



Saskatchewan Synod
ELCIC

Treasurer Webinar

January 27, 2023

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Finance Manager*

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PRAYER



O Lord, You lift us up and have blessed us with the ministry of this church. We thank You for our pastors and our elders and teachers who nurture us spiritually. We thank You for each member who uses their spiritual gifts to bless others. We thank You for the rich fellowship we enjoy with each other and corporately with You. We give our time and talent to You now, to support the ministry of this church in our community and worldwide. Amen.

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Agenda



1. T4 Taxable Benefits
2. Other T4 Reporting Requirements
3. Clergy Residence Deduction (housing)
4. Other Reminders
5. Questions and (Hopefully) Answers 😊

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In case you missed it, or want to review:



This presentation will be recorded and posted on the Synod website:

www.sasksynod.ca

“Resources” section

“Resources for treasurers and financial”

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Disclaimer



Information in this presentation is intended to assist in understanding government requirements but does not include all details.

The Canada.ca website and its forms and publications are the final authority.

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T4 Reporting – Taxable Benefits



Life insurance and accidental death insurance premiums are included in a bundled benefit within the ELCIC Group Benefits Plan.

These premiums are taxable and pensionable (CPP must be deducted) but not insurable (EI is not deducted). Include when calculating monthly payroll.

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T4 Reporting – Taxable Benefits



You must use the spreadsheet on the GSI website to calculate the taxable benefit each year and each time there is a salary change.

This amount is NOT paid to the employee but must be added to monthly salary when calculating tax and CPP deductions.

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T4 Reporting – Taxable Benefits



On the T4 slip, this benefit is reported in Box 40 “Other Information – Other Taxable Benefits & Allowances.”

Add to earnings from employment (box 14) and CPP pensionable earnings (box 26) but **NOT** EI insurable earnings (box 24) on their T4.

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T4 Reporting – Taxable Benefits



With changes to the Health and Dental program in January, 2021, was an additional benefit called Lifestyle Spending Account available through Manulife. Amounts paid by Manulife to the employee are a taxable benefit in the year paid.

The amount of these claims was communicated in the Taxable Benefit Statement GSI sent to treasurers in December.

Do not issue T4s without this information.

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T4 Reporting – Taxable Benefits



Last year, we were told this benefit was taxable but not pensionable or insurable. In December, 2022, you received a statement and advice that the LSA is subject to ALL benefits.

As with the insurance premiums, it is NOT paid to employees (they received these amounts from Manulife) but must be added to salary when calculating deductions and reporting T4 amounts.

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T4 Reporting – Taxable Benefits



Add to earnings from employment (box 14) and EI insurable earnings (box 24) and CPP pensionable earnings (box 26) on the T4. Also include in Box 40.

If you did not make this adjustment to deductions with December pay, you will need to adjust your 2022 remittances. You can do so with an extra remittance or you will receive a PIER statement after filing your T4s. The adjustment is for both employee shortfall and employer shortfall.

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T4 Reporting Requirements



As a part of the changes to the ELCIC Health and Dental plan, employees might be paying a portion of Health and Dental Plan premiums (i.e. if an employee decided to top up their plan to move them to a new level). Premiums paid by the employee are a tax deduction as medical expenses.

Include this amount in box 85 when you prepare their T4.

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Allowances versus Reimbursements



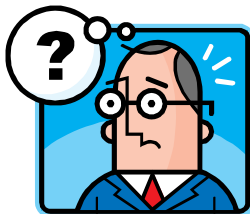
Flat amounts paid monthly for vehicle, phone, books, etc. must be added to salary and are subject to deductions (tax, CPP, EI) at source with payroll.

Reimbursements for mileage, phone bills submitted monthly, bills for book purchases, etc. can be paid as an expense and the congregation is entitled to the public service bodies' GST rebate. No deductions apply.

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QUESTIONS?



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Clergy Residence Deduction



No portion of a pastor's salary can be designated as "housing." The allowable tax deduction on the pastor's personal income tax return is calculated by a form submitted each year, a portion which is completed by a congregational representative.

ONLY with annual written authorization from CRA can tax and CPP be reduced at source for payroll.

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Contracted Services



You must issue a T4A for service providers who are NOT employees if the amount paid exceeds \$500 in a calendar year. This includes pulpit supply, musicians, custodians, cleaners, bookkeepers, secretaries, contractors, etc.

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Contracted Services



You need your congregation's information, the person's name and address and social insurance number, and the amount paid during the calendar year for services.

Exclude reasonable per-kilometre reimbursement of travel expense and other cost reimbursements. Include amounts for time and services such as travel time. The total goes in box 48. Electronic filing options are available, paper copies must be obtained by phoning CRA.

