



Anglican Diocese of The Murray

Regulation:	Religious Practitioner's Exempt Account		
Body adopting Policy or Regulation:	Diocesan Council	Date of adoption or last review:	18/2/2023
Related Documents:		Review schedule:	2028

This regulation covers the operation of the RPE accounts for the Bishop and all Clergy in receipt of a paid Stipend.

Although there is no current legislative restriction on the proportion of the stipend that can be sacrificed in this way, it may be seen to be unfair if religious practitioners contribute little or nothing to the community tax pool. Diocesan Council has agreed upon a maximum of 30% stipend sacrifice into a RPE account. This position has been confirmed by General Synod guidelines and adopted by some other denominations.

A religious practitioner's package is therefore made up of the taxable component of the stipend (usually 70%, *however this may be further reduced by pre-tax voluntary contributions to superannuation*), and the non-taxable component (usually the stipend sacrifice amount and other allowances).

TR 92/17 Income Tax and Fringe Benefits Tax: "Exemptions for Religious Institutions" of 10 December 1992 rules that benefits will be exempt when paid to a "religious practitioner" of a religious institution, provided they are principally for duties or activities that are *pastoral* or *religious* in nature.

1. A sacrificed portion of the Stipend up to a maximum amount of 30% can be placed into a religious practitioner's exempt account.
2. On top of this 100% of the following can also be placed into the account:
 - a. Other income derived from their duties as a religious practitioner, such as wedding and funeral fees where the fees are collected by the church.
 - b. All travelling, allowances, and other work-related income.
3. A member of Clergy may use the account for any legal purpose but not including payment of taxation liabilities, fines and gambling. Withdrawal of Cash cannot be made from the RPE account.
4. The account should be separate from the Main Parish account and operated by the Parish Treasurer, with the normal Parish Bank signatories, upon presentation of tax invoices by the member of Clergy for the permitted expenses to be paid either direct to supplier or reimbursed.
5. A member of Clergy must not claim payments made through his RPE Account on his personal Income Tax Return
6. RPE Accounts are Parish Accounts and need to be audited.
7. Australian Taxation Office requirements require reporting to Annual Meeting of the Parish.
8. The reports are to be attached to but not included in the Annual Parish Financial Return submitted to the Diocese.

9. Upon:
- a. going to another Parish within the Diocese, the member of Clergy may
 - i. Receive the balance after PAYG withholding has been accounted for, or
 - ii. Have the funds transferred to the destination Parish RPE account.
 - b. leaving the Diocese to go to another position in Australia, the member of Clergy may
 - i. Transfer the funds to another RPE Account in another Diocese.
 - ii. Receive the balance after PAYG withholding has been accounted for, or
 - c. Retirement, the member of Clergy may
 - i. Transfer the funds to the Diocese and continue to utilize the funds only if *retiring in the Diocese*.
 - ii. Transfer the funds to another RPE Account in another Diocese if that Diocese offers such a facility.
 - iii. Receive the balance after PAYG withholding has been accounted for.

Note: a member of clergy may seek to utilise the funds prior to the designated resignation or retirement date.