



Priests' Compensation Review Committee
Diocese of Antigonish
Report to Council of Priests and Diocesan Finance Council
Final Report - May 25, 2016

Preamble

The issue of Priests' compensation level(s) has persisted for several years. The Priests, collectively through a mechanism such as the Council of Priests or Annual Assembly of Priests, have previously requested approval for a salary increase. No salary increase was approved by the Diocesan Finance Council on the last request (i.e., June 2013) with the rationale provided as: 1) Parishes would bear the increase and many parishes were struggling financially therefore an increase in salary would add an additional hardship to many parishes, 2) Diocesan employees had also asked for an increase in salary and as of 2013 they had not received a salary increase in five or more years, and 3) No rationale for the increase was provided.

Two or more years following the last request for an increase in Priests' salaries, there remains concern from many Priests about both their compensation components and their level of compensation. An ad hoc committee of the Council of Priests and the Diocesan Finance Council was struck to examine the issue of Priests' compensation. Since the last communication from the Diocesan Finance Council regarding an increase in Priests' compensation (i.e., June 2013), Diocesan employees have received two increases (i.e., a market assessment increase in 2014 and a cost of living increase of 2% in 2016) and parishes have had an opportunity to "normalize" both parishioner attendance and Sunday collections.

Committee Complement

The committee is composed of Moira Chiasson (Diocesan Finance Council), Gerry MacKenzie as Secretary of the Committee (Audit, Financial and Legal Advisory, and Diocesan Real Estate Committees), Fr. Norman MacPhee, Fr. Jim Oliver, Fr. Dennis Lamey and Mary Oxner as Chair of the Committee (Chair, Diocesan Finance Council).

The committee met on several occasions to conduct a review of current compensation elements, to consider sources of information to assist in providing a recommendation regarding compensation, to evaluate various sources of information related to compensation, and to provide a recommendation based on evidence, analysis, and evaluation.



Mandate

The mandate of the committee is to review the salary of the Priests of the Diocese of Antigonish. In the committee's initial meeting, it was determined that the scope of the review should involve the various elements of compensation (e.g., salary, pension, vehicle reimbursement, etc.) not just salary. Also considered but outside the scope of the committee's mandate is a complete review and revision to the Priests' Policy Manual as it relates to compensation elements in particular.

The committee's discussion of Priests' compensation components is based on the belief that a well-educated man who has or is dedicating his life to the parishes of a Diocese should expect to be compensated enough to have a reasonable standard of living during both service to the parish and in retirement. The notion of reasonable is of course subject to variations in perspective however the committee was able to determine, in large part, what was unreasonable.

Compensation Components

Several compensation components were considered in the review including salaries, additional benefits, pension benefits, housing and vehicle expenses.

1) Salary

The salary component of a Priest's compensation is \$33,207 annually (or \$2,767.25 monthly) of which \$6,000 annually (\$500 monthly) is a housing benefit reported for tax purposes; the salary net of the housing allowance benefit is \$27,207 annually (or \$2,267.25 monthly). For Priests in active service and not of retirement age, the pay amount on a semi-monthly basis after deductions is only \$679.85.

All Priests (including the Bishop) in the Diocese of Antigonish receive the same salary regardless of number of years of experience, number of parishes, number of parishioners, and position/title (e.g., associate pastor, pastor, etc.). The salary component of compensation has been unchanged for eight years. Since the last salary increase for Priests in our Diocese, the cost of living has increased by 12.8% (i.e., for the period 2009-2015) (Appendix C).

A review of Priests' salaries from Dioceses across Canada reveals that a Priest's salary in the Diocese of Antigonish (net of the housing allowance) is similar to the national average of Priests' salaries in Dioceses across Canada. The monthly salary of Priests in the Diocese of Antigonish is \$2,267.25 and the national average monthly salary of Priests across Canada is \$2,253.86. (See Table 1.) The data comparison is with data collected in 2012 by one Diocese in Canada which was investigating the reasonableness of their compensation components (Appendix A). There is no



repository of Priests' salary data kept at either national or regional levels making good comparisons difficult.

