

Remuneration

Policy No. 417

Policy Statement: Priests will be remunerated on a monthly basis for their service to their parish or the Archdiocese (c. 281, §1).

Intent of Policy: The monthly remuneration will provide for the personal needs and expenses of the priests, including food and charitable giving.

Definition: Remuneration includes the following paid by the parish or the Archdiocese:

- Monthly living allowance, less deductions for Income Tax, CPP, EI and Extended Medical Care
- Housing/residence for the priest, including telephone, basic cable TV, utilities and taxes. Personal long distance calls are not eligible for reimbursement.

Procedure: a) The Income Tax Act states: “There shall be included in the income ... the value of ... lodging ...received or enjoyed ...” (Section 6 (1) (a)).

An amount of \$600.00/month or \$7200.00/year must be reported on the clergy’s T4 slip as a taxable benefit for housing. This taxable benefit will not be paid to the priest.

b) Priests engaged in full-time active priestly ministry are eligible for the Clergymen’s Residence Deduction.

This deduction may be claimed in the priest’s annual income tax return for the amount of housing allowance included in his income, i.e. \$600.00/month or \$7200.00/year.

Please refer to Canada Revenue Agency – Interpretation Bulletin IT-141R, or contact the Office of the Financial Administrator.