To: **All Stipendiary Clergy**
Accredited Lay Ministers
PCC Treasurers

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I am writing to confirm the updated stipend levels approved by Diocesan Synod for **1 April 2026** to **31 March 2027** and to remind you of some of the principles which govern the payment of stipends.

1) STIPENDS

a) Incumbents, priests-in-charge and others of incumbent status

i) The Diocesan Board of Finance (DBF) has agreed that the stipends for incumbents, and those of incumbent status, will be increased from £32,711 to **£34,950** per annum with effect from **1 April 2026.**

The DBF will pay the Council Tax for properties occupied by incumbents and those of incumbent status, curates and accredited lay ministers, including people who are living in their own houses who are in stipendiary ministry. However, this will not apply in those few cases where the occupant is a PCC appointee and where the PCC reimburses the DBF for the stipend.

ii) From 1 January 2013 parochial fees previously payable to incumbents are payable to the DBF (apart from a few clergy with freehold who advised the Bishop before 1 January 2012 that they wished to retain the fees). Other income, such as that from local trusts or chaplaincies, is regarded as part of the stipend. Tables of parochial fees for 2025 and 2026 are available from the Church of England website: https://www.churchofengland.org/resources/clergy-resources/life-events-parochial-fees-and-guidance

iii) Fees due to the DBF should be sent to the Diocesan Office each quarter.

iv) Clergy are permitted to retain the first £250 (net of allowable expenses only) of income from any additional appointments, e.g. hospital, educational and teaching before this income is taken into account in calculating augmentation grants. Chaplaincy income should be paid to the person who undertakes the chaplaincy duties and not under any circumstances to the PCC.

b) Assistant Curates and Accredited Lay Ministers

i) The DBF follows a recommendation from the Central Stipends Authority that no **full-time clergy and licensed lay workers** should receive less than the national minimum stipend. This means that the stipend for assistant staff in Years 1 to 3 will be £33,350 for the year **from 1 April 2026**.

ii) The stipend levels for years 1-3 are set at the national minimum and in subsequent years increase as follows:

	£
Years 1, 2 & 3	33,350
Years 4, 5 & 6	33,754
Years 7 & 8	34,274
Years 9 & above	34,774

The Church Commissioners pay each assistant according to the number of years in Orders or equivalent.

2) REMOVAL EXPENSES

i) The DBF provides for the payment of the actual reasonable costs of removal necessarily incurred by the following on taking up a stipendiary post within the diocese:

(a) incumbents; priests-in-charge (including those of conventional districts); team vicars; other clergy of incumbent status;

(b) assistant clergy; accredited lay ministers;

provided that their previous appointment was in an English diocese or they had taken up the new appointment immediately following the completion of training.

ii) For those whose previous appointment was not in an English diocese or who did not take up an appointment immediately following the completion of training the amount will be determined by the DBF in the individual circumstances.

Any person contemplating a move within the diocese should consult Alison Schroeder, e-mail aschroeder@stalbans.anglican.org in the Diocesan Office as soon as possible about the procedure to be followed for obtaining estimates, the payment of bills and resettlement and first appointment grants.

3) RESETTLEMENT GRANTS

In addition, the DBF provides for the payment of grants towards the cost of any necessary alterations to or purchases of furnishings and other expenses incidental to the removal. From **1 April 2026** resettlement grants will be **£3,335.**

4) FIRST APPOINTMENT GRANTS

The Central Stipends Authority recommends that all stipendiary ministers should receive a First Appointment Grant (in addition to the Resettlement Grant) on the following **two occasions**: 1) when taking up a full-time stipendiary post as assistant curate, deacon, deaconess or licensed lay worker for the first time, and 2) when taking up an appointment as an incumbent or minister of incumbent status for the first time. The DBF provides for the payment of grants to persons taking up first appointments:

Group (1) above - towards the cost of robes, theological books and any other equipment which they will need.
Group (2) above - towards the cost of setting up home for the first time in the sort of house provided.
From **1 April 2026** first appointment grants will be **£3,335**.

5) HEATING, LIGHTING, CLEANING AND GARDEN UPKEEP

The Church Commissioners, under arrangements with HM Revenue & Customs, pay, free of income tax, that part of a person's augmentation grant which is spent on heating, lighting, cleaning and garden upkeep. There are a number of conditions:

i) the individual concerned must live in an 'official' clergy or parsonage house;

ii) a return of expenditure on heating, lighting, cleaning and garden upkeep must be completed. The Church Commissioners issue an email to the eligible payees when the HLC return is available on their website. The Church Commissioners are prohibited by HM Revenue & Customs from operating this tax concession in all cases where a return has not been completed by the end of the tax year.

iii) in order to benefit, an individual must be liable to pay income tax and be in full-time stipendiary ministry.

This is **not** a supplement to stipend; it is an income tax concession. Clergy are therefore urged to claim as fully as they legitimately can in order to reduce their liability to tax. In view of this arrangement, parishes and others are firmly discouraged from making any contributions towards these domestic expenditures and are urged instead to reimburse fully their clergy's working expenses of office.

