

## CENTRELINK: ASSESSING THE INCOME OF MINISTERS OF RELIGION

**Q.** When filling out Centrelink forms, should you include your Non-Cash Benefits as 'income'?

**A.** It depends upon the payment you are applying for.

The assessment of "income" for a minister is worked out differently for different payments. This can be confusing if you were not aware of the differences. This information comes from a Centrelink document (June 2004) at <http://centernet/corp/incass/10816030.htm> normally only accessible by Centrelink staff. It says:

"The assessment of income for a minister of religion differs between Family Tax Benefit (FTB) and income support payments.

For **FTB** purposes, the amount of fringe benefits to be assessed is determined by the Australian Taxation Office (ATO). Certain benefits received by a minister of religion are exempt under section 57 of the Fringe Benefits Tax Assessment Act...

For **income support payments** the assessment of fringe benefits for a minister of religion is different. All fringe benefits are personal income (valuable consideration) and need to be declared for assessment purposes..."

Therefore, when asked for your income, you will need to provide a different answer depending upon the form you are filling in.

- When providing income assessments for **Family Tax Benefit**, you **do not include** Church paid fringe benefits as income under *reportable fringe benefits*.
- When providing income assessments for **Parenting Payment**, you **do include** Church paid fringe benefits as income under *other income*.

Parenting Payment forms explicitly mention 'ministry fringe benefits,' under 'other income' (a change from earlier versions of the forms). Fringe benefits here cover Non-Cash Benefits and accommodation allowance, but not ministry expenses such as travel allowance.

A Presbyterian Minister on a full stipend package according to the 'Income Test – Partnered Parents' (<http://www.humanservices.gov.au/customer/enablers/centrelink/parenting-payment/income-and-assets-tests>) exceeds the upper income limit for any Parenting Payment. In short Presbyterian Ministers paid at the full Assembly rate of \$55,861 (Jan 2017) are NOT eligible (remember the 30% of stipend taken as NCB must be counted as income for Parenting Payment). If you are receiving Parenting Payment you may need to tell Centrelink about your NCB to stop your Parenting Payment. Centrelink has a policy of pursuing the recovery of overpayments, even where the client has provided full disclosure, including instances involving Presbyterian Ministers. You may still be eligible for Family Tax Benefit.

### References

1. Income pertaining to **Parenting Payment** and **Low Income Card**. (Social Security Law): [http://www.facsia.gov.au/guides\\_acts/ssg/ssguide-4/ssguide-4.3/ssguide-4.3.3/ssguide-4.3.3.55.html](http://www.facsia.gov.au/guides_acts/ssg/ssguide-4/ssguide-4.3/ssguide-4.3.3/ssguide-4.3.3.55.html)

*"Example: A stipend or fringe benefit provided to a minister to meet general living expenses such as grocery items, private health cover or children's school fees IS counted as income.*

#### **Free accommodation or board & lodging**

Where a minister receives free accommodation or free board or lodging, it is not counted as income for social security purposes... However, where the minister is paid an allowance by the church or organisation to cover the cost of private accommodation, the payment IS counted as income."

2. Income pertaining to **Family Tax Benefit** (Family Assistance Law): [http://www.facsia.gov.au/guides\\_acts/fag/faguide-3/faguide-3.2/faguide-3.2.3.html](http://www.facsia.gov.au/guides_acts/fag/faguide-3/faguide-3.2/faguide-3.2.3.html)

*"Explanation: The assessment of adjusted fringe benefits for ministers of religion is also based on the reportable amount of fringe benefits recorded on their payment summary. Certain benefits received by ministers of religion are exempt under section 57 of the Fringe Benefits Tax Assessment Act. These benefits will NOT appear on their payment summary, and therefore will not be assessed as adjusted fringe benefits."*

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