In a survey of Priests of the Diocese conducted by the committee most respondents indicated that the salary received while in active service as a Priest was sufficient to cover their living expenses given housing and food were provided but the current salary does not allow for savings for retirement or many, if any, extras (e.g., vacation) (Appendix B). As a pertinent example, Priests are paid on a semi-monthly basis (net pay is \$679.85) therefore a typical Priest with a car loan (i.e., Priests are required to have a vehicle) must allocate one of two payroll deposits received in a month to the payment of a vehicle loan leaving only one of two monthly payments available to contribute to 15% of vehicle operating expenses, savings, charitable donations, entertainment, vacation, and life's general expenses. The lack of an ability to save for retirement from the salary provided is disconcerting given the low level of monthly pension received by Priests on their retirement.

Table 1: Comparison of Priests' Salaries in the Diocese of Antigonish and the National Average

ANTIGONISH VS CANADA

MONTHLY CLERGY REMUNERATION COMPARISON - 2012 RÉMUNÉRATION MENSUELLE DU CLERGÉ - MISE À JOUR - 2012

(ARCH)DIOCESE	Antigonish	National Average
<u>Seminarian or equivalent</u>		
Salary	n/a	\$1,265.54
<u>Assistant Pastor (Diocesan priest)</u>		
Salary	2,267.25	\$2,253.86
<u>Pastor (Diocesan priest)</u>		
Salary	2,267.25	\$2,169.84
<u>Assistant Pastor (Non-Diocesan priest)</u>		
Salary	2,267.25	\$2,370.56
<u>Pastor (Non-Diocesan priest)</u>		
Salary	2,267.25	\$2,417.93



2) Additional Sources of Compensation

Priests may benefit from additional sources of compensation (e.g., Mass cards, weddings, funerals, baptisms) for performing services outside of regular weekday and Sunday masses. These additional sources of compensation are variable and depend on numerous factors including the size of the Parish, location of the Parish, demographics of the parishioners, history of giving, and the Priest. There is no way to either capture or “regulate” such additional sources of compensation. Further, these sources of additional compensation have been decreasing in current years due in part to declining parishioner levels, the demographics of the parishioner complement, and the changing sentiment and related practice of parishioners. Consequently, it is expected that those sources of additional compensation will continue to decline. Additional compensation through inheritance, donations, and bequests are outside of the scope of consideration in this report.

3) Pension Benefit

Priests of the Diocese participate in a defined benefit pension plan which is administered by The Ecclesiastical Society of St. Joseph and is sponsored by the Diocese of Antigonish. Ordained Priests in the Diocese of Antigonish are required to join the plan at the later of the effective date and his date of employment. Normal retirement age is 65 although there are provisions for retirement at both an earlier and later age. A member of the plan may retire early provided the member has attained age 55 and has completed two years of service.

Priests through their parish(es) are required to contribute 4% of their salary to the pension plan and the Diocese has the obligation to provide the balance of the funding. Retirement benefits are calculated (effective January 1 2014) as 2% of the final three year average earnings as at December 31, 2013 multiplied by the average three years salaries to December 31, 2013 plus 1.8% of a Priest’s annual earnings for each year of pensionable service after December 31, 2013.¹

At a minimum, Priests will receive a pension of \$1,000 per month payable by the pension plan and the Diocese will contribute any shortfall in benefits to the maximum of \$1,000. Priests can also collect the Old Age Security (OAS) at the age of 65 and Canada Pension Plan (CPP) benefits on retirement (depending on contributions over the years).

In contrast to other retirees whose expenses on retirement contract, Priests of the Diocese on retirement will incur expenses that they would normally not incur in their vocation as an active Priest including housing, groceries, transportation, etc.

¹ Source: Financial Statements at December 31, 2015 of the Pension Plan for Members of the Ecclesiastical Society of St. Joseph, Diocese of Antigonish.



