

# **SALARY POLICY**

Church: ST MARY MAGDALENE

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# 1 Overview

## 1.1 Introduction

This document describes how the church determines salary levels for its employees. The audience of the document includes line managers, members of the PCC and church employees.

## 1.2 Purpose of this Document

The purpose of the document is to:

1. Define the principles, policies and processes that church leaders and the PCC follow in deciding salaries and salary increases.
2. Enable the church leadership to clearly articulate the salary principles, policies and processes to employees and other church members.
3. Help the church leadership to follow a repeatable annual process of setting salaries.

## 1.3 Scope

The scope includes:

1. Roles for which the PCC of St Mary's Church is the employer.
2. How salary levels are set.
3. The process and annual cycle for reviewing pay levels.

The scope excludes:

1. Staff who work for St Mary's Church, but who are paid by another employer – e.g. the Vicar and Associate Vicar are employed by Chester Diocese.
2. Terms of employment, which are covered by the Employee Handbook. This can be found at [www.stmarysaom.org/employeehandbook](http://www.stmarysaom.org/employeehandbook)

## 1.4 Producing and Reviewing the Policy

The HR Sub-Committee is responsible for producing and maintaining the policy and submitting it to the PCC for approval.

The PCC is responsible for:

- Formal approval of the policy.
- Ensuring accountability, transparency and objectivity, including compliance with equalities legislation and other relevant legislation as may be applicable.
- Keeping a formal record of all decisions taken in relation to the policy.

## 2 How Salary Levels are Set and Managed

### 2.1 Areas of Work

The church's employees work in the following areas:

- Ministry
- Administration
- Building services
- Butterflies Pre-School

### 2.2 Principles for Setting Salaries

We follow these principles when setting salaries:

1. We aim to provide a fair level of pay and retain staff, within the constraint of the church's ability to afford it.
2. Salaries are based on a role definition that includes:
  - a. Job description
  - b. Person specification
  - c. Hours worked
  - d. Terms of employment
3. We set salaries in a consistent way across our staff team, based on the level of responsibility, skills and experience required. Levels of responsibility include:
  - Leader - setting the vision for an area of the church's work.
  - Manager - leading an area of work and managing the employees and volunteers in that area.
  - Professional or Experienced Employee - working independently and requiring minimal supervision.
  - Trainee - learning the role and working under the direction of a professional or manager.
4. We consider salaries for similar roles in other organisations, subject to geographical differences and the person's experience and potential.
5. We compare salaries using a full time equivalent (FTE) of 37 working hours per week.
6. We meet all legal obligations, including statutory minimum wage rates. See <https://www.gov.uk/national-minimum-wage-rates>
7. The Employee Handbook describes the process for handling employees' queries about their salaries. See at [www.stmarysaom.org/employeehandbook](http://www.stmarysaom.org/employeehandbook)

### 2.3 Fixed Term Contracts

1. Fixed term contracts are offered in some circumstances including:
  - Cover for maternity leave or long-term sickness.
  - Establishing a new area of work which may not continue in the long term.
2. The maximum length of a fixed term contract is usually 12 months. Only one extension of up to an additional 12 months should be considered, after which the contract should be made permanent.
3. The employee's line manager must bring a proposal for contract extension, or conversion to a full-time role, to the HR Subcommittee and PCC at least three months before the contract expires.

## **3 Setting Salaries for New Appointments and Role Changes**

### **3.1 Types of New Appointments**

New appointments may be any of the following:

- An existing role, where the previous member of staff has left
- A changed role based on one or more existing roles, or a promotion
- A new role that the church has not had before

### **3.2 Producing a Role Definition**

1. The manager for the role creates or updates the role definition as required.
2. The HR Subcommittee reviews and approves the role definition.

### **3.3 How to Determine the Salary for a New Appointment**

1. The line manager for the new role proposes the salary considering:
  - Salaries for similar roles in: the church's staff team, other churches and Christian organisations, and secular organisations.
  - Other relevant factors – e.g. if the church provides a house or flat for the employee.
2. The HR Subcommittee reviews the proposed salary and makes a recommendation to the Finance Committee and the PCC.
3. The PCC considers the recommendation and whether it is affordable. Assuming that they approve the recommendation, then the job can be advertised.