This concession does not apply automatically to accredited lay ministers for whom it is sometimes possible to make alternative arrangements.

6) COUNCIL TAX

For the purposes of council tax payment the DBF Finance Department needs to know whether or not there are two or more adults over 18 years of age normally resident in an official clergy or parsonage house. This is because where such a house is in single adult occupancy or where the second adult is a full-time student or registered for council tax in another property, the DBF is able to claim a 25% discount on the tax. If your circumstances change, for instance an extra adult becomes permanently resident in your house, or a full-time course of study comes to an end, please contact the DBF Finance Department and notify them of your change of circumstances.

7) WORKING EXPENSES OF OFFICE

PCCs should meet **in full** the working expenses of office incurred by all clergy and accredited lay ministers. The Bishop expects every parish to give high priority to this matter. Working expenses of office are defined in the Clergy Handbook and a booklet *'The Parochial Expenses of the Clergy - A Guide to their Reimbursement'* is available https://www.churchofengland.org/sites/default/files/2017-10/1687943693_parochial-expenses-guide-2017.pdf . It aims to provide a helpful framework for discussion between clergy and their parochial officers to determine an agreed basis on which regular claims for reimbursement should be made.

8) CAR MILEAGE RATES

The rates which HM Revenue & Customs have agreed may be paid without risk of tax liability are **45p** per mile for the first 10,000 miles (including for electric cars) and **25p** per mile thereafter. There is also an agreed bicycle rate of **20p** per mile. PCCs are encouraged to help clergy with the cost of running a car on this basis.

9) FEES

a) DIVINE WORSHIP
Retired Stipendiary Clergy

A PCC or other appropriate church body should offer retired stipendiary clergy, SSMs (retired or otherwise) and Readers fees for conducting Services of Divine Worship (other than weddings and funerals).

For SSMs who are not retired fees will only be admissible beyond those agreed in their statement of particulars. So it is likely to apply when helping out in parishes other than their own or when more was asked of them or in their own parish when there is an absence of the primary stipendiary person for more than three months.

Readers will be subject to the same constraints as SSMs in their agreed working arrangements.

The fee payable shall be 50% of the current parochial fee payable to the DBF for a funeral in church. For 2026 this is currently £66.00. For each subsequent service on the same day in the same parish or group of parishes the fee shall be 25% of the same parochial fee. The minister should be paid expenses as described above in addition to the fee.

Services on weekdays may be the subject of individual arrangements at reduced rates.

b) PAROCHIAL FEES

Where an occasional office is taken by a member of clergy, the whole of the DBF fee must be paid to the DBF. In the case of retired clergy SSMs (retired and active) and Readers, two-thirds of the fee paid to the DBF for the type of service may be paid to anyone in this group, with the DBF receiving the balance. For Readers, this only applies for funerals. If the person declines the fee in whole or in part, then the whole or part must also be remitted to the DBF.

For SSMs and readers, the same directions apply as for Services of Divine Worship.

In all cases, expenses should be paid in full at diocesan rates which are set in accordance with HMRC limits. Expenses are extra to, and not deducted from, the fee. Details of current mileage rates can be found at:
https://www.stalbansdiocese.org/mileage-rates/

A lump sum payment, or rates in excess of HMRC limits, is likely to give rise to a liability tax and is not recommended. Any payment received by an individual in excess of the approved rates for actual mileage involved should be paid to the PCC. Expenses incurred in pastoral visits prior to or following as service should be met by the PCC. A meal or other refreshment should be provided, where appropriate.

10) STATUTORY SICK PAY AND SICKNESS BENEFIT FOR THE CLERGY

Those on Common Tenure:

The Terms of Service Regulations provide that anyone in receipt of a stipend who is unable to perform the duties of his or her office because of illness for one working day or longer must report the absence to the archdeacon of the archdeaconry in which the person concerned holds office, who will then inform the Church Commissioners.

Each Archdeacon has a separate email address to be used solely for the purpose of reporting sickness absence:

bedfordsickness@stalbans.anglican.org
hertfordsickness@stalbans.anglican.org
stalbanssickness@stalbans.anglican.org

All Clergy:

Anyone absent from work because of illness for a continuous period of more than 7 days must provide the archdeacon of the archdeaconry in which the person concerned holds office with a copy of their medical certificate, which will then be sent to the Church Commissioners. You must keep the original certificate, but please take a copy for your records and send a copy to the Clergy Payroll Team.

If your illness lasts longer than twenty-eight weeks, the Church Commissioners will send you a change-over form SSP1 which will enable you to claim Employment and Support Allowance direct from the Department for Work and Pensions. If the sickness absence continues beyond the date when entitlement to SSP ceases, the stipend will be reduced to 50%. The continuing payment of stipend shall be reviewed every 3 months in the light of the medical evidence available.

A copy of this letter will be sent to your PCC Treasurer.

Yours

David White
Diocesan Secretary