

BUC Policy - Section 5

FINANCE

(revised Mar 2023)

A. HOUSING ALLOWANCE (revised Mar 2023)

The employer does not have a liability/responsibility to house any employee. It is the responsibility of each individual employee to ensure that they seek independent advice from recognised legal or financial advisors before committing themselves to purchasing and/or renting property.

A regional weighting allowance shall be approved annually by the BUC Executive Committee within the financial and geographic limits set by the Compensation Review Committee which will review these annually. These allowances are pro-rated to the individual employee's Salary Percentage and are further pro-rated for part-time staff.

Transitional Allowance

When an employee currently serving in the territory of the BUC is required to move by his/her employer to a new location and the relocation necessitates both

- the sale or letting of the employee's current property and the purchase or renting of another property and
- the employer requires the employee to relocate in the new area of assigned work before the employee has completed the sale or letting of the employee's current property

Such employees may be eligible during the transitional period to receive a transitional allowance for up to a maximum period of six months of 25% of the employee's current salary package including regional weighting for workers within the London weighting area under the following conditions:

1. Employees have provided the employer with documentation that has demonstrated that they are actively seeking to sell or let their existing property.
2. The employer confirms in writing that, due to the requirements of the new post or to the failure of the employee to secure the sale or letting of his/her current property by a given date, the employee will qualify for the additional transitional allowance payment.
3. The maximum period for this additional transitional allowance is up to six months from the date of the relocation of their accommodation to the new assigned area of employment. The additional allowance will cease on the date that the sale or letting of their current property is completed if this date precedes the six-month limit.
4. In exceptional cases, where circumstances beyond the control of the employee have frustrated the employee's ability to complete the sale or letting of his current property within the maximum period, the employing body's executive committee may consider a request by the employee that an extension to the six-month limit be granted.
5. Where a husband and wife are both denominational employees and both are required to move, only one transitional allowance shall be paid, this being based on the higher of the two salaries.

B. SECOND MORTGAGE/SHARED INVESTMENT (revised Mar 2017)

Employing organisations are no longer able to offer employees the provisions of a second mortgage. Where funds have been made available in the past by the employing organization by way of a second charge, the following conditions apply to its discharge. The denominations' solicitor shall be used to effect the discharge of the second mortgage.

1. In determining the sum to be repaid on redemption of the second mortgage the employing organization will compare the average regional house price for the area concerned at the time of purchase with that

pertaining at the time of sale and increasing/decreasing the amount repayable on the second mortgage accordingly.

2. The second mortgage will be repayable on the sale of the house, on retirement, on cessation of employment with the BUC, or earlier if so desired by the employee. (The employing organisation's share of capital gain/loss being the above noted per cent of total gain/loss).
3. An annual statement shall be sent to employees with a second mortgage by the denomination giving information regarding the prevailing redemption value of the mortgage.

C. VOLUNTARY EARLY REDEMPTION OF SECOND MORTGAGE (revised Dec 2009)

The following policy applies with reference to the voluntary early redemption of second mortgages:

1. Settlement should not be less than the face value of the original loan.
2. Any discount should not exceed 10% of the required settlement value.
3. The discount should be recoupable in two years by the interest, at current rates, arising from the investment of the repayment figure.

D. DENOMINATIONAL HOUSING STOCK (revised Dec 2009)

Tenancy and rental of all denominational housing stock, with the exception of retirement properties, is determined by SDAA Ltd. Market rents will be set by the SDAA Ltd Board. Each tenancy shall be subject to an assured shorthold tenancy prior to occupancy.

E. RELOCATION AND REMOVAL ALLOWANCES (revised Dec 2022)

The BUC policy provides the following reimbursement for relocation and removal expenses to qualifying employees:

1. HOUSE SALE AND PURCHASE EXPENSES

The following house sale and purchase expenses will be paid by the employer up to a house valuation for a three bedroom semi-detached house with central heating and garage in the area of purchase.

