

FOR CHURCH LEADERS TO KEEP

SUMMER 2021

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

Coronavirus

Resources for churches

We continue to support churches by maintaining a dedicated section of our website, www.baptist.org.uk/corona which has all of our resources relating to Coronavirus. Key items available on the website include:

- » Detailed guidance on the use of church buildings and church worship during the pandemic, which is updated regularly in response to updates to government regulations and guidance, and feedback from churches.
- » Our Guideline Leaflet L18: Covid-19 Coronavirus Legal Issues (www.baptist.org.uk/resources/L18) contains comprehensive advice on a range of church governance, property and other issues that have been impacted by the pandemic.
- » Topical content to support churches in the current situation and in planning for the future.

Please do check the website regularly to ensure that you are using the most recent version of any guidance documents. Where appropriate we have included a change log in the documents so that you can see what amendments have been made. Please contact us at supportservices@baptist.org.uk if you have any queries not covered in the guidance or feedback on the content.

Coronavirus financial support scheme

In view of the continued pressure on church finances, the Baptist Union has extended the Financial Initiatives to provide help where it is most needed.

The following continue to be available:

- » Baptist Union Emergency Grants up to £15,000
- » Baptist Union Emergency loans of above £25,000
- » BUC Loan repayments reductions / holidays.

Full details of the initiatives can be found at: www.baptist.org.uk/coronafinancialsupport

» For May and June, the government will continue to contribute 80% of salary, and employers retain responsibility to pay national insurance and pension contributions

» From July, the government will contribute 70% and employers will have to pay 10% for hours not worked

» In August and September the government will pay 60% and employers 20%

Full details of the current scheme are available here: <https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme>

HR and Safeguarding Matters

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

Extension of furlough scheme

The government's job retention scheme has been extended until the end of September 2021 and continues to cover up to 80% of an employee's salary for the hours they can't work, up to a maximum of £2,500 per month. Churches can choose to fully furlough staff or to use flexible furlough arrangements to furlough staff for part of their working week.

Updated L08 Employment Guideline leaflet

The April 2021 update of our Guideline Leaflet L08: Employment is now available on our website (www.baptist.org.uk/resources/L08). This provides information for churches on employer responsibilities, together with a template employment contract for church staff and examples of core employment policies. PDF and Word versions can be downloaded as required.

Advice for churches facing HR issues is available, and initial contact can be made on HR@baptist.org.uk.

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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.

Pension administration

We are pleased that administration of the scheme has continued to operate well throughout the challenging circumstances of the last year. Please continue to engage with the scheme administrators, Broadstone, for any pension queries.

Member communications

We have started on a project to improve communications with scheme members so we ask you to encourage your ministers and staff to look out for that and engage with the process. Our aim is to ensure they are well informed about their pension.

Employer portal

We ask all employers in the pension scheme to ensure they are registered on the employer pensions portal at www.4mystaff.co.uk. This allows you to access information relating to your involvement with the Baptist Pension Scheme. The numbers registered are increasing, though we've still got a way to go. To register, please contact the scheme administrators by email at baptistpensions@broadstone.co.uk

Churches with an annual income under £100k will continue to be 'excepted from registration' with the Charity Commission. We anticipate that there will be a phased programme of voluntary registrations in the coming years and we will publish more details about this when they are available.

Virtual church members' meetings

Since the start of the pandemic many churches have made use of online meeting platforms to gather together when it has not been possible to meet in person. The BUGB Approved Governing Documents that many churches have adopted as their constitution do not make provision for virtual church members' meetings, but we have worked with our solicitors to draft appropriate clauses which churches can choose to adopt to allow for this. Further information can be found in the November and December 2020 Updates on the Legal and Operations Team page: www.baptist.org.uk/legalandops.

Legal and Operations News

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

Charity registration

In December 2020 we sent a letter to all churches to explain that the excepting regulations are being extended by ten years until 31 March 2031. A copy of the letter can be found in the February update on the Legal and Operations Team page: www.baptist.org.uk/legalandops.



