



This document is provided as a general information service to members of EMCC. Every attempt has been made to provide accurate and current information. However, CRA regulations and administrative practices are known to change periodically. EMCC does not guarantee the accuracy of the information; please also refer to CRA directly.

Filing the T4 Return

There is an annual requirement to provide each employee with a completed T4 slip, and file a T4 return on or before the last day of February. While most issues are straight forward, there are some specific differences that relate to clergy.

Clergy Residence Deduction (CRD)

For information, please refer to the EMCC website [Completing the Clergy Residence Deduction](#). Information is also available to members of the CCCC at www.cccc.org.

Group Insurance

When setting up the payroll system and completing the T4 slip, note that some of the employee benefits are taxable to the employee **when paid by the employer**.

Group Life & Dependent Life Insurance

- An employer paid life insurance premium is a taxable benefit to the employee
- Report in Box 40 and include in Box 14 and Box 26 of the employee's T4
- Death benefits are not taxable to the recipient

Accidental Death & Dismemberment (AD&D) Insurance

- An employer paid AD&D insurance premium is a taxable benefit to the employee
- Report in Box 40 and include in Box 14 and Box 26 of the employee's T4

Long Term Disability (LTD) Insurance

- **LTD benefits in the EMCC Group Insurance Plan are not taxable to the employee provided the employee pays the premiums.** Employers are required to deduct the full LTD premium from their payroll to ensure disability claim payments are tax-free.
- Employer-paid LTD premiums are not a taxable benefit to the employee. However, any employer-paid contribution to the LTD premium will result in the LTD benefit paid to the employee to be subject to income tax.

Extended Health Care and Dental Care Benefits

- Employer paid health and dental premiums are **non**-taxable benefits to the employee

Premium Summary

When the premium for EMCC Group Insurance is shared equally between the employer and the employee, the amount paid by the employee must at least cover the premium for Long-Term Disability. The balance remaining in the employee's share is applied to the premiums for Life, Dependent Life and Accidental Death and Dismemberment (AD&D). When the employer's share of the premium solely contributes to the non-taxable benefits of Extended Health, Out-of-Country and Dental, no premium is reported on the T4 and any benefit received by the employee will be non-taxable.

Given the tax implications on employee benefits, EMCC recommends that the employer pay the premium for the non-taxable benefits of Extended Health, Out-of-Country and Dental Care. The premiums for Life, Dependent Life and Accidental Death & Dismemberment insurance can be paid by either the employer or the employee.

Note that premiums for Life, Dependent Life and AD&D that are employer-paid are considered taxable benefits. Report these in Box 40 and include in Box 14 and Box 26 of the employee's T4.

Vehicle Allowance

The ability to offer a flat rate tax-exempt car allowance has been virtually eliminated. Where a flat rate allowance is paid and is in excess or deemed in excess of a reasonable amount, the entire amount should be included in the employee's income. Under these circumstances the employee should be able to deduct a portion of the costs of operating their automobile based on a travel log. An allowance of this nature must be added to the T4 slip and is subject to CPP, EI and Income Tax withholdings. The payment of a flat rate vehicle allowance is **not** a recommended practice.

An allowance paid to a pastor for the use of a motor vehicle must be based solely on the number of kilometers driven in connection with employment duties. A reasonable travel allowance based on kilometers driven and paid to a pastor for the purpose of carrying out employment duties should not be included in a pastor's income. CRA publishes the acceptable maximum allowance rate annually.

CRA prescribes the following rates as reasonable for **2025**:

- **72** cents per kilometer for the **first 5,000** km
- **66** cents per kilometer thereafter

EMCC recommends reimbursement to employees for the use of their personal vehicles for employment related travel based on a per kilometer rate.

Other Allowances

Other allowances paid to pastors would be fully taxable and included for all CPP and EI contribution calculations. There is no provision for a non-taxable Book Allowance. The church may purchase books for the pastor out of regular church funds, but money may not be given directly to the pastor and assumed to be tax-free. The [Pastoral Compensation Guidelines 2025](#) provides further discussion on this matter. For more information on Taxable Benefits and Allowances, please refer to the CRA [Employers' Guide Taxable Benefits and Allowances](#).

