

WORKING EXPENSES

Information for Clergy who hold their *Office* with Common Tenure (and in some cases Freehold) terms

Church Commissioners' Guide

Under common tenure, PCCs are responsible for reimbursing the expenses of incumbents and all clergy licensed to a benefice. The Church Commissioners' Guide to the reimbursement of the Parochial Expenses of the clergy gives guidance as to how this should be done. It is good practice for this matter to be discussed by PCCs from time to time.

<https://www.churchofengland.org/sites/default/files/2017-10/parochial-expenses-guide-2017.pdf>

Monthly Claims

Clergy should submit monthly claims to the PCC, retaining a copy for their own records in case it is required by HMRC. Reimbursement of expenses must be made on the basis of expenditure actually incurred. HMRC will not allow lump sum expense allowances or other unsubstantiated payments against tax.

Taxation

Clergy should consult a copy of the Churches Main Committee circular *The Taxation of Ministers of Religion* Revised 2002. Any expenses wholly, necessarily and exclusively incurred by clergy in the course of their duties, which are not reimbursed, may be claimed as a tax-deductible expense against earnings. However, many clergy testify to having saved money by consulting a qualified accountant whose fee is usually much less than the tax saved from following the advice given.

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