

CLERGY FINANCE GUIDELINES

VERSION: JUNE 2026

CONTENTS

1. Income	1
1.1 Priests' Income	1
1.2 Income for Retired Priests.....	2
1.3 Secular Clergy Common Funds.....	2
1.4 Supply Rates.....	2
1.5 Diaconate	2
2. Taxation	3
3. Transport.....	3
3.1 Cars.....	3
3.2 Mileage Expenses.....	3
4. Clergy Costs.....	5
4.1 Housekeeping costs.....	5
4.3 Other Costs	6
5. Retirement property.....	6
6. Insurances.....	6
6.1 Diocesan insurance policies.....	6
6.2 Global Health Insurance Card	7
7. Healthcare.....	7
7.1 Healthcare Scheme.....	7
7.2 Priest Health Checks	7
8. Legal	8
8.1 Wills and Lasting Power of Attorney	8
9. Jury Service	8
10. Ministry to Priests.....	8

1. INCOME

1.1 Priests' Income

Clergy will receive income from both church and private sources.

Private income includes state and private pensions, investment income, bank or building society interest, rents from personal property, etc. and any relevant allowances from the government.

Church income comprises Christmas and Easters offerings, Mass stipends, and stole fees for baptisms, weddings and funerals. Christmas and Easter offerings are booked into a restricted Parish Fund for the Support of the Clergy and the whole amount can be drawn by the priest. Gift Aid is available on this income and the tax rebate can be added to the Clergy Fund for the priest to draw on. Cheques made out to the priest personally on any occasion are regarded as gifts to the individual not donations to the charity and they cannot be Gift Aided.

Mass offerings received from the faithful are an important part of the income priests are entitled to receive. However, no minimum amount may be stipulated for the offering of a Mass.

Each priest appointed to ministry in a parish is entitled to receive a Christmas offering of £3,000 and an Easter offering of £2,500. With other stole fees and stipends this should ensure that all serving priests have personal income of at least £7,000. These amounts are reviewed annually.

The Finance Office has a number of Mass intentions and offerings available where these have been sent in from parishes with a surplus. Please contact E: coo@abdiocese.org.uk to receive these.

Chaplaincy fees, such as those from prison or hospital ministry, are usually parish income not the priest's, and as such should not be taxed and paid direct to the parish. Instances where the appointment and remuneration is personal should be agreed with the Vicar General.

Former Anglican priests with dependents have different remuneration policies to ensure adequate provision for the household. Parishes provide for the priest's domestic expenditure and personal remuneration through a stipend, which has been benchmarked against Church of England stipends and is reviewed annually. This stipend is in the region of £30,000 and is the only income that Former Anglican priests with dependents are entitled to withdraw from the parish: stole fees, Mass stipends and Christmas and Easter Offerings should be retained within the general fund of the parish.

In addition to this salary the Parish provides accommodation and pays for water, council tax and office overheads (phone, broadband) but all other costs including food and heat, light and power are funded through the Priest's stipend. Domestic costs should not be paid for using the parish credit card.

In parishes served by a Married Former Anglican, Christmas and Easter offerings, stole fees and Mass stipends are received by the Parish into general funds and are not paid over to the Priest.

Married clergy may also be eligible for Universal Credit, which replaces many benefits, including Child Tax Credit. Please go to W: www.gov.uk/universal-credit for further information.

1.2 Income for Retired Priests

Financial information for retired priests is to be found in the Priests Retirement Policy. Priests may make arrangements for a personal pension, but premiums may not be drawn from the parish. They are encouraged to seek independent financial advice.

1.3 Secular Clergy Common Funds

“Big M” and “Little M” were established and continue to be administered by clergy to give assistance to sick and retired priests. The grants are discretionary and are not taxed. The Diocesan contact for Big M is Fr Jonathan How and for Little M it is Canon Jonathan Martin.

The Diocese considers it to be vitally important that clergy join these schemes. The Diocese will pay for all annual subscriptions for “Big M”. Clergy are expected to make annual contributions to “Little M”.