Church's Contribution to Pension, CPP and EI

The amount the church contributes to the Defined Contribution Pension Plan (DCPP), Canada Pension Plan (CPP) and Employment Insurance (EI) should **not** be included in taxable income.

T4 - Information – “Box by Box”

EMPLOYER'S NAME

Enter the name and address of your church.

YEAR

Enter the four digits of the calendar year in which you paid the remuneration to the employee.

10 PROVINCE OF EMPLOYMENT

Enter one of the following abbreviations to indicate where the employee reported to work:

AB	Alberta	BC	British Columbia
MB	Manitoba	NS	Nova Scotia
ON	Ontario	QC	Quebec
SK	Saskatchewan	ZZ	Other

12 SOCIAL INSURANCE NUMBER

Enter the employee's social insurance number as it appears on the employee's SIN card.

14 EMPLOYMENT INCOME

Report the total income before deductions. Include salary, housing allowance, employer-paid Life, Dependent Life, and AD&D premiums, employer contributions to **RRSP (not Pension)**, and other taxable benefits.

For more information on taxable benefits, refer to the CRA document [Employers' Guide to Taxable Benefits and Allowances](#).

For further information on church supplied housing, refer to the “**Other Information**” section of this document.

16 EMPLOYEE'S CPP CONTRIBUTIONS

Enter the amount you deducted from the employee for contributions to the Canada Pension Plan (CPP). Do not include the church's contribution.

17 NOT APPLICABLE

18 EMPLOYEE'S EI PREMIUMS

Enter the amount of EI premiums you deducted from the employee's earnings. Do not include the church's contribution.

20 REGISTERED PENSION PLAN (RPP) CONTRIBUTIONS

This box should be left blank for everyone who participates in the EMCC Pension Plan. **Do not enter any amount in this box.** Contributions made by the church to the RPP are reported in **Box 50** and **Box 52**.

22 INCOME TAX DEDUCTED

Enter the total income tax you deducted from the employee's remuneration. This includes both the federal and provincial tax.

- 24 **EI INSURABLE EARNINGS**
 If a housing and utilities allowance was paid, include that amount in this figure.
 (Salary + **Housing Allowance** + **Utilities Allowance** + Taxable Benefits subject to EI withholdings)
- If the church provides the pastor with rent-free accommodation, include the **fair rental value** in this figure. If the church pays the utilities, include the amount paid.
 (Salary + **Fair Rental Value** + **Utilities** + any other taxable benefits subject to EI withholdings)
- Leave box blank if:
- There are no insurable earnings
 - Insurable earnings are the same as the employment income in Box 14
 - Insurable earnings are over the maximum for the year
- 26 **CPP PENSIONABLE EARNINGS**
 Complete the box if you included in Box 14:
- Amounts for a pastor's residence from which you did not deduct CPP contributions
 - Employer-paid Life and Dependent Life premiums
 - Employer contributions to RRSP
- (Salary, excluding Housing & Utilities Allowance + taxable benefits subject to CPP withholdings)
- 28 **EXEMPT**
 This box refers to possible exemptions relating to age or hours worked for EI and CPP contributions. These will normally not be marked, but if you have part time employees who work less than 15 hours per week, they may be exempt. If you mark Box 28, boxes 16 and 26 (CPP) and boxes 18 and 24 (EI) should be blank.
- 29 **NOT APPLICABLE**
- 44 **NOT APPLICABLE**
- 46 **CHARITABLE DONATIONS**
 Typically, this box will be left blank. In most instances, employees will receive a receipt for charitable contributions from the charity's treasurer.
- 50 **RPP REGISTRATION NUMBER**
 Pastors enrolled in the **EMCC Defined Contribution Pension Plan** (those receiving a 6% contribution from the church) will enter **0544205** in this box.
- 52 **PENSION ADJUSTMENT**
 Enter the **total amount that the church contributed to the EMCC Defined Contribution Pension Plan** in 2024. Do not include any amounts deducted from the pastor's salary for RRSP contributions. The pastor will receive a receipt for RRSP contributions from Sun Life Financial.
- 54 **ACCOUNT NUMBER**
 Enter your 15-digit Business Number. This number appears at the top of your statement of account, which the CRA sends to you each month.