There were two issues which consumed the committee's attention related to pension benefits, namely: 1) Is the current compensation and pension benefit sufficient for a Priest to live a reasonable lifestyle in retirement? 2) What level of savings/investment should a Priest hold on retirement to live an appropriate lifestyle? To address these issues, a schedule of income and expenses was prepared using four scenarios. The base scenario (labelled Minimum) was based on expenses approved for a single man presenting to bankruptcy court (Appendix D). Three other scenarios were constructed by adjusting that base scenario for increases to maximum pension income and additional reasonable expenses (labelled Moderate #1, Moderate #2 and Moderate #3). The results of the analysis reveal a monthly deficit in all scenarios: \$609.48 deficit – Minimum, \$747.48 deficit - Moderate #1, \$1,097.48 deficit – Moderate #2, \$1,422.48 deficit – Moderate #3. In constructing the scenarios, the committee considered the cost of rentals in various regions in the Diocese (Appendix F). The committee's obvious conclusion is that the combination of current pension, Canada Pension Plan (CPP) and Old Age Security (OAS) benefits is insufficient to cover a Priest's monthly expenses on retirement therefore another source of income is necessary in retirement.

To further examine the issue of readiness for retirement of Priests in our Diocese, the committee engaged Richard Johnson CFP to model the necessary saving behavior of a Priest throughout his life in active service in the Diocese. Given the expenses required on retirement (Appendix D) and the expectant level of pension, Canada Pension Plan (CPP) and Old Age Security (OAS) benefits, the committee was interested in the level of monthly savings a Priest would be required to make to maintain a reasonable lifestyle (Appendix D – Moderate #3) in retirement. The analysis modeled the savings requirements of a Priest from the age of entering Parish life (i.e., 30 years old) to the age of retirement (i.e., 65 years old) based on current pension, CPP and OAS benefits and saving \$300 per month (Appendix E). The analysis indicates that a Priest to cover reasonable expenses in retirement would have to: 1) reduce his lifestyle by lowering expenses by 27% from the Moderate #3 model; 2) work longer before retiring from 65 to 81 years of age; 3) earn more return from 5% to 8.19% by investing in riskier equities; or 4) save \$4,700 more per year or an additional \$391 per month (in addition to the \$300 per month already required in the model).

The results of the analyses strongly suggest that the current pension income available to Priests is insufficient and therefore another source of income (e.g., savings) is necessary. There is however insufficient salary for Priests to allow for such savings. Further, the analysis indicates that Priests in retirement would qualify for public housing assistance (Appendix H) which is a difficult and telling "qualification" to consider as a Diocese.



4) Vehicle Allowance/Compensation

Priests are responsible for their own transportation (i.e., Priests must purchase a car for their own use). Priests are compensated for the use of their vehicles on presentation of receipts (e.g., gas, insurance, repair, etc.). Priests are compensated for 85% of their receipts as presented.

The Diocese does not reimburse Priests for travel on Diocesan business. Reimbursement for such costs (primarily gas) is provided by the Priest's parish(es) on presentation of appropriate receipts. Included in the reimbursement are expenses Priests incur traveling to Diocese committee meetings.

Some concerns were raised about the reasonability of the level of reimbursement of expenses required to support 1) ownership and 2) use of a private vehicle by Priests. Given the recent amalgamation of parishes, the geographic distance between parishes, the increased number of parishes serviced by individual priests, and the movement in the Diocese toward zones, 85% reimbursement may be insufficient for Priests with numerous parishes and with significant distance between those parishes. A 95% reimbursement policy may be a better match to expenses Priests' incur in some locations.

There is a policy in the Diocese which reimburses Priests for a portion of the cost of a vehicle if the Priest travels more than 20,000 km in any one year (i.e., considered excessive use) but not all Priests are aware of the policy nor do they submit a claim in accordance with the Policy.

5) Housing and Food Allowance

While in the service of a Parish, Priests are provided groceries and housing. There is variability of housing and grocery expenses borne by individual parish(es) but it is most often a function of the Priest. Further, Priests have a deduction of \$500 per month or \$6,000 annually taken from their monthly pay to compensate parishes, in part, as a contribution for food and housing. The deduction is a taxable benefit. Guidelines for food and housing expenses expectations should be provided by the Diocese to parishes so that parishes budget appropriately.

