

Pastoral Assistant Programme 2017/18
Employment issues and minimum wage regulations

Briefing paper for the PCC
Prepared by Toby York, 28th March 2017

In the past, the PCC has always engaged pastoral assistants as volunteers, paying them a subsistence allowance and providing them with accommodation. The costs of accommodation have been treated as a necessary requirement for them to fulfil their duties, and the subsistence allowance has been in line with the HMRC recommended allowances for living expenses of volunteers.

The HR team at the diocese, however, has recently modified its advice and seems to be moving towards the idea that PAs are employees, rather than volunteers. If this is the case, it raises two issues:

(1) Cost: +£5,000

We would need to pay PAs a gross salary sufficient to leave them with net pay to be no worse off than if paid a subsistence allowance plus accommodation costs. Approximate calculations based on a subsistence allowance of £6,000 and accommodation costs of £6,825 (which is roughly what the cost is for each PA) indicate additional costs of about £2,500 for each PA.

(2) Minimum wage calculations

Approximate calculations indicate that we would be compliant if we paid the PAs enough to meet the accommodation costs out of their own net pay. If we pay the accommodation costs directly, HMRC uses an 'accommodation allowance' of £42/week to determine hourly rates, and on that basis, we would not be compliant with minimum wage regulations.

The diocese is seeking legal advice, so there is a (small) chance that, later in the summer, they will change their advice back to paying PAs a subsistence allowance. Currently, their advice is not to change any current arrangements, but for PCCs to be prepared to treat new PAs as employees.

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March 2017