baptistpensions.org.uk/churches-employers/cio

Double Cessation Debts

Much has been said over the recent past around the issue of 'double debts' which, although legally correct, is clearly unfair to many churches. The Family Solution (see www.baptist.org.uk/familysolution) has sought to address this issue. As with the CIO process, the Trustee has now taken advice and the relevant draft documentation has been put in place. If your church is impacted by this, you will either have already received a recent communication from the Pensions Team, or you will receive one very soon.

Annual Newsletters and Chair's Statement

The Trustee is in the process of signing-off Annual Member and Employer Newsletters as well as the formal Annual Trustee Report and Accounts; copies of all of these documents will soon be posted on the website at www.baptistpensions.org.uk

The Member Newsletter will include the Annual Summary Funding Statement. A requirement of Defined Contribution (DC) Pension Schemes is that an Annual Chair's Governance Statement is published. For the BPS, that Statement has now been completed and, whilst it has to be said that the underlying statutory regulatory requirements are not particularly helpful in producing a plain-English, easy to read document, the final version is available to read here: www.baptistpensions.org.uk/dc-governance

Pensions Team Update

Colin Higham in the Pensions Team is due to retire in October and will be replaced by Marshall Rowan. Marshall joins the Team from the Church of Scotland Pension Team, where she worked with Steve Kaney (our recently appointed new Pensions Manager); she is looking forward to working with Scheme Members and Employers and we will introduce Marshall in more detail in the next edition of *Transform*.

Pensions Webinar

Finally, a date for your diary. Steve and Richard Wilson will host a Pensions Webinar on Friday 20 September at 13:00 covering all topical Baptist pensions issues. Details will be posted at www.baptist.org.uk/webinars.

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Ministry Matters

Contributed by the Ministries Team at Baptist House
(ministries@baptist.org.uk)

Appointing Ministers of Religion from outside the EEC.

When appointing a minister from outside of the EEC it's really important that churches take the right steps at each stage of the process to enable this to happen. We are very grateful to Louis MacWilliam of Blacks Solicitors who has provided some guidance notes for churches on appointing a Tier 2 Minister of Religion, which explain the process for advertising the vacancy, and becoming a sponsor. These can be found in the Ministries resources section of the Baptists Together website at www.baptist.org.uk/resources/ministries.

HR and Safeguarding Matters

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

Inquiry into child protection in religious organisations and settings

The Independent Inquiry into Child Sexual Abuse was set up in the wake of some serious high-profile instances of non-recent child sexual abuse. Its latest investigation is a thematic investigation into child protection in religious organisations and settings.

What will this stream of the inquiry focus on?

This is not a case review, or a 'deep dive' into any one organisation. Instead, it will look at safeguarding policies, procedures and practices. BUGB has decided to actively participate in this review and we have been accepted as core participants. The main inquiry hearing will take place in the last two weeks of March 2020 and we expect to see a report by the autumn.

Why are we participating?

So much good work has gone on across BUGB to improve and sustain good safeguarding practices at church, association, college and national level. We feel we could contribute constructively to the inquiry's work and use the process as an opportunity to listen and learn

from other organisations. We will keep churches updated as this stage of the inquiry progresses. We have published a statement about this on our website at:

www.baptist.org.uk/iicsa_statement

Legal News

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

Asbestos surveys – statutory requirement

Churches are reminded that there is a legal requirement for them to check whether asbestos is present in their premises. Churches need to remember that manse are not technically domestic premises. A consideration of issues relating to asbestos needs to include all church and manse property. The 'duty holder' under the Control of Asbestos at Work Regulations 2012 will be the church's charity trustees. Further information is available in Guideline Leaflet L11 Control of Asbestos at Work Regulations 2012 (www.baptist.org.uk/resources/L11).

Tenant Fees Act 2019

Churches letting or considering letting property to residential tenants or licensees need to know that the law on tenant payments has changed. The church's letting agent should help the church comply with its obligations but where a church is not using an agent, it must ensure that any tenant payments are permitted. Please see Guideline Leaflet PM04 Letting a Manse (www.baptist.org.uk/resources/PM04).

