The United Church of Canada General Council

GC45 GCE05 Assessment Funding Rate for 2026 – 2028 for Summer 2025

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Origin: General Council Executive

1. What is the issue? Why is it important?

With the enactment of “Remit 4: Funding a New Model” (GC43 2018), the intention was for all pastoral charges to contribute to governance and shared services in a proportional and transparent way. Since the Denominational Assessment was introduced in 2019, six years of experience have shown that the current rate, based on the economic realities of that time, is no longer sufficient to support the full scope of responsibilities mandated by the Manual as of 2019.

The Role of Denominational Assessment:

Under Remit 4, a key responsibility of the Denominational Council, through its Governance and Shared Services function, is to determine the assessment formula for communities of faith. A well-calibrated assessment is essential to maintain core governance functions and shared services as outlined in appendix 1, ensuring the long-term financial sustainability of the denomination.

Examples of Governance and Shared Services:

Some examples of governance and shared services include (but are not limited to):

- Provision of directors’ and officers’ liability insurance for pastoral charges (paid for denominationally)
- Management of the “captive insurance model” - Kindred Insurance
- National treasurers’ monthly webinars

- Capital grants and loans
- Payroll services
- Regional Council and General Council meetings
- Candidacy and lifelong denominational formation
- Credentialling and oversight of Ministry Personnel (including Admissions, mutual recognition agreements)
- Governance bodies (executives, regional and national)
- Archives (national and regional)
- Legal and organizational compliance related to human rights legislation, charitable status, etc.

Why the Rate Hasn't Changed:

Since 2019, the core assessment rate has remained at 4.5% of adjusted revenues. This rate was originally based on budget assumptions and financial conditions at the time. The transition plan approved with Remit 4 envisioned a three-year rollout to get to 4.5%. In the first two years, pastoral charges had the option of increasing their assessment by no more than 10% (from their pre-structural change amount) over the these two years, with full implementation by 2022. The plan was that in 2023 all pastoral charges would be paying the 4.5% assessment rate.

However, the COVID-19 pandemic, which began in 2020, introduced significant uncertainty for the entire society including United Church communities of faith. **To ease the financial burden on congregations, the transition was extended by a year**. **Deficits in the assessment funding were covered from reserves.** The pandemic brought not only direct financial impacts but also broader economic volatility and inflation. Additionally, the church was required to bring to parity the salary for lay and ordered staff within the council systems.

The pandemic also revealed the benefits of a denomination-wide robust shared services system and the importance of maintaining the same for the well-being of the church.

The Risk of Holding Steady:

From 2023 to date, communities of faith have been adapting to the post-pandemic reality and navigating through the extremely high-inflation environment. **In response, the assessment rate was intentionally held steady to avoid adding more pressure to communities of faith**. At the same time, Regional Councils and the General Council Office, which rely on assessment funding to support their governance and shared services responsibilities, absorbed the impact of inflation.

Regional Councils and the General Council have managed funding shortfalls through budget cuts, cost containments, and draws on reserve funds. Now, with six years of operational experience, the church has a clearer understanding of the true costs required to fulfill the Remit 4 mandate. The General Council Office has worked to “live within our means,” absorbing rising costs through downsizing and efficiency measures. These efforts have helped avoid rate increases and minimized the financial burden on communities of faith.

A Pivotal Moment:

As the church celebrates its 100th anniversary, it stands at a pivotal moment. The 2023–2025 strategic plan has created momentum by fostering a strategic mindset and encouraging data-informed decision-making. It also led to the formation of the Growth Department of regionally deployed staff, and a denominational public outreach strategy. As the first phase of strategic plan is being evaluated, planning is underway for a sharpened and refocused next phase – Vision 2035 (the plan to fulfill the goals of Toward 2035). This cannot proceed without the necessary resources. We put at risk this common goal if we undermine the infrastructure that supports it (governance and shared services).

Continuing to cut budgets to address structural deficits is not a sustainable strategy. Further reductions would compromise essential governance and shared services functions.

The Path Forward:

The General Council has the responsibility to set the assessment rate for the good of the whole denomination. Looking ahead for the next triennium from 2026 to 2028, the difficult financial realities are sobering. **While uncertainties remain, one thing is clear: governance and shared services have been under-assessed**. To maintain the momentum generated by the last triennium’s strategic plan and to successfully launch the next phase, an increase in the assessment rate is necessary and recommended by the Executive of the General Council.

2. What is happening now?

To support long-term sustainability, we recognize the need to address the structural deficit. Adjusting the assessment rate is a necessary step to ensure it reflects today’s economic realities. This adjustment reflects our continued commitment to financial responsibility and to “living within our means” while preserving the essential functions that serve the whole church.

With the enactment of Remit 4: Funding a New Model (GC43 2018), the church adopted a fundamentally new financial framework, one that promotes ongoing transparency, shared responsibility, and consistency in how the councils of the church are funded. Under this model, assessments paid by pastoral charges are dedicated to supporting the governance and shared services of the Regional Councils and the Denominational Council. This shift allows contributions to Mission and Service to be fully directed toward ministry activities, ensuring that each funding stream is aligned with its intended purpose.

At the same time, we also recognize that the evaluation of structural change is underway and there may be recommendations for a right-sized governance system.

3. What is the recommendation?

The Executive of the General Council recommends that

The General Council adopts the following key rates and principles

a. The assessment rate be increased by 0.5% annually over the next triennial budget cycle, starting from the current rate of 4.5%, as follows:
    i. 5.0% of adjusted revenues in 2026
    ii. 5.5% of adjusted revenues in 2027
    iii. 6.0% of adjusted revenues in 2028

b. The investment related portion of assessment be adjusted as follows:

    i. 0.25% of invested assets in 2026
    ii. 0.30% of invested assets in 2027
    iii. 0.35% of invested assets in 2028

    The investment related portion of assessment would be calculated based on invested assets as reported in annual statistics and CRA filings. This rate cannot be changed without the express authorization of the General Council. The first $100,000 of reported investments would be excluded from the calculation to provide for smaller pastoral charges that might still be invested in GICs.

c. Reaffirm the equal sharing of the regional council allocation of assessment revenues (1/16 per regional council).

d. For church closures and amalgamations, assessment amounts continue to be calculated and payable for full calendar years based on when a pastoral charge requests revocation of charitable status, or when a newly amalgamated entity has approved a first budget.
e. And further, that the 45th General Council authorize the General Council Executive to make such administrative adjustments to the new funding model from time to time as the General Council Executive considers necessary for greater clarity and efficiency in implementation, provided that any such adjustments are in keeping with the principles approved by the United Church in Remit #4 enacted by the 43rd General Council 2018.

Example:

To illustrate the impact of the proposed assessment rate changes, the following table demonstrates the projected assessment amount, assuming the proposed rates are approved, based on an annual adjusted revenue of $120,000 and investments totaling $400,000. These figures represent the ***average*** *financial condition of all pastoral charges.*

Image

Year	*2025*	*2026*	*2027*	*2028*
Total Assessment Amount	*$6,156*	*$6,756*	*$7,440*	*$8,124*

4. Background information:

New Funding Model Summary (GC43 2018):

https://united-church.ca/sites/default/files/new-funding-model-summary.pdf

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