Sources of Information

The committee relied on various sources of information in conducting its review of Priests' compensation including:

1) Compensation Data from Canadian Dioceses

Salary comparisons to Priests' salaries in Dioceses across Canada were required. There is no repository for Priests' salaries and compensation information and as such no reporting of comparator compensation data. The committee was able to access data from two sources:



- a) one Diocese in Canada completed a survey of Dioceses across Canada; the survey data is from 2012 and is not a complete list but a reasonable base for comparison and b) direct e-mail contact by our Financial Administrator with Diocesan Financial Administrators from Dioceses across Canada to gather information about their individual Dioceses; again the data is incomplete on some compensation elements for many Dioceses and is not exhaustive. (Appendix A)
- 2) **Diocese of Antigonish Priests' Compensation Policy Manual**
The compensation policy is contained in a Manual prepared for the Priests of the Diocese. The Manual is dated May 1, 1993 and has not been updated since that time except on a piece meal basis.
 - 3) **Consultation with Certified Financial Planner Richard Johnson CFP**
Richard Johnson CFP was engaged on a volunteer basis to assist the committee with issues on the economics of retirement. Further, based on age and expenditure requirements on retirement, Richard Johnson provided and discussed with the committee a retirement readiness report and any shortfall in income which may exist in retirement. (Appendix E)
 - 4) **Inputs from Statistical Sources**
The inputs to determine costs on retirement were gathered from various sources: Statistics Canada, National Household Survey (NHS), Focus on Geography series, Royal Bank of Canada Economic forecast for Nova Scotia 2015, Consumer Price Index, etc. (Appendices C,D,H)
 - 5) **Audited Financial Statements of the Pension Plan for Members of the Ecclesiastical Society of St. Joseph, Diocese of Antigonish at December 31, 2014.**
 - 6) **Survey of Priests of the Diocese**
The Committee wanted to engage the Priests of the Diocese in the committee's review through feedback on a survey. Survey results requested by May 25, 2015 were communicated to the committee in aggregate to protect survey respondents' confidentiality and anonymity. (Appendix B)
 - 7) **Pertinent Document(s) from the Council of Priests and other Sources within the Diocese (e.g., Committee to Recommend Adjustments to Priests' Salaries Report)**
 - 8) **Consultation with Stakeholders**
The draft report dated March 2016 was provided to both the Council of Priests and to the Diocesan Finance Council. The Council of Priests recommended that the committee circulate the document to the Priests of the Diocese and members of the Parish Finance and Pastoral



Councils for comment. Comments were received from various types of respondents (i.e., Priests, Deaneries, and Parish Pastoral and Finance Councils). (Appendix I)

9) Other (as available)

Recommendations

Based on the evidence gathered and the analysis of data, the committee recommends the following:

1. Salary Increase

The committee recommends a 10% increase to the cash component of salary effective July 1, 2016. The cash component of salary is \$2,267.25 monthly and is borne by parishes. A 10% increase equates to \$227 monthly.

The committee recommends that Priests' compensation levels especially salary be reviewed at least once every two years and that review consider the persistent and cumulative effect of inflation on salaries. Further, in the next review the possibility of group Tax Free Savings Accounts (TFSA's) or other such savings vehicles should be considered as a vehicle for savings for retirement; savings vehicles like TFSA's will allow some flexibility in the use of savings during active service for unexpected expenses.

2. Retirement Planning Seminar

The committee recommends that retirement planning seminar(s) should be made available for Priests (both retired and in active service) on a regular basis (minimum of once every five years). The seminars will allow Priests to consider their individual needs on retirement. Offers to provide individually financial planning have been made and are available for Priests to access.

3. Policy Manual Update

The committee recommends that the Priests' Policy Manual be updated. The current manual is dated 1993 and there are several individual policies which have been developed but which are separate from the manual. Those individual policies should be incorporated into the manual so that there is an updated and convenient location for access by Priests to a complete set of policies of the Diocese. The Policy Manual could be available through on-line access.



4. *Priests' Pension Fund*

The committee recommends that the Priests' Pension Fund Committee plan for an increase in the pension benefit provided to Priests on retirement. The increase in pension benefit may be funded through various mechanisms including: 1) increase pension contribution from Parishes, 2) a Diocese funding campaign (e.g., similar to the Sheppard's Trust campaign) be launched, 3) the Diocese contributes to the pension fund from general operations and/or from proceeds on sale of real estate properties following the payment of the obligation arising from the class action lawsuit, etc. The committee recognizes that an increase in pension requires an actuarial review and an assessment of the contributions necessary to increase priests' monthly pension benefits on retirement (e.g., funding contribution necessary to increase priests' pension benefit per month by \$200-\$400).

