

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

Prepared by Shining Waters Regional Council staff

Revised on October 1, 2020

## 1. The current context of employment relationships

As the COVID-19 pandemic continues into the summer, church leaders are grappling with the question of how to manage employment relationships, including lay employees.

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 supported 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. The program has now been extended to the end of 2020 with significant changes in program design and a phaseout period.

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. Please see the United Church website for more information on working with ADP:

<https://www.united-church.ca/community-faith/being-community/government-emergency-programs>

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>

## 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

Emergency loans of up to \$10,000 are available to communities of faith that need a short-term top-up after they have accessed the government programs available or are transitioning out of the government benefits.

<https://www.united-church.ca/community-faith/being-community/united-church-emergency-support>

Please contact Jody Maltby: [jmaltby@united-church.ca](mailto:jmaltby@united-church.ca) or Kim Uyede-Kai: [KUyedeKai@united-church.ca](mailto:KUyedeKai@united-church.ca) for more information.

As well, the most current financial information is available through a recording of the United Church Covid-19 financial webinar. Please note that the information contained here is current as of August 12<sup>th</sup>:

<https://www.united-in-learning.com/index.php/webinars/recordings/350-congregational-finances-august-12>

### 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 emergency leave due to COVID-19. The latest government regulations require that employees who are temporarily laid off from their work be placed on Infectious Disease Emergency Leave (IDEL). Information about IDEL can be found here:

<https://www.ontario.ca/document/your-guide-employment-standards-act-0/infectious-disease-emergency-leave#section-0>

This leave protects an employee's job while they are on unpaid leave that lasts until January 2, 2021. **If you currently have an employee on IDEL, please take steps with your governing body (i.e. Church Board, Official Board) to recall the employee before January 2, 2021.**

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

If an employee currently on IDEL wishes to continue their benefits, please contact the United Church Benefits Centre at [benefits@united-church.ca](mailto:benefits@united-church.ca). An employee on IDEL is required to pay both the employer and employer costs to maintain benefits while on leave.

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

Employees being placed on IDEL 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 IDEL, 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.

**Note that the placing of employees on IDEL and recalling an employee 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 IDEL. We always advise seeking the counsel of an employment lawyer, but especially in times of tight finances, for straightforward 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 24 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 personnel 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, and for the forms mentioned in this document, please call your Pastoral Relations Minister:

### **Pastoral Relations Ministers**

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

Dale Hildebrand – Dale is currently on sabbatical until November 14, 2020.