# **Letter of Agreement**

**A Letter of Agreement between the Wardens and Vestry of**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

**the Rt. Rev.**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,

**and the Reverend**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

*This page and the next to be updated annually, the rest as needed by agreement of all parties.*

**Position/Title**: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Term** (part/full time, hours/wk): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Compensation:**

Annual Salary: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Annual Housing Allowance: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Other considerations (SECA reimbursement, etc.): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Benefits:**

Agreement toward medical/dental insurance: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Contribution to retirement account: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Paid time off: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

How does Time off consider Sundays/Holidays? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Sabbatical Arrangement: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Maternity/Paternity Leave: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Extended Sick Leave/Disability: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Life Insurance: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Reimbursable Expenses:**

Discretionary Fund: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Travel Reimbursement: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business Entertainment (meals, etc.): $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Hospitality Expenses: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Business Expenses: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Continuing Education: $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Moving expense $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

This Compensation agreement is effective on: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

date

*\*This is to be updated annually by the vestry and clergy. Annual financial changes do not require the involvement of the bishop, so long as they do not fall below the minimum suggested salary/benefits of the ADNE.*

Signed:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Authorized Church Representative) (date)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Clergy/Employee) (date)

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Bishop) (date)

**Explanation and Details of Letter of Agreements**

The text in gray is an example, to be replaced by each vestry, clergy, and bishop’s agreement.

**Position/Title:**

The Rector shall lead Church as pastor, priest and teacher, sharing in the councils of this congregation and of the whole church, in communion with our Bishop. By word and action, informed at all times by the Holy Scriptures, the Book of Common Prayer, and the Constitution and Canons of the Anglican Church in North America and the Anglican Diocese in New England, the Rector shall proclaim the Gospel, love and serve Christ's people, nourish them, and strengthen them to glorify God in this life and in the life to come.

**The Rector has the following tasks and duties:**

* Care for the spiritual life and health of the church and its members and attenders.
* Oversee and lead regular liturgical practice of the Church, including weekly celebration of Holy Communion and other Holy Days.
* Lead and develop the lay ministry team that will have responsibility for the various ministries of the Church under the Rector’s leadership.
* Lead, or appoint someone to lead in the Rector’s place, meetings of the Church and vestry including the Annual Meeting and other meetings as required by the bylaws.
* Direct the teaching and preaching ministry of the Church.
* Oversee the staff, clergy, and ministry of the church.
* Support and direct Missional Communities.
* Comply with the diocesan guidelines for care of clergy.

**Term (part/full time, hours/wk):** Full Time. Starting date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

The Rector's work includes not only activities directed to the parish and its well-being, but also labors on behalf of the Diocese and community. The Rector's scheduled workweek is five (5) days, usually measured as ten to twelve units of mornings, afternoons, or evenings in various combinations reflecting the demands of this ministry. In general, no more than three evenings per week are expected. The Rector is expected to preserve at least one continuous twenty-four hour period each week solely for personal and family use.

**Compensation:**

Annual Salary:

The Rector's annual cash salary (including housing allowance) will be paid monthly on or before the 1st day of the month, to be reviewed and adjusted annually in light of the applicable Diocesan minimum clergy salary standard.

Annual Housing Allowance:

Upon the Rector's timely annual request, the Vestry will vote to designate a portion of the total cash salary as "Housing Allowance" under the Federal Internal Revenue Code and record the vote in the Vestry minutes.

Other considerations (SECA reimbursement, etc.):

The Rector’s salary (including housing allowance) will be increased by 8%, to cover the additional burden of payroll tax incurred by the self-employed. Although the additional 8% will be taxable income to the Rector, it will not be included in cash compensation in determining the congregation’s contribution to the Rector’s pension account.

* The Rector shall not charge fees for performing any rites of the Church (baptisms, marriages, funerals, etc.) for members of this parish. The Rector may, however, receive income from other sources, such as:
* Sacramental services on behalf of persons not in any way related to this parish.
* Fees and honoraria for professional services performed on personal time for groups unrelated to this parish, or for sermons, books or articles published outside the parish.
* The Rector maintains the copyright to all sermons, curricula, etc. produced while employed at the church; but grants the rights of usage to the church for all materials unless specified otherwise on a case by case basis.

**Benefits:**

Agreement toward medical/dental insurance:

The Church shall pay 100% of the premium costs for medical and dental coverage, in accordance with the requirements set forth the Anglican Diocese in New England 2020 Clergy Compensation Guide, for the Rector and his or her dependents.

Contribution to retirement account:

The Church shall contribute \_\_% of the Rector's total annual cash salary (including Housing Allowance or the value of the church provided housing) to the Rector’s account in the ACNA Retirement Plan.

Paid time off:

The Rector will have the following periods of leave at full compensation:

* National Holidays identified in the Anglican Diocese in New England 2020 Clergy Compensation Guidelines
* Annual vacation. Unused vacation may not be carried over from fiscal [or calendar] year to fiscal [or calendar] year and will be forfeited at fiscal [or calendar] year end.
* Continuing Education
* Sabbatical Leave (see below)

At all other times, the Rector will be in the local of the parish in the performance of his duties, except with the approval of the Wardens and/or in consultation with the Vestry, or at the direction of the Bishop.