“Other Information” area on the T4

The “Other information” area at the bottom of the T4 slip has boxes for you to enter codes and amounts that relate to employment such as taxable allowances and benefits, deductible amounts, and other entries if they apply. Enter the codes that apply to the employee.

Clergy Housing Benefit (Non Cash)

When the church provides accommodation without cost to the pastor, enter the fair rental value of the accommodation supplied under **Code 30** in the “Other Information” area and include in **Box 14** on the T4. Accommodations are EI insurable if the pastor receives it in addition to cash earnings in a pay period; include in **Box 24**. If no cash earnings are paid in the pay period, it is not insurable.

When the church provides accommodations including utilities, enter the total amount under **Code 30** and include in **Box 14**. This amount is EI insurable.

If the income subject to income tax deductions is reduced by the clergy residence deduction, you may reduce the earnings subject to CPP contributions by the same amount.

Clergy Housing Allowance (Cash)

When the church includes a housing allowance in the pastor's salary, the pastor may apply for the clergy residence deduction on his/her personal income tax return. With a letter of authority from a tax services office, income may be reduced by the amount stated in the letter. Tax is calculated based on the reduced income. If you reduce the income subject to income tax deductions by the clergy residence deduction, you may also reduce the earnings subject to CPP contributions by the same amount. It is insurable if the employee receives it in addition to cash earnings in a pay period. If no cash earnings are paid in the pay period, it is not insurable.

Employer-paid Contributions to RRSP

Employer-paid contributions to the EMCC Group **RRSP** are considered non-cash benefits since employees cannot withdraw the amounts before they retire or cease to be employed. Employer-paid contributions are pensionable (CPP) but not insurable (EI). The amount contributed by the church is a taxable benefit to the employee. Enter **Code 40** in the “Other Information” area and the corresponding amount in one of the boxes. Include this amount in **Box 14** on the employee's T4 slip.

GST/HST Information for Charities

Churches are entitled to claim a 50% rebate of the GST paid during the year. A claim can be made retroactively for up to four years from the end of the current claim period. A claim should be processed annually by completing the Application for GST Rebate. Original invoices or receipts do not have to be included with the rebate application. However, for audit purposes financial records must be kept for six years after the calendar year to which they relate.

Refer to the CRA [GST/HST Information for Charities](#) page 13, Rebate information for charities.

When submitting a GST/HST Public Service Bodies Rebate, charities that are not GST/HST registered (i.e. do not charge GST/HST) are required to submit two 6 month returns for each fiscal year. Therefore the line "A claim should be processed annually by completing the Application for GST Rebate." should be changed to "A claim should be processed bi-annually (first 6 months and last 6 months of your fiscal year) by completing the GST66 Application for GST/HST Public Service Bodies' Rebate. Provincial form RC7066-SCH Provincial Schedule - GST/HST Public Service Bodies' Rebate should be completed by Churches in HST participating provinces.

Charitable Donation Receipts

For information on providing official donation receipts, visit the CRA website at:
[What information must be on an official donation receipt from a registered charity?](#)

Sample receipts are available on the CRA website: [Sample official donation receipts](#)

To determine a Charity's BN/Registration number, please refer to the CRA [List of Charities](#).

EMCC related charities and their BN/Registration numbers:

Evangelical Missionary Church of Canada	10770 6525 RR0001
Rocky Mountain College	13245 5411 RR0001
Emmanuel Bible College	10730 2846 RR0001
River's Edge Camping Association	86789 2093 RR0001
Charis Camp	86556 6434 RR0001
Echo Lake Bible Camp	88810 6945 RR0001
Whispering Pines Fellowship Centre and Camp	89124 9476 RR0001
Evergreen Christian Ministries (Stayner & Mishewah Camps)	88529 4009 RR0001