Change of Law relating to Minimum Energy Efficiency Standards in Private Rented Property

Churches that are landlords of residential property (eg if you are letting out a manse during a pastoral vacancy) should note that the law relating to minimum energy efficiency standards of domestic private rented property has recently changed. (This only affects churches who rent out residential property to tenants and does not relate to the normal situation under which a minister occupies a manse). For more information, including a link to revised detailed Government guidance, please see Guideline Leaflet PM04 Letting a Manse (www.baptist.org.uk/resources/PM04).

Data Protection

It is now more than a year since the GDPR came into force along with the new 2018 Data Protection Act. Whilst many churches will have updated their policies and procedures (or adopted some for the first time) it is important to remember to review these from time to time to ensure ongoing compliance. It is also helpful to have an annual reminder, for example at a church meeting, of the way in which personal information should be handled within your church. It is NOT necessary, however, to refresh any consents you have obtained annually. The official guidance is that consent should be reviewed 'regularly' particularly when things change, and this is a matter for your church's charity trustees to determine.

We will continue to keep our data protection web-page (www.baptist.org.uk/gdpr) updated as new guidance becomes available.

Charity Registration – ending of the exempting regulations in 2021

Only churches with an annual income that exceeds £100,000 need to register with the Charity Commission at present. However, the Excepted Charities Regulations that provide this exception from registration for many of our churches are due to expire in March 2021 and are not expected to be renewed. After that date churches will be treated the same as all other charities and registration will be required for every church with an annual income over £5,000.

At the time of writing, we are still awaiting guidance from the Charity Commission as to how this process will work. However, churches that have not yet adopted the BUGB model constitution, the Approved Governing Document, are strongly encouraged to do so in preparation for registration. This would also be a good opportunity to consider whether incorporation as a CIO (charitable incorporated organisation) would be appropriate for your church.

Further information is available in Guideline Leaflet C06 Churches and Charity Registration (www.baptist.org.uk/resources/C06) and Guideline Leaflet C11 Churches, Charities and Incorporation (www.baptist.org.uk/resources/C11).



Baptists Together Deposit Accounts

Baptist member churches with savings and reserves are encouraged to lodge these in a Baptists Together Deposit account. These accounts, provided by the Baptist Union Corporation Limited, offer a competitive rate of interest to depositors. They also provide funds which are used to make loans to finance the purchase of new church sites and manses and fund the construction of new churches, as well as redevelopment and improvement projects. Such projects help churches to develop their mission in their community and it is a fantastic way for churches with surplus funds to support mission across the Baptist family.

CURRENT RATES:

1.35% interest on 1 year fixed rate deposit
1.10% interest on 3 month notice account
0.85% interest on 7 day notice account
(all rates subject to regular review)
 Minimum deposit £1,000 for all accounts

For more information visit

www.baptist.org.uk/depositaccounts



New Guideline Leaflets

Please visit www.baptist.org.uk/resources to read our latest new leaflets:

- » PC14 Church Car Parks
www.baptist.org.uk/resources/PC14
- » C13 Writing Minutes
www.baptist.org.uk/resources/C13
- » C17 Serious Incident Reporting
www.baptist.org.uk/resources/C17

Support Services Webinars

Please visit www.baptist.org.uk/webinars to view recordings of our recent training webinars on:

- » Being a Good Charity Trustee
- » Redeveloping Church Premises

Finance Matters

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

Stipend 2020

The Standard Stipend for 2020 has been set at £24,000, an increase of 2.35% from 2019. The Manse Value for 2020, used for calculation of pension contributions will increase

based on the September CPI inflation figure, which will be published in October. It will be published on www.baptist.org.uk/financialguidance as soon as it is finalised.

Subscriptions

Baptists Together Subscriptions for 2019 are now due at the rate of £4.60 per member, based on the latest membership figures we have for your church. Churches should now have received the subscription request via email or letter, so if you have not received yours, please let us know at subscriptions@baptist.org.uk.

If you have not signed up to pay by Direct Debit please remit your payment as soon as possible, either by electronic transfer (our bank details Sort Code: 40-19-35 Account No: 41083635) or cheque (payable to Baptist Union of Great Britain) and send to Baptist House, PO Box 44, Didcot, OX11 8RT. Please quote your 'S' reference number on all payments (found on your subscription request).

Taxation Topics

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

The matters below have been the subject of recent enquiries and, whilst most are covered in the Guidance leaflet X03: Taxation Guidance Notes for Churches and Ministers (www.baptist.org.uk/resources/X03), it was thought that it might be helpful to include them here.