- (a) Legal expenses for sale and purchase including stamp duty.
- (b) Estate agent's commission. In cases where a sale is transacted without the services of an estate agent, the maximum reimbursement for alternative arrangements for which invoices need to be submitted shall be ¾% of the sale price.
- (c) Administration fee relating to the redemption of the former mortgage.
- (d) Administration fee relating to the negotiation of a new mortgage.
- (e) Basic survey cost if required by the lender, but not a full structural survey.

2. REMOVAL EXPENSES

All removal expenses must be authorised by the treasurer of the employing organisation that has requested the employee to move location, and for this purpose the employee is required to submit at least two estimates.

3. RELOCATION ALLOWANCE

When an employee is asked to move to a new place of work by their employer and the move requires them to relocate their place of residence a relocation allowance of 50% of the monthly salary factor shall be granted. Where an employee and spouse are both denominational employees and both are required to move, only one relocation allowance shall be paid, this being based on the higher of the two salaries.

4. ELIGIBILITY

The following employees will qualify for all the above expenses subject to the caveats provided under clauses, Voluntary Transfer/Relocation, Investment in a Second Property, and Delayed Sale of Current Property:

- (a) Current employees whose contract of employment requires them to move at the direction of their employer when they are asked to move to a new place of work by their employer and the move requires them to relocate their place of residence.
- (b) Current employees whose contract of employment requires them to move at the direction of their employer and who have been renting their accommodation may qualify when they make their first purchase of a property within their current assigned district.

Such employees will not be aware of the imminence of their next move to a new location by their employer. Consequently, employees in this category will only qualify for the above allowance if they have consulted with their current employer and the latter has agreed in writing prior to the employee commencing the negotiation of the purchase of a property.

- (c) When employees, whose contract of employment has required them to move at the direction of their employer, retire within the territory of the BUC and become pension plan beneficiaries, they will be eligible to receive final house sale and purchase expenses, removal expenses and relocation allowance.

The expenses for employees in this category will be payable by the employee's last employer provided that the move is made within two years of the date of retirement. If extenuating circumstances prevent a sale and purchase within this time limit the terms of any deferral shall be agreed and minuted by the final employing organisation at the time of retirement.

Where total costs of the above allowances are more than the P11D tax free provision the employer's officers will record their approval of payment by Executive Committee Meeting or Consent Agenda action.

Costs to be shared proportionally among previous employers based on the employee's service record.

5. VOLUNTARY TRANSFER/RELOCATION

When employees move during their employment of their own volition from one house to another, they will not be eligible to claim from their employer any of the above expenses or the relocation allowance.

6. INVESTMENT IN A SECOND PROPERTY

When employees, who have been asked to move to a new place of work by their employer and the move requires them to relocate their place of residence, choose to retain their current property and to invest in a second property in their new location, they will not be eligible to claim the house sale expenses on their current property at some future date.

7. DELAYED SALE OF CURRENT PROPERTY

When employees are asked to move to a new place of work by their employer and the move requires them to relocate their place of residence, eligibility for the house sale expenses requires that the sale of their current property takes place at the time of their relocation to their new district.

Where personal circumstances may lead an employee to wish to defer the sale of their current property, such deferrals of the sale of the employee's current property will need the written approval of the employer, at the time of the relocation, if the employee wishes subsequently to claim the house sale expenses.

8. LOCATION WITHIN NEW DISTRICT

It is expected that employees who wish to claim the above relocation and removal allowances will, following prior consultation with their employer's officers, ensure that their new residence is located

within their new pastoral district so that they are able to serve effectively, efficiently and economically.

F. MOTOR VEHICLES (revised Mar 2020)

1. CAR ALLOWANCE

- (a) Conference/Mission/Institutional Officers Car Fixed Cost Allowance

The car fixed cost allowance rates will be set annually by the Remuneration Audit committee and approved by the BUC executive committee.

- (b) Travel Budget Mileage Rates

Reimbursement of business mileage within the monthly travel budget allowance and within Inland Revenue Approved Mileage rates (or such other rates as either BUC policy or the employing organisation may from time to time determine).