5. *Clergy Fund*

The committee recommends that the Clergy Fund be better supported at a rate of \$50,000 per year and be available to Priests on written request to the Bishop for access to funds.

Currently the Diocese has a Clergy Fund has an annual budget expenditure which varies year to year. The Clergy Fund supports expenses for Priests who are unable to support such an expense on their own.

6. *Expense Reimbursement*

The committee recommends that Priests be compensated for mileage by the Diocese for attendance at Diocesan committee meetings.

The committee recommends that the vehicle allowance be increased to 95% for Priests' "excessive" and necessary travel in the service of parishes. The Council of Priests should set the parameters for determining which parishes should reimburse at the 95% level.



Appendix A: Priests' Salaries in Dioceses Across Canada

ANTIGONISH VS CANADA

MONTHLY CLERGY REMUNERATION COMPARISON - 2012 RÉMUNÉRATION MENSUELLE DU CLERGÉ - MISE À JOUR - 2012

(ARCH)DIOCESE	Antigonish	National Average	BC	AB	SK	MN	ON	QE	NS	NFLD
<u>Seminarian or equivalent</u> Salary	n/a	\$1,265.54	\$291.67	\$750.00	\$1,045.00	\$1,991.56	\$1,589.10	\$1,594.44	\$1,597.00	N/A
<u>Assistant Pastor (Diocesan priest)</u> Salary	2,267.25	\$2,253.86	\$2,312.50	\$2,409.50	\$2,090.00	\$2,816.42	\$2,315.53	\$2,236.07	\$1,597.00	N/A
<u>Pastor (Diocesan priest)</u> Salary	2,267.25	\$2,169.84	\$2,458.33	\$2,409.50	\$2,090.00	\$2,563.25	\$2,512.61	\$2,236.07	\$1,889.00	\$1,200.00
<u>Assistant Pastor (Non-Diocesan priest)</u> Salary	2,267.25	\$2,370.56	\$2,312.50	\$2,409.50	\$2,090.00	\$2,908.63	\$2,369.28	\$2,615.00	\$1,889.00	N/A
<u>Pastor (Non-Diocesan priest)</u> Salary	2,267.25	\$2,417.93	\$2,458.33	\$2,409.50	\$2,090.00	\$2,908.63	\$2,555.06	\$2,615.00	\$1,889.00	N/A



Appendix B: Survey Instruments to Priests of the Diocese and Results

PRIESTS' COMPENSATION REVIEW SURVEY – OUTCOMES

The response rate is 17 (mail-8, e-mail-9, phone-0).

1. Do you currently have an appointment in the Diocese? Yes-13 No-4

2. Are you a retired priest? Yes-4 No-13

3. Is your current salary sufficient to cover your immediate expenses? Yes-12 No-5
 - If yes, are you able to save some portion of your salary for retirement? Yes-12 No-5
 - or
 - If no, what sources of income are required to cover the shortfall?
 - Savings not much given personal expenses.
 - Stipends, gifts from people and family support
 - Salary is sufficient to be put away for retirement.
 - An RBC Financial Advisor was somewhat surprised that reliance on donations and mass stipends

4. Is the vehicle reimbursement policy (i.e., 85% of receipts) sufficient? Yes-8 No-9
 - The cost of buying a car is very expensive. It is an effort to save money and then have to spend it almost completely when buying a new vehicle.
 - Difficult making this purchase on such a low salary.
 - Costs of car, repair and registration are too expensive
 - Travelling long distances over roads that are sometime in need of repair - vehicles suffer the consequences.
 - Travel to multiple churches twenty to twenty five minutes from the Rectory adds much more wear and tear on the car and it depreciates more quickly.
 - It should be 95% because that's a more realistic percentage of vehicle use for the parish and the diocese
 - We have had to attend so many workshops, seminars and meetings outside of the parish area