The Southwark, Arundel & Brighton Brethren CIO helps sick and retired priests. They can be contacted at E: southwark.a.bbrethren3@gmail.com

1.4 Supply Rates

Suggested supply rates are as follows:

Service	Rate	Notes
Sunday Mass with sermon	£100	Plus Mass offering and travel expenses
All weekend Masses including sermon and confessions	£200	Plus Mass offering and travel expenses
Weekday Mass	£50	Plus Mass offering and travel expenses
Funeral Mass	£200	Whatever is usually paid to the priest by the undertaker, to a minimum of £200 plus travel expenses
Wedding Mass or service	£200	Whatever is usually paid to the priest by the couple, to a minimum of £200 plus travel expenses

1.5 Diaconate

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www.abdiocese.org.uk

The Arundel and Brighton Diocesan Trust is a Registered Charity No. 252878

The permanent diaconate is a non-stipendiary ministry. The deacon is entitled to reimbursement of expenses incurred in the fulfilment of his ministry, whether carried out at a Parochial, Diocesan or National level. A deacon is entitled to retain any stole fees received in his administration of the sacraments. A deacon is not entitled to support from the Church in response to changes in his financial circumstances. When a deacon is appointed as Parish Administrator, the parish will supply income and accommodation equivalent to the provision for parish priests. If the Deacon in these circumstances is married, his financial arrangements with the parish will be the same as for a married priest.

2. TAXATION

Priests' income is assessable for income tax.

In our Diocese, the parish funds the National Insurance Class 2 contributions for priests. It is recommended that priests should make their own Class 2 National Insurance contributions and claim a refund from the parish. This funding is treated as income for tax purposes. It is a criminal offence not to pay National insurance contributions.

As well as income, priests must declare their benefits. The principal benefits in our Diocese are health scheme contributions, private health checks (every 3 to 5 years), grocery allowances provided by the parish (typically up to £500 per month) and accommodation. It is not permitted for Clergy to receive a car from the parish. Where a parish owns a vehicle, a taxable benefit is created if the priest makes personal journeys in this. Priests are responsible for managing their own tax and declaring benefits received, including housekeeping costs. Electric car charging provided without cost to the priest is currently not a taxable benefit, and business mileage can still be claimed at the normal rate of 45p per mile.

Priests are responsible for their own taxation and should seek advice from their own advisers. Council tax on the presbytery is payable by the parish. Clergy must register with their local authority for council tax and to join the electoral roll. Single occupancy deductions are available and can be applied for where there is only one resident.

3. TRANSPORT

3.1 Cars

Clergy should either own or lease a car. The only funding a priest may receive for his car is through the HMRC authorised mileage rates of 45p per mile up to 10,000 miles per year.

Priests must obtain the Vicar General's permission before they take an interest free loan from their parish to buy a car. This can be for up to £10,000.

3.2 Mileage Expenses

The Arundel & Brighton expenses policy covers all business-related expenditure incurred by clergy and staff of the Diocese whilst travelling on business and other costs incurred in the performance of their duties.

Reimbursement will be made in accordance with the HMRC mileage rates outlined below: -

	First 10,000 business miles	Over 10,000 business miles
Cars	55p	25p
Motorcycles	24p	24p
Bicycles	20p	20p

The above rates are intended to cover all running costs associated with the use of clergy and staff personal cars on Diocesan business and no other business expenses, e.g., car wash, fuel and oil etc. will be reimbursed by The Diocese in this regard. The parish credit card must not be used to purchase fuel under any circumstances. Priests who have access to a vehicle owned or leased by the parish or diocese may need to make expense claims for fuel. This is not calculated using the mileage rates above (which include an allowance for wear and tear on the vehicle). Advisory fuel rates are published quarterly by the government at **W:** www.gov.uk/guidance/advisory-fuel-rates. Currently these vary between 7 and 26 pence per mile depending on the vehicle.

A record of business journeys made should be retained by both the parish and cleric for six years. The record should include date, destination, distance and at least broad purpose of the journey. Some use paper-based systems, but digital methods are available including Apps for smart phones.

All those driving on Diocesan business, are responsible for ensuring that their motor insurance policy covers them for business use, this extension to the insurance cover may result in additional cost which will not be reimbursed by the Diocese.

The Diocese accepts no responsibility whatsoever for any claims arising but will require confirmation that adequate cover is in place and a copy of the relevant insurance certificate. Clergy must ensure that their cars are roadworthy, have a valid MOT certificate and that the driver holds a valid UK driving licence and are not disqualified from driving. In all cases, detailed business mileage records must be kept substantiating any mileage claims.

The policy applies equally to expense claims, expenses incurred on credit cards, employee expenses paid through purchase ledger and petty cash claims.

