Canadian Association for Baptist Freedoms
Pension and Benefits Packages for Pastors and Staff
(September 16, 2026 Update)

CABF is actively investigating what options are available, and this document will be updated from time to time as more information becomes available.

1. **Background**
   In response to questions being asked about pension and benefits packages for pastors and other church staff, chaplains, etc., the CABF Council is providing the following information, which it is hoped will be helpful to churches exploring their options.

   CABF, with its totally voluntary leadership, is not in the position to become an agent or program manager or benefits coordinator for any of the available plans. We are, however, able to provide the following basic information that will assist Member Churches and Pastors to get in touch with providers of the benefit elements.

2. **"Church" vs. "Organization"**
   In this document, all references to "church" should be interpreted as including other organizations that may employ or contract with a pastor, chaplain or other staff person.

3. **Salary vs. Contract Service**
   The nature of the relationship between the church and the pastor, (or other staff person or chaplain) will have a major influence on remuneration and benefits to which the person may be entitled, and how such remuneration and benefits are managed.

   Churches that have entered into an employment (employer/employee) relationship with a pastor or other staff person (full or part time) are responsible for statutory benefits (see below). They may also wish to provide additional benefits. Options for enrollment in group benefit plans, particularly for persons who are employed 50% or more full time (generally regarded at 20 hours per week or more), are outlined below.

   For churches that have entered into a Fee-for-Services Contract (written or verbal) with a person to provide defined services (pulpit supply, preaching, pastoral, visitation, chaplaincy, bookkeeping, secretarial support, music, caretaking, etc.), the pastor or other service provider is regarded as self-employed or an independent contractor, not in an employment relationship. In this situation the pastor or service provider will determine which services they may wish to provide, when they are available to provide the services, and how much service they will provide. They will provide the services independently and may also offer services to other clients. Payment is in response to invoices tendered for services provided, with no deductions for taxes or statutory benefits. Hourly rate for remuneration is normally higher than for employees in recognition that there are no benefits associated with this work.

4. **Clergy Residence Deduction**
   If the church provides accommodation (parsonage or rented accommodation paid for by the church), the value of this benefit is included on the T4 slip. If the pastor provides their own accommodation (owned or rented), they must file a Canada Revenue Agency Form T1223, Clergy Residence Deduction, to find out what can be deducted from income. The church has to certify that the pastor qualifies for this deduction.

5. **Statutory Benefits, including Employment Insurance, Canada Pension Plan, Statutory Holidays and Vacation**
   For a church that has entered into an employment relationship with the pastor or other staff, it is required that they deduct Employment Insurance and Canada Pension contributions from the person's remuneration and that they also contribute the employer's share of such contributions. Employees in such relationships are also entitled to statutory holidays and annual vacation.

   Where the church has entered into a Fee-for-Service Contract, the service provider (not the church) must report any remuneration received as contract or self-employed income, pay statutory deductions themselves, and are not entitled to other benefits such as statutory holidays or annual vacation.

6. **Additional Benefits**
   Churches with an employment relationship with their pastor or other staff person may wish to consider providing other benefits in addition to the statutory ones identified above. It is common practice to offer such benefits to any pastor or staff member who serves 50% or more of full time (generally regarded as 20 hours per week or more) as this is the common threshold to be eligible for a group benefits plan. Such benefits would typically include a health benefits package, disability insurance and a pension package, although life insurance, support for educational or professional development and provision for other paid or unpaid leave may also be included.

   For pastors who work less hours per week and are not offered additional benefits, the church may wish to consider a higher salary in lieu of the benefits.

7. **Pension**
   A church that has entered into an employment relationship with the pastor or other staff may consider contributing to a pension. Note that this is in addition to the Canada Pension Plan, with its mandatory contributions by the church (employer) and pastor (employee). Typically, the church would offer a cost-shared pension, with the church contributing 6% of salary and the pastor contributing 6% of salary, although these percentages are open to negotiation. Providers of Employee Benefits Plans usually offer a pension option, but a pension plan could be set up with any bank or investment firm, mutual fund, or even a self-directed RRSP. Care should be taken to make certain that it is registered as an RRSP and not just a savings plan in order to qualify for the income tax deduction on contributions.