5. Are there any issues with the current housing and food arrangement(s)? Yes-2 No-15
 - some parishioners see as too low and others as not necessary
 - housekeepers and cleaners are now gone and no compensation for taking up the slack



- Some Glebe houses are in ill repair and are expensive for parishes to continue to operate (e.g., fuels costs)

6. What monthly expenses do you anticipate on your retirement?

- Housing (incl. rent, cable, internet, phone, utilities, heat) _____
- Groceries _____
- Transportation _____
- Travel _____
- Clothing and amenities _____
- Other _____

7. Do you anticipate having other sources of income other than your Diocesan pension benefit, Old Age Security (OAS), and Canada Pension Plan (CPP)? **Yes-11 No-6**

- Savings
- Small dividend/interest from savings
- Minimal RRSPS
- Savings and Annuity

8. Would a seminar on retirement planning tailored to Priests be beneficial? **Yes-11 No-6**

- Love to hear from retired priests.
- Helpful for younger priests.
- Don't invite someone who cannot speak on a level as the majority have no financial background.
- One seminar would not be sufficient because of the many issues which pertain to retirement. We need something that's more extensive but not too general.

9. If you have any comments/insights that you would like to share with the committee please take the opportunity to do so.

- Note – numerous comments



Appendix C: Inflation Rate for Last Eight (8) Years

Consumer Price Index, historical summary (1996 to 2015)

	All-items	Change from previous year	Cumulative Change from previous year
	2002=100	%	%
2002	100.00	2.20	
2003	102.80	2.80	
2004	104.70	1.80	
2005	107.00	2.20	
2006	109.10	2.00	
2007	111.50	2.20	
2008	114.10	2.30	2.30
2009	114.40	0.30	2.60
2010	116.50	1.80	4.40
2011	119.90	2.90	7.30
2012	121.70	1.50	8.80
2013	122.80	0.90	9.70
2014	125.20	2.00	11.70
2015	126.60	1.10	12.80

Note: Annual average indexes are obtained by averaging the indexes for the 12 months of the calendar year.

Retrieved February 27, 2016 - <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/econ46a-eng.htm>



Appendix D: Modeling Income Required on Priest's Retirement

Priest's Monthly Budget on Retirement (2015)

Model		Minimum	Moderate #1	Moderate #2	Moderate #3
Income	CPP	400.00	450.00	450.00	450.00
	OAS	570.52	570.52	570.52	570.52
	Pension	1,000.00	1,500.00	1,500.00	1,500.00
		<u>1,970.52</u>	<u>2,520.52</u>	<u>2,520.52</u>	<u>2,520.52</u>
Expenses	Rent	900.00	1,000.00	1,100.00	1,200.00
	Utilities	168.00	168.00	168.00	168.00
	Insurance	40.00	60.00	60.00	60.00
	Car Insurance	112.00	120.00	120.00	120.00
	Gas/Repairs/Maintenance	150.00	200.00	225.00	250.00
	Vehicle Loan Payment	350.00	450.00	500.00	550.00
	Home Phone	40.00	40.00	40.00	40.00
	Cell Phone	35.00	100.00	100.00	100.00
	Cable	50.00	75.00	75.00	75.00
	Internet	55.00	100.00	125.00	125.00
	Entertainment	100.00	100.00	125.00	150.00
	Dining/Restaurant	50.00	75.00	100.00	125.00
	Pharmacare	35.00	100.00	100.00	100.00
	Groceries	315.00	400.00	450.00	500.00
	Life Insurance	30.00	30.00	30.00	30.00
	Laundry/Dry Cleaning	25.00	50.00	50.00	50.00
	Grooming, Toiletries	50.00	50.00	50.00	50.00
	Clothing	50.00	100.00	125.00	150.00
	Gifts/Charity	25.00	50.00	75.00	100.00
		<u>2,580.00</u>	<u>3,268.00</u>	<u>3,618.00</u>	<u>3,943.00</u>
Surplus (Deficit)		-\$609.48	-\$747.48	-\$1,097.48	-\$1,422.48



Appendix E: Priest in Diocese of Antigonish Retirement Readiness Model*

Model Purpose: Modeling the savings requirements of a Priest from the age of entering Parish life (i.e., 30 years old) to the age of retirement (i.e., 65 years old) based on current pension, CPP and OAS benefits.