The Diocese is committed to reducing its carbon footprint. Accordingly, parishes are encouraged to install EV points to provide charging facilities for parish clergy and staff. These can be used by clergy and staff at no cost to the individuals. This does not create a taxable benefit. Mileage claims for electric cars are the same as for others – staff and clergy can claim for business journeys at 45p irrespective of whether the parish or Diocese provides free electricity.

4. CLERGY COSTS

4.1 Housekeeping costs

For the priests of the parish, accommodation costs are met by the parish including all utilities and Council Tax. Housekeeping expenditure is managed either by a sum paid into the priest's personal account for housekeeping or through use of the parish credit card. **It is recommended that housekeeping costs are met via a monthly standing order to the priest, as this significantly reduces the administrative burden of bookkeeping and record keeping. An allowance £500 per priest per month is advised.** Permission to pay an allowance in excess of this should be sought from the Vicar General.

Cash should never be reserved from the offertory to provide a housekeeping purse. The offertory collection should be banked in full as the 25% credit claimed through the Gift Aid Small Donations Scheme up to £8,000 per church per year is only available on cash donations that have been paid in at the bank. Priests must not use a personal credit card for domestic expenditure and seek reimbursement from the parish.

As an alternative to a housekeeping payment to the priest, the parish credit card can be used directly to fund domestic needs in the presbytery. Priests should not use the parish credit card for domestic purchases if they are in receipt of a housekeeping payment. **Receipts for all expenditure undertaken on a parish card are part of the accounting records of the parish and must be retained in the parish office for six years.** For simplicity of parish bookkeeping and to reduce the administrative burden of retaining receipts, it is recommended that housekeeping costs are met with a regular allowance via standing order.

Media subscriptions for the presbytery such as TV and Broadband are viewed as a legitimate domestic/parish office cost to be met by the parish.

Costs incurred when hospitality is extended to visiting priests or other individuals in connection with parish matters are a legitimate parish expense, and do not have to be met from the priest's personal housekeeping allowance.

Lodgers are not allowed to live in Diocesan properties (including presbyteries) without the express permission of the Bishop. Please contact him if you wish to have anyone staying in your Diocesan property for more than four weeks.

4.2 National Insurance Contributions and Healthcare Scheme

Priests under the age of 65 need to make Class II National Insurance Contributions and these must be funded by the parish. **It is recommended that priests make their own contributions directly to HMRC and claim these back from the parish, as this helps to avoid a gap in contributions when a priest changes parish.**

By paying National Insurance contributions clergy are eligible for state pension and sickness/disability benefits. Priests are encouraged to check their NI status to ensure that there are no gaps. A minimum level of contributions is required each year for it to count as a

qualifying year towards your overall record, and there are opportunities to top up recent years retrospectively.

This check can only be done directly by the individual concerned and is done online through the Government Gateway via <https://www.gov.uk/check-national-insurance-record>. If you do not already have personal tax account and Government Gateway ID and password, you can set this up at W: www.gov.uk/log-in-register-hmrc-online-services/register.

You will need 35 qualifying years to get the full State Pension and you can usually only pay top ups for the last 6 years.

When priests are newly ordained, the Diocese will fund any backlog in NI shortfalls that has occurred during their period of seminary formation.

All parish priests are members of the Healthcare Scheme operated by the Catholic National Mutual Healthcare Trust (unless they opt out by informing the COO). Contributions for this (currently £650) are a cost for the parish. Nuffield Health checks are available to the priests of the parish every 3 to 5 years and the cost of these is met by the parish.

4.3 Other Costs

The costs associated with a priest's annual retreat and support group meetings are payable by the parish, as well as recharges associated with clergy ongoing formation events and participation in mentoring and supervision.

5. RETIREMENT PROPERTY

During retirement, the Diocese will ensure that suitable property is available, and will meet the cost of furnishing, maintaining and repairing the property, of its insurance, Council Tax, water and any ground rent. Energy costs are the responsibility of the retired priest to be met from retirement income. Please see the [Priests' Retirement Policy](#).

6. INSURANCES

6.1 Diocesan insurance policies

Diocesan insurance policies are arranged through Catholic Insurance Services Ltd. All policies are available from the Diocesan Finance Office.

We have insurance policies on all Diocesan buildings and contents, as well as for travel, public liability and a healthcare scheme. Please note that our Diocesan Travel Insurance covers clergy trips, but that **these must be notified in advance** to our insurance broker Catholic Insurance Services Ltd via E: enquiries@catholicinsuranceservice.co.uk

Please note that valuable items must be separately declared to the insurers via the Diocesan Finance Office, otherwise these might not be covered. A limit of £10,000 applies to any one item unless it has been separately declared to insurers.