- (c) Mileage Rates

The mileage rate for all authorised journeys by volunteers and employees without travel budgets shall be at the lower Inland Revenue approved mileage rate.

2. TRAVEL BUDGET CLAIMS

- (a) Employees are expected to keep a record of daily business and personal mileage as well as documentation for all fixed and running costs for use in any personal negotiations with the tax authorities.

- (b) Employers when making reimbursements on travel budgets have a liability to the Inland Revenue that they have good reason to accept the legitimacy of the expenses being claimed. Each employee who has a travel budget is therefore responsible for completing his travel expense form on a monthly basis. Employing organisations will not reimburse travel claims that are submitted more than three months after the period to which they relate.

3. CAR INSURANCE

All employees receiving reimbursement for their travel are required to ensure that they have comprehensive car insurance which includes legal cover and cover for business use.

G. PROFESSIONAL DEVELOPMENT & EQUIPMENT ALLOWANCES

An annual allowance of up to 50% of the monthly package salary factor is available for the professional equipping and professional development of ministerial employees, bible workers, administrators and departmental directors. Employing organisations within the British Union Conference shall determine annually the proportion of the professional allowance that can be used for each of the following provisions:

1. PROFESSIONAL EQUIPMENT

- (a) Ministerial employees, bible workers, administrators and departmental directors are eligible for an annual equipment allowance, on the purchase of work-related equipment, subject to the provision of satisfactory receipts. Prior approval from the Union/Conference/Mission officers must be received by the employee, before the purchase of any equipment, on which they wish to make an equipment allowance claim. The allowance cannot be backdated but with prior approval from the Union/Conference/Mission officers two years' allowance may be combined.
- (b) All equipment purchased as above shall be recognised as part of the ministerial employee's personal inventory.

2. PROFESSIONAL DEVELOPMENT (PDA)

- (a) Ministerial employees, bible workers, administrators and departmental directors are eligible for an annual professional development allowance. Prior approval from the officers of the employing organisation must be received before incurring any expense in relation to a claim.

- (b) PDA will be available for attendance at short residential or distance learning courses whose purpose is to enhance the skills of the employee within the role for which they are employed.

H. PERIODICALS AND PROFESSIONAL JOURNALS (revised Apr 2016)

1. "ADVENTIST REVIEW"

The cost of any employee's subscription to the "ADVENTIST REVIEW" shall be met as follows:

Employee:	two-thirds
Employing organization:	one-third

2. "MINISTRY" MAGAZINE

Ministers, Associates in Pastoral Care, Bible Workers, Institutional Officers, Departmental Directors, Literature Evangelists with missionary credentials, and retirees with Emeritus Ministerial Credentials are entitled to receive the "MINISTRY" magazine free of charge, this cost to be borne by the employing organization, or the BUC in the case of retirees.

3. "JOURNAL OF ADVENTIST EDUCATION"

All teachers in denominational employment are entitled to receive the "JOURNAL OF ADVENTIST EDUCATION" or the "MINISTRY" magazine free of charge, the cost to be borne by the employing organization.

I. TRAVEL BUDGET ADVANCE (revised Apr 2016)

Within the provision for travel of pastoral and elected personnel (see F. above) there is an element of Fixed Car Cost Allowance. For pastoral workers this Allowance is not paid as a separate amount but is included in the reimbursement of travel at the higher HMRC rate.

Where a new employee, or an existing employee under extreme circumstances, who will be required to use a car in the normal fulfilment of their role, has difficulty with obtaining finance to purchase a suitable vehicle, they may apply in writing to their employing body to receive an advance of up to two years Fixed Car Cost Allowance. The maximum advance will be within the amount allowed by HMRC as a non-taxable beneficial loan. The Advance is not a loan subject to the Financial Services Act.

For pastoral employees the advance will be recouped by a reduction to the lower HMRC rate being applied to the remuneration of their monthly travel. Any remaining balance on the advance at the severance of service will be deducted from any final salary or settlement due.

The agreement for such a travel budget advance will be approved by the officers and recorded by the Executive Committee.