Model Assumptions:

- Age of employment: 30 years old
- Age of retirement: 65 years old
- Live expectancy: 90 years old (older than population norm)
- Savings per month: \$300 per month (from salary or other e.g. mass stipend)
- Monthly goal: \$3,943 (per Appendix D)
- Inflation rate: 2%
- Portfolio rate of return: 5%



Model Outcomes/Directions:

1. Reduce lifestyle lower expenses by 27%
2. Work longer from 65 to 81
3. Earn more return from 5% to 8.19%
4. Save more \$4,700 per year or \$391 per month

*Model and model outcome/directions provided by Richard Johnson CFP



Appendix F: Costs of Apartments in Diocese of Antigonish Catchment Area

Location	Monthly Rental Rate	Additional Costs
Pictou	\$600-\$800	Electric Utilities
Antigonish	\$900-\$1,100	Electric Utilities and Water Usage
Sydney	\$900	Electric Utilities



Appendix G: Progress Report to Annual Priests' Assembly – June 2, 2015

PROGRESS REPORT – JUNE 2, 2015

Preamble

The Priests' Compensation Review Committee, a joint ad hoc committee of the Council of Priests and the Diocesan Finance Council, is tasked with reviewing the elements of compensation and their sufficiency both during active service as a Priest and in retirement.

The issue of Priests' Compensation level(s) has been an issue for several years. The Priests collectively through a mechanism such as the Council of Priests have previously requested approval for a salary increase. No salary increase was approved by the Diocesan Finance Council on the last request (June 2013) with the rationale as: 1) Parishes would bear the increase and many parishes were struggling financially therefore an increase in salary would add additional hardship to many parishes, 2) Diocesan employees have also asked for an increase in salary and as of 2013 they had not received a salary increase in five or more years, and 3) No real rationale for the increase was provided. A year following the last request for an increase in Priests' salaries, there remains concern from many Priests about their components and level of compensation.

Committee Complement

The committee is composed of Moira Chiasson (Diocesan Finance Council), Gerry MacKenzie as Secretary of the Committee (Audit, Financial and Legal Advisory, and Diocesan Real Estate Committees), Fr. Norman MacPhee, Fr. Jim Oliver, Fr. Dennis Lamey and Mary Oxner (Chair, Diocesan Finance Council) as Chair of the Committee.

The committee met on several occasions to conduct a review of compensation elements. Meetings took place September 2014, November 2014, May 6, 2015 and May 27, 2015.

Mandate

The mandate of the committee is to review the salary of Priests of the Diocese of Antigonish. On the committee's initial meeting it was determined that the scope of the review should involve all elements of compensation (e.g., salary, pension, vehicle reimbursement, etc.). Also considered but outside the scope of the committee's mandate is a complete review and revision to the Priests' Policy Manual as it relates to compensation elements in particular.

The final report with recommendations of the Committee is anticipated by November 30, 2015.



Sources of Information

The committee relied on various sources of information in conducting its review of Priests' compensation including:

1) Compensation Data from Canadian Dioceses

Salary comparisons to Priests salaries in Dioceses across Canada was considered to be required. There is no repository for Priests' salaries and compensation information and as such no reporting of comparator compensation data. The committee was able to access data from two sources: a) one Diocese in Canada completed a survey of Dioceses across Canada; the survey data is from 2012 and is not a complete list but a reasonable base for comparison and b) direct e-mail contact by our Financial Administrator with Diocesan Financial Administrators from Dioceses across Canada to gather information about their individual Dioceses; again the data is incomplete on some compensation elements and for many Dioceses and is not exhaustive.

2) Diocese of Antigonish Priests' Compensation Policy Manual

The compensation policy is contained in a Manual prepared for the Priests of the Diocese. The Manual is dated May 1, 1993 and has not been updated since that time except on a piece meal basis.

