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Dear Treasurers and Administrators,

While you will have Christmas pageants, special services and outreach projects on your minds right now, I want to follow up on recent [Church Treasurer webinars](#) and issues of Connex where advanced notice was provided about changes to the regional cost of living groups. We are reaching out now with further information about the triennial reassessment of the regional cost of living groups and how you can find more information about any changes to the assignment for your community of faith.

As explained in recent Minimum Salary and Reimbursements for Ministry Personnel documents, the 2021 review of the assignments was postponed to allow for a review of the model (which began in 2015) given the volatility of housing prices. External regional compensation specialists were engaged to assist in building a model that would provide for "a modest recognition of regional cost of living differences" (41st General Council 2012 Record of Proceedings p. 516), be based on independent verifiable economic data, and easily updated triennially.

Updated Index for Cost-of-Living (COL) Group Categories

The revised model uses federal government data that accounts for housing, maintenance, property tax and utilities, provincial taxes, and goods and services. Category indices are weighted based on the expenditure profile of a typical Canadian household as established by government data. Weights are applied against each category index to derive the component expenditure index to determine the average cost of living in each location. COL group three is the base line with indices of 100-105.9.

COL Group	Location Composite Index
1	Below 97
2	97-99.9
3	100-105.9
4	106-113.6
5	114-121.9
6	122 and above

With the revised model there is no change to the assignment of 45% of communities of faith. 39% of communities of faith have stepped up one category. 16% have stepped down one

category. These changes reflect the change in housing costs as well as the significant differences in property and provincial taxes among locations.

Revisions to the Regional Cost-of-Living Group Assignments

These changes will be effective July 1, 2023 and apply to the balance of the year. You can find the revised cost of living group assignment data in the Downloads section at the bottom of the [Ministers' Salary Schedule and Cost of Living Groups](#) web page.

Salaries for ministry personnel serving in locations where the regional COL group assignment has been adjusted down will maintain their current salary as per the terms of the appointment or call. This includes those whose appointments renew. Ministry personnel serving locations where the regional COL group has been adjusted up will receive an adjusted salary starting in July 2023, according to the figures in the 2023 Minimum Salary and Reimbursements for Ministry Personnel, which can be found in the Downloads section at the bottom of the [Ministers' Salary Schedule and Cost of Living Groups](#) web page.

Background on Comprehensive Salary

If you are unfamiliar with the model of a comprehensive salary for ministry personnel, the following background may be helpful.

In 2006 the General Council affirmed the principle of regionally based minimum comprehensive salaries for ministry personnel reflecting local cost of living. This principle was implemented in 2015 with pastoral charges assigned to one of six cost of living groups based on median home values. Assignments were adjusted in 2019 based on changes in median housing values.

The comprehensive compensation model replaced a long-standing (1950s) model of a single national base minimum salary established by the General Council and a minimum housing allowance based on local rental values established by the Presbytery. In practice, however, many presbyteries were not reviewing housing allowances with any regularity and in many communities with more than one United Church, the housing allowances paid varied as much as 100%. Thus, the Council's decision to move to minimum comprehensive salaries reflecting the local cost of living. A team developed a model based on median house sales values as manually drawn down from Realtor.ca.

When the decision was made to attach the regional COL group to the cost of housing, it was a stable metric with a reliable data source (realtor.ca). It was also helpful for people to see a primary housing component in the transition from a housing allowance. It proved, however, to not be a stable or sustainable metric. This revised model provides a more comprehensive assessment of regional costs of living based on government economic data which can be readily accessed for triennial reviews of the assignments.

The triennial review of regional COL group assignments allows for adjustments based on changes in regional cost of living. In addition to these periodic reviews, minimum salary levels are subject to annual economic adjustments (indexing) based on the Consumer Price Index – Common (CPI – Common) one year prior, providing another means to preserve compensation value. This annual adjustment to minimum salary levels is implemented on January 1st.

Blessings upon your continued ministries as we embark upon a new year,

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