

2. Practical and Financial Matters

2.1 Financial and Practical Matters

1) God the Provider

Does someone living on a support basis on mission, live by different financial rules than a Christian in a so-called 'normal' job? No! We are all accountable to God for how we use the resources he gives us. He is the ultimate owner and provider of the money irrespective of how it gets to us. However, there are some practical differences resulting from living on a support basis which we will consider that particularly affect those who have been called to go on long term mission.

It is so reassuring to know that all the world's resources belong to God and he entrusts some of those resources to us for his glory and for the extension of His Kingdom. We are all dependent on God's provision, whether working as a school teacher and receiving God's provision through the country's tax system, or working as a missionary and receiving God's provision through the gifts of his people.

Whatever the length of time you plan to be overseas, there will be significant financial implications. If however, God has called you to long term mission, you will need to do some serious thinking and planning..... the sooner you start, the better!

2) First Steps Before Leaving the UK

- De-clutter your finances; if you have debts, try and clear them which will make managing your finances less complicated.
- Work through all your standing orders and direct debits of providers of different services to make them aware of your move and cancel various contracts.
- Inform your council and give them a forwarding address. If you are in receipt of benefits tell the relevant benefits office of your move.

3) Important Considerations

Voting and Citizenship

You can vote in UK elections if you move abroad as your UK citizenship will not be affected, unless you want it to! The UK places no restrictions on allowing you to be a dual citizen but your adopted country may do so. Many nations don't recognise dual nationality so you would need to give up your UK citizenship. The drawback of this would be to lose rights such as the UK consular services in your new home country.

Am I Still a Resident?

Your residency status has an important bearing on what tax you pay. As a non-UK resident you are exempt from UK income tax on overseas income and can avoid UK capital gains tax.

How do you qualify as a non-resident? The UK will treat you as non-resident from the day after you leave the UK if you show you left the UK to go abroad permanently and that your work abroad lasts at least the duration of the tax year. If you plan to return periodically, make sure your visit is less than 183 days in one tax year and on average less than 91 days a tax year over four consecutive years – have this in mind when planning holidays/visits/respice etc. If you are in any doubt seek expert legal and tax advice.

What About My Tax Status?

You need to tell HMRC (HM Revenue & Customs) if you move abroad, which will include completing relevant forms such as a P85.

If you are not a UK resident, you will still pay tax on UK income such as property and investments. You could therefore be liable to pay tax on the same income in both countries under their different tax laws. The UK has negotiated Double Taxation Agreements (DTAs) with many countries to counteract this but they vary from nation to nation.

Banking

It is worth keeping your UK current account and consider adding a relative or very good friend to the account to handle logistics if required in your absence. Also, let your bank know you are moving abroad and ask for a 'letter of reference'; this could help you to rent a property abroad or to open a new bank account.

Some banks offer overseas bank accounts. HSBC is one of the biggest that offers International Banking. For a fee of up to £100 they can set up an overseas account in more than 45 countries before you leave the UK. The benefit of these are that if you are continuing to receive an income from the UK, such as the rental yield from your property, you can run two current accounts side by side - one in Euros and one in sterling with no fee for transfers and you can access your funds as soon as you arrive at your destination.

If your bank does not operate in the country you are moving to, you may wish to open an account with a local bank in the country.

How to Transfer Money to and From the UK

Your bank will be a reliable and safe way to carry out transactions but it could be a costly and time consuming method of transferring funds if you don't have an integrated international account. Therefore it may be worth considering the many cheap ways to transfer money abroad as there are a host of new services available. ATM withdrawals are now available in most locations and are a very convenient way of transferring money from the UK. Different banks, and even different accounts within banks carry very different charges and interest - do some investigation before leaving. Make sure your bank knows where you are - a sudden burst of withdrawals from ATMs in a far-off place may cause them to suspend your account.

ISAs and Other Investments

To contribute to an ISA you must have a permanent UK address for tax purposes. Therefore you may be eligible to contribute up to the full annual ISA allowance for the current tax year in which you are leaving, but you will not be eligible for any subsequent contributions that you are living outside of the UK. You can keep your ISAs whilst you are

abroad while still getting the usual tax relief. If you hold other non ISA savings and investments you should check with your provider that you are able to continue holding them, they may suggest you open an international savings account which could have more attractive rates and suit your future tax requirements.

4) Planning Ahead

What about the comment that God will provide? Does this mean that we don't need to think about, or plan for the future? No it doesn't! God will provide but sometimes he can provide in advance of a need, not just last minute.