How does Time off consider Sundays/Holidays?

The Rector’s vacation days include four Sundays, and holidays are to be flexible, so as not to interfere with worship for major occasions.

Sabbatical Arrangement:

During the Rector’s fifth year, the Rector and vestry will make a plan for the Rector’s sabbatical in compliance with the clergy compensation guide. During the sabbatical, the Rector will receive full compensation and benefits. Unused sabbatical time will be forfeited.

The Church will set aside money each year to fund the supply of clergy, leadership, materials, etc. during the rector’s sabbatical.

The sabbatical is intended to provide rest and renewal, but should have a structure, to accomplish further study of interest or a project. This structure should be developed with the vestry and the bishop.

Sabbatical leave is not granted at the termination of the pastoral relationship, and sabbatical accrued by that time but unused will be forfeited. The Rector agrees to remain in serviced to the parish for the twelve (12) months following the end of a sabbatical leave, unless released earlier than that by the Vestry.

Family Leave:

A minimum of four weeks paid leave of absence upon the birth or adoption of a child. Additional unpaid time off can be taken in accordance with the Family Medical Leave Act.

Disability Insurance:

The vestry agrees to maintain an appropriate policy in the event of injury/disability.

Life Insurance:

The vestry will contribute $\_\_\_ monthly toward an appropriate life insurance policy. This money may not be taken as salary in lieu of a life insurance policy.

**Reimbursable Expenses and Discretionary Fund:**

Discretionary Fund:

The parish will provide funds from the operating budget each year for a separate discretionary fund to be dispersed by the rector only. This is intended to aid individuals/families in financial need confidentially, or to cover the costs of non-budgeted mission or discipleship materials. Use must be within the stated mission of the church.

Travel Reimbursement:

The Vestry shall pay Church-related travel expenses, up to the amount indicated in the annual budget, plus any additional amount the vestry approves. Mileage shall be reimbursed at the prevailing IRS rate. Parking fees, tolls, bus fares, etc. shall be reimbursed upon receipt of receipts and explanation of reason for expense.

Business Entertainment (meals with visiting clergy, new members, etc.):

The Vestry shall pay or reimburse Church-related business entertainment expenses incurred upon receipt of receipts and explanation of reason for expense (subject to guidelines and budget set by the vestry)

Hospitality Expenses:

The Vestry shall pay or defray Church-related hospitality expenses incurred upon receipt of receipts and explanation of reason for expense (subject to guidelines and budget set by the vestry). This includes the costs of hosting church members for meals and events at the rector’s home.

Business Expenses:

The Vestry shall pay expenses incurred in the course of professional activities on behalf of the Church. These are to be reimbursed upon receipt of receipts and explanation of reason for expense (subject to guidelines and budget set by the vestry).

Continuing Education:

The Vestry shall pay up to the amount budgeted to cover the costs of conferences, seminars, tuition, travel, or other related expenses in addition to the salary for up to ten days of continuing education/professional development. Money not used. Each fiscal [or calendar] year will be accumulated, to be used in future fiscal [or calendar] years as needed, either for continuing education or to help fund the Rector’s sabbatical. There is no limit to the amount that can be carried forward from fiscal [or calendar] year to fiscal [or calendar] year. However, like Sabbatical Leave, unused funs may not be used at the termination of the pastoral relationship, and funds not used remain the property of the parish.

**Other Considerations/Agreements**

1: CHURCH LEADERSHIP TEAM RETREAT

A Church Leadership Team Retreat provides a time apart for the Vestry and Rector to begin to define and understand their relationship. This retreat should be held no later than four weeks after the Rector arrives. The retreat covers a range of topics which include:

* Spiritual Reflection
* Develop Guidelines for Working Together
* Clarify Expectations
* Review Goals
* Clarify Roles and Responsibilities
* How to Deal with Differences

2: MUTUAL STUDY OF MINISTRY

A Mutual Study of Ministry will be scheduled between the first six to twelve months of a new pastorate and once every year thereafter. This will give the Vestry and Rector time to talk together about ways to improve their working relationships, to discuss how the various church activities and programs are meeting the needs of the church and its members, and to look at new ideas for ministry. It is a time to ask:

● "What is working well and what needs our attention?"

● "Do we need to make changes in our stated goals?"

● "Are our goals relevant to where we find ourselves today?"

● "Are our expectations fair, realistic, a stretch, but not impossible?"

The Mutual Study of Ministry will be facilitated by a mutually agreed upon third party

3: MEDIATION

If the Rector and Vestry are in disagreement concerning interpretation of this Letter of Agreement, either party may appeal for mediation to a mutually agreed upon third party, the Bishop remaining the final arbiter.

**Signed by:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Rector Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Senior Warden Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Bishop Date