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:

0.60% interest on 1 year fixed rate deposit
0.45% interest on 3 month notice account
0.20% 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



CIO training events

Churches that are interested in incorporating as a CIO (Charitable Incorporated Organisation) are invited to participate in one of our training events on Zoom. These will start at 10:00 and run until 13:00 on 30 June and 20 October. Booking details will be published on the Legal and Operations Team page (www.baptist.org.uk/legalandops) nearer the time.

Data protection

We have updated our Guideline Leaflet L13: *Data Protection* (www.baptist.org.uk/resources/L13) and template Data Protection policy for churches to reflect the fact that the UK has left the EU and the impact this has on international transfers of personal data. We have also updated the template policy to cover in more detail the role that churches play in safeguarding. A church may have to process special category data or criminal offence data in relation to someone in the church or become involved in an investigation, sometimes without the knowledge of the individual concerned. We have therefore added an Appropriate Policy Document as a new schedule to the template policy, to cover this high-risk processing of personal data.

We have made further changes to our guidance for churches on handling Data Subject Access Requests (DSARs), found on the same web page. These changes include new details from the Information Commissioner's Office (ICO) on clarifying the scope of a request and when you can charge a fee to comply with a request. This subject was also covered in our February data protection training webinar along with data breaches, and a recording can be found on the Baptists Together website at www.baptist.org.uk/webinars

All our data protection materials can be found at www.baptist.org.uk/gdpr

Support for Listed Buildings

Baptist Heritage Property Initiative update

We are pleased to report that the Baptist Heritage Property Initiative has been extended until the end of 2021 thanks to additional funding from Historic England. To date, the Initiative has allocated over £12,000 towards Quinquennial Inspections for

Baptist churches with listed buildings, many of which had never benefitted from a condition survey before. If you missed out during the first round, or are interested in finding out more, visit www.baptist.org.uk/qigrants

Listed building webinars

We have started our Listed Buildings webinar series covering topics such as Quinquennial Inspections, Maintenance and Repairs, and Fundraising for Building Works. See what's coming up and watch the recordings at www.baptist.org.uk/webinars

Listed building guidance

We're also continuing to update the information and guidance available via our webpages, including where to find suitably qualified conservation professionals to work with your listed building. Visit www.baptist.org.uk/conservationprofessionals and www.baptist.org.uk/listedbuildings to read more.

Finance Matters

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

2021 Subscriptions

Baptists Together subscriptions for 2021 are now due at the rate of £4.75 per member. Churches should now have received the subscription request either by email or letter, so if you have not received yours, please do let us know at subscriptions@baptist.org.uk.

Thank you to all the churches who have already sent us their subscription. The most cost-effective way for us to collect your subscription is by Direct Debit but we can also accept bank transfer and cheques.

Church Update

We would like to make sure we are keeping our Church Treasurer contact data for churches up to date. If you have moved to a new house, changed email address or telephone number, or for some other reason the Church Treasurer details need to be changed, please use our Church Update system to let us know the new details. Your Church Secretary will have been given login details for the Church Update system but if you are

having difficulties, please contact us at ChurchUpdate@baptist.org.uk. If you do not have access to email, then post or telephone the details through to us and we will update it for you.

As a reminder, the Church Treasurer contact details are used for financial matters such as subscription requests, sending of financial statements if you have a deposit, trust or loan with us and other financial related emails. As an example, one email was about free access to ACAT with our block membership together with advance notice of their online training courses.

Taxation Topics

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

Highlights of the Budget

- » The Personal allowance for the year 2021/22 is £12,570 and will remain the same for tax years up to and including 2025/26.
- » The higher rate income tax threshold for the year 2021/22 is £37,700 and will likewise remain the same for tax years up to and including 2025/26. The basic and higher rates of tax remain at 20% and 40% respectively for the year 2021/22.
- » The capital gains tax annual exemption is £12,300 for the year 2021/22 and is no longer being index-linked.
- » Stamp duty land tax on purchase of house property - The temporary increase in the nil rate band to £500,000 (which was due to cease at 31 March 2021) has been extended until 30 June 2021, and will then reduce to £250,000 until 30 September 2021, and then return to £125,000.
- » Value Added Tax rates - remain unchanged - as does the existing £85,000 turnover threshold for registering for VAT where a church carries on non-exempt trading activities.