A minister is appointed to 'ministerial office'

The effect of the appointment of a minister (or minister in training) in accordance with the Union's recommended Terms of Appointment is that he/she is regarded as the holder of an 'office' - rather than an employee serving under a contract of employment. Amongst other things this means that various aspects of employment law and regulation (including the minimum pay regulations) do not apply to holders of the office of a minister of religion, and this needs to be borne in mind in

relation to various aspects of the PAYE provisions.

A manse telephone needs to be provided by the church

In order to avoid triggering a taxable benefit the manse telephone and broadband connection needs to be provided, and paid for, by the church. If the phone provider insists upon the account being sent to the minister's address then the provider should be asked to address it in the following fashion: Revd ABC, Minister XYZ Church, followed by the manse address. Accounts should be paid by way of direct debit from the church bank account. If there are other elements in the package (such as TV) they should be the subject of a separate charge borne by the minister. Alternatively (or additionally) the church might wish to provide a mobile phone for church business use which will not give rise to a taxable benefit but the account also needs to be addressed to and paid by the church.

Council tax and water charges

Council tax and water charges relating to a manse property (whether church-owned or leased by the church from a third-party landlord or the minister) borne by the church do not give rise to a taxable benefit and therefore do not have to be reported on form P11D. It is important that the Terms of Appointment (especially in the case of a minister serving in less than a full-time capacity) make clear that manse accommodation is provided for the better performance of the minister's duties and to enable the minister to respond at all times to the needs of the congregation. The payment (or reimbursement) by a church of council tax and water charges relating to a property owned by (but not leased to the church) - or personally rented by a minister - does give rise to a taxable benefit which will need to be reported on form P11D.

Payment of a housing allowance is taxable

The payment of a housing allowance in lieu of the provision of manse accommodation is taxable and chargeable to NICs through the PAYE procedure as additional pay but it is again emphasised that the manse annual value which is used for the purpose of determining pension fund contributions is NOT taxable.

For the lease of a minister-owned property, should the rent payable by the church be at a market rate?

Desirably yes - because it emphasises the commerciality of the leasing arrangement - but it is accepted that this may not always be feasible, and the parties must then determine a reasonable figure. A figure lower than market value might result in some abatement of tax relief in respect of deductible expenses.

Provision by a church of manse carpets or other furnishings

A church normally replaces carpets at a time when a manse is unoccupied, in which case a taxable benefit should not arise. If replacement takes place after appointment (but before the end of the following tax year) it might be possible to treat the replacement as part of a minister's tax-free relocation expenses (within the £8,000 total limit). Otherwise, an annual taxable benefit will arise - equal to 20% of the market value immediately following replacement - which might be as little as 30% of actual cost - thus producing a taxable benefit of around 6% of cost which is reportable on form P11D. After five years of taxable benefit, it would be possible for the carpets to be given to the minister without triggering a further taxable benefit; therefore, it would seem reasonable to discontinue reporting the annual benefit thereafter.

Manse repairs and alterations

The external redecoration and maintenance of the structure of a church-owned manse (including what are known as 'landlord's fittings and fittings') does not give rise to a taxable benefit, but internal redecoration (other than 'ingoin' redecoration) and 'wear and tear' maintenance is regarded as the responsibility of the occupant and would, if incurred by the church, trigger a taxable benefit.

Preaching fees for visiting preachers

Gifts or preaching fees to visiting preachers are not subject to PAYE by the church.

Such gifts should be accounted for (subject to any deductions for allowable expenses) in the recipient's tax return. Where payment is inclusive of travel expenses, a deduction is permissible at the approved car mileage rate (or the actual cost of any other mode of travel), and if car mileage is paid at less than the approved rate the difference can be claimed as an additional expense.

Small cash donations Gift Aid relief

A reminder that small cash donations not exceeding £30 per donation, and not given under a Gift Aid declaration, also qualify for gift aid relief under the Gift Aid Small Donations Scheme (GASDS). Claims can be made on up to £8,000 of such donations in any one tax year, provided there are also gifts made under standard Gift Aid declarations of at least 10% of the total small cash gifts. Small cash gifts can be given at any time and are not limited to those placed on the offertory plate.

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.