Property in the UK

If you can, it is advisable to keep your UK property and rent it out to cover any mortgage payments you may have. This is one of the ways you can be preparing to provide for your family later on in life as the capital appreciation long-term should be significant and will mean that any future pension income you receive will not need to be taken up with paying rent. If this is the route you choose, you will have a number of legal responsibilities and will have to comply with the relevant safety rules such as an annual gas safety check. Managing all this remotely may be challenging so the most straight forward solution could be to contract a managing agent. A management agent could provide you with a comprehensive service to include vetting suitable tenants and handling all queries and they will charge from 8% plus VAT of your total rental income.

Letting agents have to deduct basic rate income tax from the rental income if the landlord has a usual place of abode outside of the UK. However landlords can apply for approval to receive their UK rental income with no income tax deducted by completing Non Resident Landlord for NRL1. You must note that this approval to receive rental income without tax being deducted does not grant exemption from UK Income Tax as this would be dealt with under Self-Assessment and personal allowances can be offset against the rental income.

Pensions

If you are already a member of a UK pension scheme you are entitled to pay tax-relievable contributions for five complete tax years after having moved abroad. You will need to contact the International Pension Centre and HMRC to inform them you are moving.

If you will be at retirement age and not resident in the UK, you will still pay UK tax on most pensions from sources in the UK. It is worth checking the terms of the UK tax treaty with your new country of residence as you may be able to claim exemption from UK tax on the basis that it will be assessed locally and then a 'No Tax Code' could be issued in the UK.

Pension Transfer Abroad?

If you are planning on being on mission for longer than 5 years and there is the potential of earning a salary as part of your ministry, if this coincides with receipt of a potential pension it may be worth considering transferring your pension abroad so as to not be affected by future currency fluctuations. Ensure you get professional advice as those with guaranteed pensions or final salary could potentially lose these benefits when changing to overseas schemes.

Voluntary Class 3 National Insurance contributions (NICS)

You can generally continue to pay UK NICS voluntarily when overseas. These will count towards your state pension and protect certain state benefits and allowances when you return to the UK. The contributions can be made through a monthly direct debit which will amount to around £58pm. The benefit of this is that you will continue to build up your 35 qualifying years to provide a full state single tier pension of £144 per week for those retiring from 2016.

Medical Insurance

Wherever you're moving to, it will pay to do a bit of homework on your destination. Despite the gripes you will have heard about the NHS, the level of service provided may not be matched by those in your destination country. If you have a condition that requires ongoing treatment you may need to request an S2 form for care to be provided under the local system. If remaining within the EU, make sure you have issued the free EHIC (formerly the E111 form). Investigate the costs of taking out your own full travel insurance policy; there are a range of specialist providers for those staying overseas for long periods of time, including ones that specialise in services for volunteers and missionaries, such as Salt or Banner Insurance.

Financial Protection

You may be giving up occupational work benefits such as death in service or critical illness cover when leaving your existing employer. Consider taking out your own policy if you have nothing else in place.

5) Final Thoughts

For those on mission it is a partnership of equals; those giving and sending fulfilling their call under God to do so and those receiving and going doing likewise. Paul understood this when he told his supporters in Philippi that he thanked God for their "partnership in the gospel" (Phil 1:5).

If you consider your calling to be a privilege, you will be offering a privilege to others by asking them to get involved. So how much is enough? There is no defined answer to this question but there are some key biblical principles the main one being that you are to live on God's money and let his principles guide you, not the expectations of supporters.

Take Action

Look back over the points raised in this document. Think about and discuss the points that are relevant to you with your spouse or a friend.

Disclaimer

This paper does not constitute investment, tax, legal or other form of advice. You should not rely on this information to make any decisions. If you require tax or financial advice you would consult your own professional advisers.

2.2 Financial Support

Introduction

"I thank my God every time I remember you. In all my prayers for all of you, I always pray with joy because of your partnership in the gospel from the first day until now" - Philippians 1v3-5

In the Gulf War, it took 20 support personnel to keep one soldier on the battlefield. Keeping missionaries in the field is similarly a matter of partnership between those going and those who are supporting in many different ways. Support takes many forms - prayer, encouragement, advice and counsel, practical help. In this section, we are focussing specifically on finance.

Every individual situation is unique and it is therefore impossible to provide a blueprint of how different people's financial need will be met. What we will do in this session is to look at issues that need to be addressed as well as provide advice in certain areas.

Inspired By Others

As we discussed in a previous session, God is always our provider! As we consider financial support it is helpful and provocative to consider the example of others who have gone before us.

One of the most inspiring examples comes from Hudson Taylor, the founder of the China Inland Mission. He believed that missionaries should not request funding for their work from others, but should instead rely completely upon God's provision to sustain their efforts. He is famously quoted as stating that "God's work done in God's way will never lack God's supplies."