Main residence capital gains tax exemption

A minister who is required to live in church-provided accommodation (ie owned or rented by the church) may be in the position of owning (solely or jointly with a spouse) their own

property which may, in the meantime, be let. Provided such property is a couple's only property, and there is an *intention* to reside in the property when the requirement to live in employer-provided accommodation ceases, it will be regarded as their '*main residence*' for capital gains tax purposes, and will not therefore give rise to a chargeable gain on disposal - even though it may have been let.

Personal circumstances can change over what is usually a lengthy period during which a minister resides in church-provided accommodation, making it impractical to reside in the original property in due course. This situation has been acknowledged by HMRC and, provided any change of property takes place before a minister ceases to reside in church-provided accommodation, the *main residence* exemption should continue to apply to a replacement property.

Net rental income (after deduction of relevant expenses) is, of course, chargeable to income tax in the hands of the minister and/or spouse, and further information in this respect is available in Guideline Leaflet X02: *Self Assessment and the Minister* (www.baptist.org.uk/resources/X02).

Tax treatment of reimbursed manse lighting and heating expenses

Section 1.12 of Guidance Leaflet X03: *Taxation Guidelines for Churches and Ministers* (www.baptist.org.uk/resources/X03) sets out the procedure agreed with HMRC in 2017 for dealing with sums reimbursed to ministers in respect of manse lighting and heating expenses. Briefly, the agreed 'church-business' proportion of such expenses

can be paid as a non-taxable expense, whilst the proportion relating to private use should be treated as additional pay for income tax purposes. There is no liability to NICs on any part of such reimbursement.

An announcement in HMRC's recent Employment Bulletin requiring employers to secure (before 6 April 2021) registration of any payrolling of benefits led to questions being asked as to whether churches were now required to seek formal registration of this payrolling procedure - but HMRC has, thankfully, confirmed that the procedure continues in place and does NOT require to be registered.

Mileage allowance paid to ministers

Manse accommodation provided (ie owned or rented) by a church for the *better performance of a minister's duties* is regarded as the minister's base and place of work, so that journeys from and to the manse in the course of performing those duties qualify for payment of mileage allowance at the approved rates - still 45p per mile for up to 10,000 miles pa and 25p per mile thereafter. However, it is a matter for agreement between church and minister as to the circumstances in which an allowance is paid, but if payment is not made by a church for all 'church-business' journeys, it is open to a minister to make a claim in their personal tax return.

Round-sum allowances paid to ministers

A further reminder that a round-sum allowance paid to a minister towards expenses (eg for books or for hospitality etc) is taxable as *additional pay* through the PAYE system, leaving

ministers to make a claim in their personal tax returns for tax relief in respect of expenses specifically incurred. A church can, of course, make payment, free of tax, of specific tax-deductible expenses.

Listed Places of Worship Grant Scheme

It has been announced that the Listed Places of Worship Grant Scheme is being continued for a further year to 31 December 2021. Whilst the UK was a member of the EU this was the only means by which relief could be provided in respect of VAT incurred on repairs and maintenance of listed church buildings - and it would appear that the grant scheme is being continued pending a possible change to the VAT provisions. See also section 12.1 of document X03 (www.baptist.org.uk/resources/X03).

Ministers' income tax returns

Whilst having acknowledged receipt, HMRC have still not yet responded to the suggestion that ministers whose tax affairs are relatively straightforward might be allowed to complete a basic tax return - instead of completing the Minister of Religion pages - which would then enable them to use HMRC's free online software.

With the approach of another 'tax return season' ministers are reminded of the guidance available in Guideline Leaflet X02: *Self Assessment and the Minister* (www.baptist.org.uk/resources/X02) and the online filing facility provided by GoSimpleTax referred to in Guideline Leaflet X01: *Ministers' Online Tax Returns* (www.baptist.org.uk/resources/X01).

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.