3) Consultation with Certified Financial Planner Richard Johnson CFP

Richard Johnson was engaged on a volunteer basis to assist the committee with issues and the economics of retirement. The inputs to determine costs on retirement were gathered from various sources: Statistics Canada, National Household Survey (NHS), Focus on Geography series, Royal Bank of Canada Economic forecast for Nova Scotia 2015, etc.

4) Audited Financial Statements of the Pension Plan for Members of the Ecclesiastical Society of St. Joseph, Diocese of Antigonish at December 31, 2014.

5) Survey of Priests of the Diocese

The Committee wanted to engage the Priests of the Diocese in the committee's review through feedback on a survey. Survey results requested by May 25, 2015 are communicated to the committee and to the Council of Priests in aggregate to protect survey respondents' confidentiality and anonymity.

6) Pertinent Document(s) from the Council of Priests and other Sources
(e.g., Committee to Recommend Adjustments to Priests' Salaries Report)

7) Other (as available)



Appendix H: Public Housing Assistance Regulation

RE: Household Income Limits (HILs) Revision 2015

The Canada Mortgage and Housing Corporation (CMHC) has revised the HILs in urban areas to reflect the October 2014 Rental Market Survey, updated utility costs and average median rent. In rural areas, due to the lack of availability of rental market data, HILs are calculated based on the cost to own, service and maintain a modest single-detached unit of various sizes.

HILs is used, where applicable, in all federal-provincial cost-shared programs including Public Housing, and programs delivered under the Agreement for Investment in Affordable Housing 2014-2019 effective September 14, 2015. The new HILs are as follows:

Household Income Limits, Effective as of September 14, 2015

Location	1 Bedroom	2 Bedroom	3+ Bedroom
Halifax (CMA)	\$32,000	\$39,500	\$51,000
Small Towns (CBRM)	\$25,000	\$33,500	\$41,500
Small Towns (Kentville, Truro & New Glasgow CAs)	\$24,000	\$31,500	\$35,000
Rest of Province (Rural Areas) (Inverness/Richmond/Victoria/Town Port Hawkesbury)	\$33,000	\$36,500	\$44,000

Determination of Core Need

An applicant is determined to be in Core Need if any one of the following applies to their circumstances:

- They pay more than 30% of their income for shelter, and adequate and suitable housing in their area would cost more than 30% of their income; or
- They, at present, occupy a crowded or inadequate dwelling which costs less than 30% of their income, but the cost of adequate and suitable housing in their area would cost more than 30% of their income.



Appendix I: Comments Submitted to Committee by Stakeholders April 2016

A. Invitation to Provide Comments on Draft Report (e-mailed April 5, 2016):

Dear Priests and Parish Council (Pastoral and Finance) Chairs,

Attached is a report prepared by a joint committee of members from the Council of Priests and the Diocese Finance Council. The report's focus is the compensation of active Priests in the Diocese. The report is sent to you as part of the committee's consultation process and we ask for your comment and input prior to the finalization of the report. I would ask Parish Priests for whom the Diocese does not have an e-mail on file to ensure that both Pastoral Council and Finance Council Chairs of your parish(es) have a copy of the report.

The timeline for feedback is a deadline of April 29th; the feedback will be shared with the committee. Please provide the feedback to me via e-mail (mmoxner@stfx.ca) directly. The final report will be circulated at the Annual Assembly of Priests held in early June.

Thank you for your consideration.

Mary O.
Chair, Diocesan Finance Council

B. Summary of Comments Received from Stakeholders during Report Consultation Process:

Responses: 10 responses (2 Deaneries, 3 Priests, 5 Pastoral/Finance Councils)

Overall: supportive and appreciative of committee's report (10)

Comments in addition to/not consistent with recommendations in original report:

Salary: retroactive to January 1, 2015 (1), increase to 15% (1), increase to 12.8% (CPI since last pay raise) (1), no increase (1); present net salary (2)

Pension: increase funding but only through fundraising campaign (1), increase pension benefit on retirement (2), assist Priests already on pension (1)

Vehicle: 95% for all Priests (2), no increase (1)

Clergy Fund: more defined (1), maintain at at least \$50,000 (1)

Other (outside of scope of committee): salary increase/policy for lay employees of Diocese (1); establish a payroll fund for access by all Parishes if struggling (1)