6.2 Global Health Insurance Card

The UK Global Health Insurance Card (GHIC) lets you get state healthcare in Europe at a reduced cost or sometimes for free.

If you have a UK European Health Insurance Card (EHIC) it will be valid until the expiry date on the card. Once it expires, you'll need to apply for a GHIC to replace it.

GHIC and EHIC do not replace travel insurance.

Applying for healthcare cover abroad (GHIC) – link [here](#).

7. HEALTHCARE

7.1 Healthcare Scheme

All incardinated and secular priests serving in the Diocese are entered into the Healthcare Scheme provided by the Catholic National Mutual Healthcare Trust (unless they notify the COO that they wish to opt out). The scheme renews each April, and mid-year applications are not allowed. The cost of membership is currently £650 per year (irrespective of age), and this is met in full either by the parish, for serving priests, or by the Diocese, for retired priests.

Scheme details can be provided by the Diocesan Finance team or the Clergy Welfare Officer E: annie.condon@abdiocese.org.uk. **Treatment must be authorised in advance via the Helpline**, T: 0208 481 7733. The scheme benefits and rules can be found in the online [handbook](#).

The scheme enables members to access private medical treatment for some conditions where the NHS waiting list exceeds six weeks and is designed to dovetail with NHS provision. The scheme does not cover treatment for cancer or heart conditions. Clergy should always register with their local NHS medical practice.

7.2 Priest Health Checks

Health checks are provided to parish priests through The Nuffield Health Group. This offers comprehensive health assessments designed to promote a preventive approach to healthcare through both medical and non-invasive tests. Assessments are available at Nuffield hospitals in Brighton and West Byfleet.

There are three different health assessments available, from the more basic Lifestyle Health assessment, focusing on common health issues, to the most comprehensive 360+ health assessment offering a full overview of health, with extra focus on cardiovascular health. Prices range from £349 to £995. The different options are laid out [online](#). Any issues emerging from the scheme will be referred for treatment within the NHS, or, where applicable, through our Healthcare scheme.

Priests in active ministry can opt in to undertake an assessment every 3 to 5 years, with the parish meeting the cost. This creates a taxable benefit for the priest, and he will have the choice of which level of assessment he wishes to undertake (if any). Priests wishing to participate in this scheme should book directly with the Nuffield on T: 3301 629301, recovering the cost from the parish (or using the parish credit card).

For support choosing or booking your assessment, priests can contact the Clergy Welfare Officer Annie Condon via E: annie.condon@abdiocese.org.uk or T: 07384 835139.

This health assessment does not replace our Healthcare scheme (described above).

8. LEGAL

8.1 Wills and Lasting Power of Attorney

The Diocese strongly recommends that Diocesan priests have LPAs in place and that sealed copies are lodged with the Vicar General, as for Wills and Funeral arrangements.

A Lasting Power of Attorney (LPA) is a legal document that lets an individual appoint one or more people (known as 'Attorneys') to help make decisions or to make decisions on the individual's behalf. This gives more control over what happens when, for example, a priest has an accident or an illness and is physically unable or cannot make decisions at the time they need to be made (especially if lacking in mental capacity).

If LPAs are in place, this will prevent many problems that will arise should a priest become incapacitated. It is highly recommended that a younger priest should be nominated as one of the Attorneys. For further detail go to W: www.gov.uk/power-of-attorney/overview

If a priest becomes incapacitated without an LPA, then the Court of Protection will need to be petitioned and this will result in a Deputy being appointed to take control of the individual's affairs and they may not have any empathy with the priest's wishes.

The Diocese advises that an appropriate solicitor specialising in Wills and Trusts should be consulted in the first instance. If any priest feels that the financial outlay for a Will or LPA is unmanageable, he should contact the Diocesan Finance Office for financial assistance which will be supplied.

9. JURY SERVICE

Clergy are not exempt from Jury Service but can ask to be excused. The Courts Service will not automatically know of your circumstances or of the office you hold. You must tell them and ask to be excused when you complete the form of return.

10. MINISTRY TO PRIESTS

The Ministry to Priests programme was established to provide pastoral care and social support – by priests for priests. The cost of support provided by the Ministry to Priests is a parish

expense, as is the cost associated with a priest's annual retreat. Costs for ongoing formation events, mentoring and supervision are also met by the parish.

This policy is due for review by the end of October 2027.