This is similar to the ethos of George Muller who famously served and provided for thousands of orphans in the UK. He is known for his faith and dependence on God through prayer to provide all that was needed. His belief was that "the Christian should never worry about tomorrow or give sparingly because of a possible future need. Only the present moment is ours to serve the Lord, and tomorrow may never come"

These great men of faith are quoted to inspire us, not to condemn us! Some may choose to simply pray and trust God for the funds to arrive - and that may be entirely appropriate to their faith. However, it is just as biblical, to openly discuss finances and be supported by others:

Activity

Look at the five Bible passage below. In what ways do these highlight being supported by others?

- Numbers 18v24
- Luke 8v2-3
- Matthew 10v9-10
- Acts 18v4-5
- 1 Corinthians 9v1-18

Sources of Income

There are many different potential sources of income whilst in the field:

- Earned income – either earned locally or in the UK through remote working
- Savings
- From sending church or sphere
- From individuals
- From the local, receiving church
- Pension
- Rental income

The source of financial support for each person who moves to participate in cross-cultural mission will be different. It may even be different for members of the same team depending upon their circumstances, role, family, sending church and more.

Take Time to Reflect

How are you currently expecting to fund yourself? How are you feeling about this?

“Please sir, can I have some more?”

Asking for money if not something you may enjoy doing but sometimes is exactly what you need to do! At least part of the financial solution for most people undertaking cross-cultural mission will involve raising money from friends, family and church members. We live in an individualistic culture where dependence on the generosity of others is an uncomfortable place to be. Having partners, however, who have invested their own resources in your vision and your mission is a wonderful source of encouragement as well as a material benefit.

Before we start raising support, many of us need to deal with negative attitudes in our own thinking, such as:

- ‘It’s really just begging’
- ‘I’m not really worth investing in’
- ‘Support raising is simply a necessary evil to be endured’
- ‘I’m afraid of feelings of rejection if people say no’

These are simply wrong attitudes that we need to overcome before setting out on our support journey. We need to walk boldly in faith, confident in what God has called us to do and ask others to join in a partnership to see that achieved.

Take Time to Reflect

Discuss your attitudes towards raising support. How do you feel about it? What is it like to be asked yourself to support someone? What elements make you feel more positively about such an approach?

How to Raise Support From Individuals

1. The starting point is to discuss your financial support with your local church eldership. You should not be approaching fellow church members for money without first clearing it with the leaders of the church, but also, those you approach should be able to go to church leaders

if they wish to check out whether this is all being done under the covering of appropriate leaders.

2. If you collectively agree that raising your own support is appropriate, the next step is to draw up a list of the people you are going to contact and invite to join you. Our temptation in doing this is to start excluding people because of excuses we make for them; I won't ask them because 'they've got young children', 'he's just retired', 'I know they already support someone else' etc. etc. Be inclusive! Give as many people as possible the opportunity to partner with you. The way in which you will approach them will give them ample opportunity to decline graciously if they are unable to help.
3. Then you need to consider the best way to approach them. A face-to-face request is the best way with most people as it allows you to personalise the request, allows them the opportunity to see your passion for the mission and to discuss it with you. You may not be able to meet up with everyone on your list and so a well-crafted letter or email may have to suffice.
4. If appropriate, it is also helpful to share details about your budget. This does not need to be every detail, but enough to highlight your priorities and help them to see the reality of what you are committing yourself to.
5. You should also prepare a pack that you can leave with them with information about what you will be doing, contact details and also the means to give - a standing order form and also details about gift-aid.

Maintaining Support

Remember, these aren't donors, they are partners and so it is important that you treat them as such, keeping them informed about your work, sending regular updates and progress reports as well as thanks for their ongoing support. The temptation with all of us is to let those links weaken over time, it takes commitment and hard work to maintain them and even to strengthen them.

However it is also vital that you do not feel that you need to justify or prove yourself to your partners. Some on the mission field can feel a pressure to be seen as a "success" to ensure that their funding continues, which can lead to stories of exaggerated success being shared. Others feel guilty about taking holidays or spending money on themselves as their support is coming from others. These attitudes must be resisted as partnership in the gospel is about joy and never about performance, results or appearance!

Equally, whilst it may be helpful to sometimes visit or see your partners when you return to your home church and country, it is not healthy to spend your time constantly travelling around the country to see all of our partners out of a mis-placed sense of requirement to see them and report on our progress. This can lead to cross-cultural missionaries returning to the mission field more exhausted than when they left!

Support from Churches

Most churches will provide at least some financial support to those they send on cross-cultural mission. You need to help your local church just as you have helped individuals to give from an informed position by making sure your local eldership have your latest budget, that they are aware of your financial position and needs and of any upcoming or potential changes in your financial circumstances.