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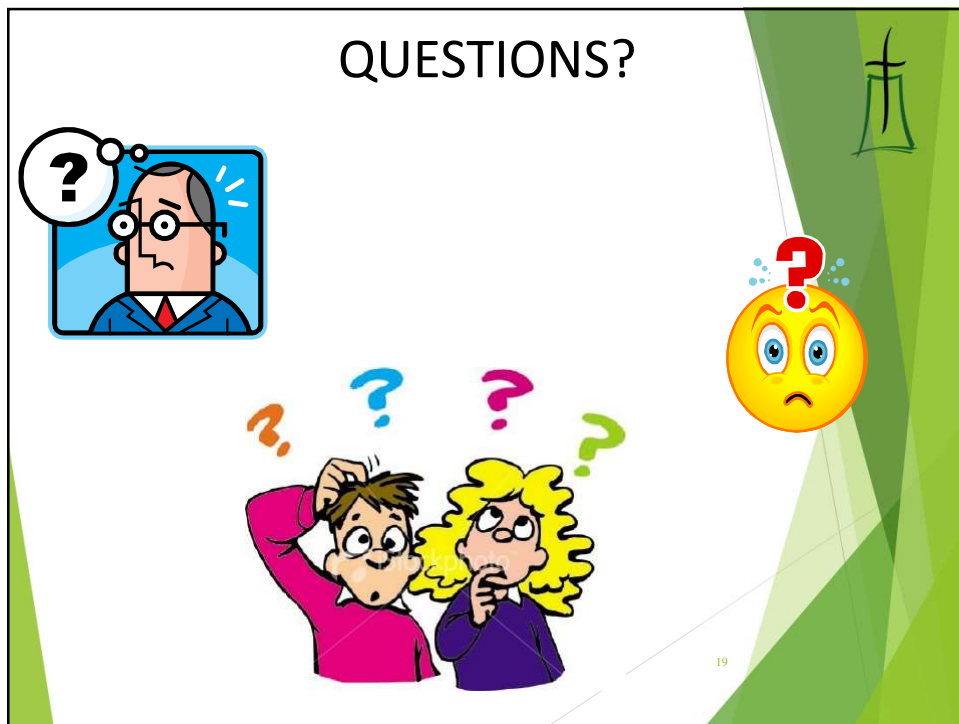
Saskatchewan Workers' Compensation Board



Clergy are exempt from WCB coverage. If you have lay employees (T4 earnings) or service contractors (T4A earnings) who perform work on your premises and are not otherwise covered, you need to pay premiums and report those amounts to WCB.

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Important Reminder – Gifting and Receipting

Charitable donation receipts can ONLY be issued for gifts received ON or BY December 31.

Time or service is NEVER receiptable, regardless of the donor's profession or business.

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Important Reminder – Public Benevolence



Registered Canadian charities are restricted to public benevolence. Charities cannot engage in private benevolence, no matter how worthwhile the beneficiary.

Funds directed to a family or individual identified by name, through pictures, or otherwise cannot be handled by the congregation, including gifts to a pastor.

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Important Reminder – Books and Records



A registered charity must keep adequate books and records at the Canadian address that the charity has on file with CRA. Minimum retention is typically 7 years or permanently, depending on the document.

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Important Reminder – Books and Records



You are responsible to have sufficient backups and archives to maintain books and records for the required retention periods.

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Important Reminder – T3010



The 2022 Charity Information Return (T3010) must be submitted by June 30, 2023 for December year-ends.

There is a presentation on completing these annual forms on the synod website under Treasurer Resources.

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Important Reminder – GST Rebate



Registered charities can apply semi-annually for a rebate of 50% of GST paid on their operating expenses. Claim forms must be submitted for each 6-month period (for a December year end: January-June and July-December).

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Notice of Changes



CRA is implementing legislative changes under Bill C-32 that will affect charities. The synodical and national treasurer group will provide information as we process what may affect our synod of congregations.

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Benevolence Remittance



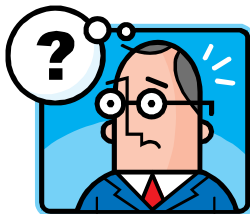
On the synod website under resources for treasurers and financial is a remittance form in both pdf and MS excel versions. It is helpful if a form accompanies each benevolence remittance.

Thank you for supporting our synod of congregations!

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QUESTIONS?



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Contact Information



General phone number (office hours
Monday to Friday 9:00 to 3:30):

306-244-2474

General email: info@sasksynod.ca

Finance phone or voicemail
(Wednesday office hours 9:00 to 5:00):

306-244-2490

Finance email: finance@sasksynod.ca

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