

# Guidance to Communities of Faith on Managing Employees during the COVID-19 crisis

Prepared by Shining Waters Regional Council staff

Revised on May 1, 2020

## 1. The current context of employment relationships

As churches have closed across the region as a result of COVID-19, church leaders are grappling with the question of how to manage employment relationships, including lay employees.

How can employees continue to work from home? What should be done with employees who can not work from home or whose work is contingent on the normal routines of church? (e.g., custodians, paid musicians, etc.)? How can a Community of Faith continue to pay employees when revenue is impacted by falling donations and/or loss of rental income? What do we do if we can no longer afford to pay some of our employees? These are some of the questions arising as a result of the COVID-19 crisis.

Over the past several weeks, federal and provincial government supports have become clearer. While the implementation of these supports is still being worked out, Communities of Faith now have some options for managing employment relationships.

Recognizing that the circumstances of every Community of Faith are different, the following is some guidance for M&P Committees and governing bodies.

## 2. Keeping your employees on your payroll

### a) Canadian Emergency Wage Subsidy (CEWS)

The ability of churches to retain employees through this crisis has been dramatically enhanced by the federal government's announcement of the Canada Emergency Wage Subsidy. This subsidy program does apply to non-profits, including churches. For details see:

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy.html>

For employers that can demonstrate a 15 - 30% decrease (15% in the first month, 30% in subsequent months) in revenue resulting from COVID-19, the federal government will subsidize your employees' wages by 75%. This subsidy will be retroactive to March 15, 2020 for those deemed eligible, and can continue to June 6, 2020 (12 weeks).

If you are not eligible for the 75% wage subsidy due to the fact that you have not experienced a 15 - 30% decrease in revenue, you may still be eligible for a 10% wage subsidy for your employees. Please see this Canadian government web page:

<https://www.canada.ca/en/revenue-agency/campaigns/covid-19-update/frequently-asked-questions-wage-subsidy-small-businesses.html>

Note: the 10% wage subsidy can be processed through the UCC's ADP payroll system. However the 75% wage subsidy needs to be applied for individually by Communities of Faith. A webinar on how to set up a Canada Revenue Agency account can be viewed here:

<https://united-in-learning.com/index.php/webinars/recordings/324-access-to-cra-accounts>

Broader information about how to apply for the CEWS can be found here:

<https://www.canada.ca/en/revenue-agency/services/subsidy/emergency-wage-subsidy/cews-how-apply.html>

The first date for submitting applications is April 27, 2020.

## b) Using internal resources

In this time of crisis, you may have experienced a drop in donations and other types of giving. The General Council Office Philanthropy department has provided some creative and useful suggestions for giving and stewardship in these extraordinary circumstances we find ourselves in. Please see this document:

<https://shiningwatersregionalcouncil.ca/wp-content/uploads/2020/03/Generosity-in-Unprecedented-Times-280320.pdf>

If the Canadian government programs outlined above still leave you short of money to cover employee expenses, consider any internal resources you have. If you have a line of credit, consider using that, rather than investments, which have significantly diminished in value in this crisis.

Congregations can get approval to use up to \$25,000 of income from restricted funds related to property and manse for salary and expenses during the Covid-19 Pandemic. Congregations can also get approval to borrow up to \$25,000 of income from other restricted funds (e.g. bequests) for salary and expenses during the Covid-19 Pandemic. This does not apply to cemetery funds. Congregations must have a plan for repayment. For more information contact Jody Maltby from the Regional Council staff ([jmaltby@united-church.ca](mailto:jmaltby@united-church.ca)).