If your church is also a registered charity, they are only able to use their funds in accordance with their charitable objectives. In most cases this won't cause any difficulties for those going on mission, but it is something to check out with your elders.

Take Action

If part of your support is going to come through raising your own support, look at the five steps above and start to work through them

2.3 Budgeting and Lifestyle

Standard of Living

Before you start preparing a budget, you will need to **make some decisions about your expected standard of living in your new home**. This can be quite a tricky and fine decision. It has to take into account your needs and the needs of your family, but also how you will be viewed by other team members and locals - both Christian and not.

Some mission agencies have very strict rules governing living conditions - missionaries are allowed to rent apartments measuring no more than a certain number of square metres, they are allowed air conditioning units in bedrooms but not living areas and may only have a car up to a certain size or spec. We would never want to be so prescriptive, but the core issue is one that we need to consider - they want to guard against some team members from large, well-funded churches or countries living at a level way beyond the means of other members.

Similarly, **how will locals view your standard of living?** How will this affect how you are viewed, whether you are able to form friendships with locals? What messages will you be sending about your motives, your aims and your priorities?

In many parts of the world, a standard of living that we would consider normal and modest will be very comfortable and even affluent in comparison to local norms. Living in that way will send certain messages.

Going in the opposite direction and opting for a very basic lifestyle, in line with the local average standard of living will send just as many messages. Some of these will be positive about living a modest life, not wanting to flaunt 'western' wealth and identifying with the poor. In many places, however, it will cause locals to ask more difficult questions - and possibly jump to unfortunate conclusions. For a westerner to choose voluntarily to live a lifestyle that most locals are striving to escape will inevitably raise suspicions about what you are doing there - those suspicions may involve 'missionary' work, but they may also include possible criminal activity.

One of the key factors in making this decision will be the nature of your work. If you are there primarily to reach the poor, then living amongst them may be entirely appropriate. If, however, your particular contribution to the work is to try and reach the middle class and influential people, then you need to consider a lifestyle that is appropriate to that goal.

Take Time to Reflect

Consider and discuss the points raised above with your spouse or a friend.

Three Specific Areas to consider - Servants, Begging and Bribery

1) Servants

Many of us would instinctively shrink from hiring a maid or a cook or a driver, not wanting to reinforce unhelpful stereotypes. In many parts of the world, however, it is an expected thing that those who can afford to employ someone in these roles will do so - and it is seen as an important way in which they can help the local economy. You will have to ask questions locally to find out what is the norm. The way in which you treat any servants can be a very obvious witness to those around you (although you should avoid upsetting the local 'market' by drastically over-paying).

2) Begging

How will you deal with begging? Once you are living in a place where begging is commonplace, you will not be able to give to everyone, even if you wanted to. How then do you remain compassionate and generous whilst being practical? Do you carry food items with you to give to the most needy? Do you give money to help organisations working with the homeless and then not give to those on the street?

3) Bribery

Coming from a society in which petty bribery is almost unknown, we can approach this area with a rigid, absolute attitude that says we will never pay a bribe. Then we find ourselves at airport customs in the middle of the night with three young children and find that we are going nowhere until the customs official has received the small 'gift' he has requested.

This issue is addressed in much more detail in the hand-out. We should be careful, however, to distinguish between commercial bribes, intended to win contracts, corrupt legal processes etc. and what are seen locally as tips that 'oil the wheels' of officialdom.

Take Time to Reflect

Consider and discuss the points raised above with your spouse or a friend.

Budgeting

This document does not provide detailed guidance about preparing a budget, but in addition to normal budgeting good practice, you should **ensure that the following things are included in your ongoing budget from a cross-cultural perspective** if they are appropriate:

- Giving - wherever you decide that should go
- Visas and work permits
- Language learning

- Household helps / servants
- Medical and Travel Insurance
- Injections
- School fees
- Flights
- Attending conferences or training
- Pension and National Insurance contributions
- UK Tax - income tax on rental income and Capital Gains Tax on property and investments
- The cost of transferring money, withdrawing from ATMs etc.
- Contingency for unforeseen circumstances

A simple spreadsheet is available to help you with your budget planning which uses the format shown in the below Appendix.

You also may need to develop a **separate budget for your initial relocation and set-up costs** covering items such as:

- Shipping
- In-country purchases to set up your new home and life (e.g. buying vehicles, furniture, domestic appliances, housing deposits)
- Injections
- Flights

Take Action

Spend some time discussing and preparing a draft relocation budget and ongoing annual budget for your move. Share this with the relevant elder of your church for discussion.

2.4 See Budget Spreadsheet

2.5 See Preparing to Go Checklist