## 4 Managing Annual Salary Rises for Existing Staff Members

The church operates an annual pay cycle in line with its financial year, which runs from 1 January to 31 December. The HR Subcommittee and the Finance Committee are subcommittees of the PCC. They research salaries and produce salary recommendations. The PCC reviews the proposals and makes the final decisions on salary rises.

Date	Activity
End of December	The HR Subcommittee: <ol style="list-style-type: none"> <li>1. Reviews salary and price inflation trends.</li> <li>2. Benchmarks each employee's salary against comparative roles.</li> <li>3. Recommends a cost of living rise for all employees and any additional corrections required to align individuals' salaries with the market.</li> </ol> See 5 Appendix: Sources of Comparative Information on Salaries on page 7.
Mid-January	<ol style="list-style-type: none"> <li>1. The Treasurer includes the HR Committee's salary recommendations in the overall church budget.</li> <li>2. The Finance Committee reviews the overall church budget.</li> <li>3. The Treasurer updates the budget and takes it to the PCC for discussion.</li> </ol>
End of January	The PCC reviews and approves the overall church budget.
End of February	The HR Subcommittee: <ol style="list-style-type: none"> <li>1. Checks whether there have been any extraordinary changes to wage rates since its salary recommendations in December.</li> <li>2. Reviews the salary budget that the PCC has approved and confirms the salary rise and effective date for each employee:               <ul style="list-style-type: none"> <li>• Most staff receive pay rises effective from 1 April</li> <li>• Ministry staff (e.g. children's pastor and youth worker) receive pay rises effective from 1 September.</li> <li>• Butterflies Pre-School staff receive pay rises effective from 1 April.</li> </ul> </li> <li>3. Submits the salary rise recommendations to the Finance Committee for consideration.</li> </ol>
Mid-March	<ol style="list-style-type: none"> <li>1. The Finance Committee reviews the recommendation from the HR Subcommittee, considers its affordability, and makes a salary recommendation to PCC.</li> <li>2. The Butterflies Management Committee reviews the recommendation from the HR Subcommittee, considers its affordability, and makes a salary recommendation to PCC.</li> </ol>
End of March	The PCC considers the salary recommendations and decides on the salary rises.
1 week after PCC approval	The Treasurer writes individually to members of staff, informing them of their new salaries and when they will take effect.

## 5 Appendix: Sources of Comparative Information on Salaries

Here are some sources of comparative information on salaries:

1. The Consumer Prices Index (CPI) published by the Office for National Statistics. See: <https://www.ons.gov.uk/economy/inflationandpriceindices>
2. General information on wage rises – e.g. from press reports.
3. Planned Diocesan salary rises.
4. Comparison with specific roles:
  - Research the market for similar roles within similar churches, Christian organisations and secular organisations – e.g. look at job adverts for similar roles. Useful web sites include:
    - The Church of England Pathways: <https://pathways.churchofengland.org/search>
    - New Wine: <https://www.new-wine.org/jobs/>
    - Church Pastoral Aid Society (CPAS): <https://www.cpas.org.uk/jobs-ministry>
    - Youth for Christ: <https://yfc.co.uk/vacancies/>
    - Premier Christian Jobs (<https://premierjobsearch.co.uk/>)
    - Church Drum (<https://www.churchdrum.co.uk/>)
    - <https://www.payscale.com/en-gb/>
    - <https://nationalcareers.service.gov.uk/job-profiles/nursery-worker>
    - Typical low paid roles – e.g. in supermarkets.
  - Advice from the Diocese
5. National pay scales: most organisations do not publish pay scales. However, Local Government produces suggested pay scales:
  - For administrative roles consider the National Joint Council (NJC) for Local Government Services pay scales. See <https://www.nicva.org/article/njc-payscales-for-202223>
  - For children and youth roles consider the Joint Negotiating Committee (JNC) for Youth and Community Workers pay scales.