## c) Support from Shining Waters Regional Council

Information and applications for United Church Pandemic Response Bridging Loans will be posted shortly. Please contact Jody Maltby for information – [jmaltby@united-church.ca](mailto:jmaltby@united-church.ca) or go to the United Church website:

<https://www.united-church.ca/community-faith/being-community/make-plan>

As well, the most current financial information is available weekly through the United Church Covid-19 financial webinars each Wednesday at 7 p.m.:

<https://www.united-in-learning.com/index.php/webinars/upcoming-webinars/covid-19-response>

### 3. Placing lay staff on leave

As a last resort and in some circumstances, it may be necessary to place one or more of your employees on temporary layoff (Earlier versions of this document referred to “Declared Emergency Leave” but UCC legal advisors have now indicated that we should instead be using the terminology of “temporary layoff”).

Note that employees on the UCC Pension & Benefits plan will continue to be on the Benefits Plan while they are on temporary lay-off (the exception is that they will not be eligible for the Restorative Care Plan [short-term medical leave] or Long Term Disability). ***The premiums for both employee and employer will be paid by the United Church of Canada (no cost to you or your employee).*** You must inform General Council Office when you are placing an employee on temporary layoff so that they can continue benefit coverage for the employee.

#### **Option of employee continuing to contribute to the UCC Pension Plan**

Employees being placed on temporary layoff also have the option of continuing to participate in the UCC Pension Plan. To do so, they must pay their normal monthly contribution to the Pension Plan.

If the employee elects to continue to pay into the Pension Plan while on temporary layoff, the church employer (i.e., you, the local Community of Faith) is obligated by Ontario pension law to continue to pay the employer portion as well.

To summarize, an employee who is on the UCC Pension & Benefit Plan and placed on temporary layoff will have their benefits continued but you must inform General Council Office. They also have the option of continuing to contribute to the Pension Plan while on temporary layoff. Both employee and employer must fill out prescribed forms in order to implement this.

The Regional Council can provide template letters and the forms required to inform the General Council Office about an employee being placed on temporary layoff, continuing on benefits and pension, and so forth. If you plan to temporarily layoff an employee, please contact your Pastoral Relations Minister for these forms (contact information at the end of this document).

**Note that the placing of employees on temporary layoff must be approved by your governing body. No single person, or even the M&P Committee can make this decision.**

For lay employees, no permission is needed from the Regional Council to make changes to the employment relationship, including placing staff on temporary layoff. We always advise seeking the counsel of an employment lawyer, but especially in times of tight finances, for straight forward situations, the minimum you must do is comply with Ontario employment law.

#### **c) For independent contractors who are not term or permanent employees of the church**

If you engage the services of independent contractors (third party cleaning companies, self-employed individuals, etc), you have no obligation to continue to retain their services if they are not needed (but check your contracts with these contractors to make sure there is nothing that would obligate you).

## COVID-19 Emergency Response Benefit (CERB)

The CERB is available to those who have stopped work as a result of COVID-19. Note that the federal government is channeling all new applications for Employment Insurance payments through the CERB, effectively merging the two programs for the time being. CERB pays \$500 per week for up to 16 weeks. The payout is the same, regardless of whether an employee was working full time or part time. If you are placing an employee on temporary layoff, you should still issue a Record of Employment (RoE). Information about the CERB, eligibility requirements, and applications links can be found here:

<https://www.canada.ca/en/services/benefits/ei/cerb-application.html>

## 4. Your ministry personnel

In this time of crisis, ministry personal are busier now than ever. They can continue to do much of their work via the phone and electronic means. Your congregants, community members and others need the leadership that your minister is able to provide. Prioritize your ministry personnel!

If you are considering the reduction of hours for ministry personnel, or changing any aspect of the pastoral relationship, please speak to your Pastoral Relations Minister before doing anything (see contacts at the bottom).

For any questions related to employment issues of your staff, please call your Pastoral Relations Minister:

### **Pastoral Relations Ministers**

#### North of the 407 highway

Todd McDonald – [tmcDonald@united-church.ca](mailto:tmcDonald@united-church.ca) (416-231-7680 or toll free: 1-800-268-3781, ext 6235)

#### South of the 407 highway

Dale Hildebrand – [dhildebrand@united-church.ca](mailto:dhildebrand@united-church.ca) (416.231.7680 ext. 6261)