8. **Health Insurance, Short and Long-Term Disability, Dental, Vision, Employee Assistance Plans, etc.**

   Plans for individuals generally have high premiums. If it is possible to qualify for a group plan of some sort, the premiums will be lower. The larger the plan, the lower the rates because the "risk" can be spread out over many more participants (the “pool” of insured parties). The benefits offered will vary with the underwriter and any group for which the employee may qualify.

   Most plans would be cost shared between the church and the employee, but some costs might be paid entirely by the church and certain optional coverages paid by the employee.

   We have determined that it is not possible for pastors or staff who are presently covered by the Canadian Baptist Ministries/CBAC/CBOQ/CBWC group plan with Canada Life to simply transfer their benefit coverage to a similar plan with CABF, since CABF does not belong to that group. New coverage will be required for those who are no longer covered by the CBM plan.

   It is possible to set up an individual plan for the employees of a single church, although the premiums will be higher because of not belonging to a group. A number of insurance brokers can do this, but we know that one of our churches has worked successfully with IDC Worldsource Insurance Network Inc. https://workplace-solutions.idcwin.ca/contact-us/.

   For those wanting the benefits of belonging to a group plan, there are options, such as the two examples below, that will allow an individual church to join a group plan. These plans offer the opportunity to be part of a large group which results in lower premiums and there are also well developed systems in place to deal with premiums, claims, service and advice. These plans are designed to deal precisely with the issue we are facing--how to get comprehensive coverage when you are a small organization.

   a. **The Canadian Centre for Christian Charities**

      The Canadian Centre for Christian Charities (CCCC) (www.cccc.org) is a national organization with a 50+ year history supporting 3,200 members.

      It provides services to charities that have joined the CCCC for a small yearly fee, which is dependent on the annual revenue of the charity. For very small charities, with annual revenue of less that $30,000, a Web Membership with access to all benefit packages, the Annual Membership fee is only $50. For larger charities, the fee is increased on a sliding scale, starting at $355 per year for organizations with annual revenue of less than $300,000. Go to https://www.cccc.org/membership_options for details.

      CCCC offers several **Employee Group Benefit Plans**. Details are available at https://www.cccc.org/employee_benefits.

CCCC offers **Employee Group Health Insurance**, which has a Basic Employee Group Health Insurance Plan which includes Employee Life Insurance; Accidental Death & Dismemberment; Dependant Life Insurance; Medical Leave of Absence; Extended Healthcare (Age to 75); Employee Assistance Program; and Critical Illness Insurance (Age to 75). Additional Coverage Options include Long Term Disability; Short-Term Disability; Voluntary Life Insurance; Voluntary Accidental Death & Dismemberment; and Dental Care (Age to 75). See https://www.cccc.org/group_health for details.

One of the CCCC plans is a **Pension Plan**. See https://www.cccc.org//pension for details.

b. The Chambers of Commerce

The Chamber of Commerce (Board of Trade) in each major community and each province offers a Chambers of Commerce Group Insurance Plan to members that provides benefits to employers with 1 to 50 employees on a not-for-profit group basis.

Plans provide flexibility with the option to choose from a variety of services including vision care, prescription drugs, telemedicine, paramedical services, travel insurance, dental coverage, disability insurance and critical illness insurance and group life insurance.

To be eligible for this plan, the church (employer) would have to join the Chamber of Commerce for a yearly fee. Annual membership in the Chamber of Commerce is on a sliding scale based on the number of employees, starting at less than $400 per year for an organization with one or two employees.

For local contact, Google “Chamber of Commerce” in your area and look at their website for information on their Group Health Plan or go to https://www.chamberplan.ca/.