

Letter of Agreement
Between
CHURCH NAME Episcopal Church and the RECTOR NAME

This Letter of Agreement is between the Wardens and Vestry of XXXXX Episcopal Church [hereafter, “the Church”] and The Reverend XXXXX, who has been elected Rector with the understanding that his tenure will continue until dissolved (1) by mutual consent or (2) by arbitration and decision as provided by the relevant policies and procedures and Canons of the Episcopal Church in Minnesota and the Episcopal Church.

PREAMBLE

The Rector shall lead XXXXX Episcopal 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 General Convention and the Episcopal Church of Minnesota, 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’s ministry includes not only activities directed to the parish and its well being but also to the Episcopal Church of Minnesota and the community. The Rector shall attend Convention, Clergy Conferences, Fresh Start and other “Councils of the Church” and is encouraged to participate in a clergy support group or spiritual direction.

This ministry will be further described in the Rector Position Description to be completed within three months of the Rector’s employment. The Rector Position Description will be jointly developed by the Executive Committee and the Rector and approved by the Vestry. Upon approval, the Rector Job Description will be considered part of this Letter of Agreement.

Section A: Time of Work and Leave

1. Work Week:

The Rector’s scheduled workweek is five 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. It is normal for the Rector to preserve at least one continuous 24-hour period each week solely for personal use.

2. Periods of Leave at Full Pay:

- National holidays, to be taken so as not to interfere with worship for major feasts.
- Annual vacation: 1 month, consisting of twenty-three workdays, which shall include at least four Sundays and not more than five; vacation time may be used over several shorter periods that together do not exceed 1 month. No more than 7 days and one Sunday may be carried forward to succeeding years.
- Continuing education leave: 2 weeks each year.

- Sabbatical: 4 months at full pay following completion of each 6 years of service in the Church. This is exclusive of annual vacation.
- Sick, personal, and bereavement leave as necessary, with any extended leave taken in consultation with the Executive Committee.
- Family leave: The Rector is eligible for 1 week of paid and 5 weeks of unpaid family leave per year, or as otherwise agreed by the Executive Committee, for the birth or adoption of a child or for a family emergency or illness.

3. Periods of Leave Without Pay:

- Unpaid leave: The Rector may petition to the Vestry for an unpaid leave of absence of up to 6 months.
- Military service or jury duty: The Rector shall be granted leave for military service or jury duty as required by law and in consultation with the Wardens.

Section B: Compensation and Benefits

1. Cash Stipend:

The Rector shall receive an annual cash stipend of \$XXXXXX, a portion of which is allocated to a housing allowance, if applicable. The Rector will be paid on the 15th and the last day of each month. The stipend will be reviewed and adjusted annually based on Episcopal Church in Minnesota's minimum clergy compensation and cost-of-living adjustment set by the Council, the Rector's years of service as a priest, merit pay and other criteria mutually agreed upon by the Rector and the Wardens and Vestry.

The Priest shall receive Self-Employment Tax Allowance in an amount equal to half of the estimated applicable Self-Employment Tax resulting from the terms of this agreement, which is 7.65% of cash compensation and housing together.

2. Housing Allowance:

A portion of the annual cash stipend will be allocated to a housing allowance. Each Rector's housing allowance is determined by the Vestry in consideration of the amount requested by the Rector. The Vestry will establish the amount of the allowance prior to the beginning of the year by formal resolution, documented in writing.

3. Benefits

The following employment-related benefits will be provided to the Rector at the Church's expense:

- Pension through the Church Pension Fund
- Life insurance through the Church Pension Fund
- Disability insurance through the Church Pension Fund
- Health and hospitalization and dental insurance
- Workers' compensation insurance as required by state law

Section C: Reimbursement of Expenses

The Parish shall pay the following expenses incurred by the Rector in fulfilling the duties of office:

- Reimbursement of non-commuting automobile expenses at the current IRS rate per mile, plus out-of-pocket costs of parking fees, tolls, bus fares, etc.
- Reimbursement of expenses for hospitality, memberships, clergy conferences, annual convention, and other expenses required or expected for church-related business.
- A reimbursement allowance for continuing education expenses up to \$XXXX annually.
- A reimbursement allowance for cell phone expenses in the amount of \$XXXX per month.

Section D: Discretionary Fund

In accordance with the Canons of the General Convention, a Discretionary Fund is to be established in the name of the parish, and under the Vestry's control. The Rector will have the authority to disburse funds. Sources of revenue will be gifts given to the Rector for the purpose of the Discretionary Fund as well as allocations from the parish budget as agreed annually. The parish Treasurer will review activities of this fund periodically.

Section E: Supplementary Compensation

The Rector shall not charge fees for performing any rites of the Church (e.g., baptisms, marriages, and funerals) for members of XXXXX, but may receive honoraria freely offered. The Rector may receive income from other sources not related to the Church such as fees and honoraria for professional services performed, or for sermons, books or articles prepared and published outside the parish, on personal time for groups unrelated to XXXXX.

Section F: Use of Buildings

In addition to use and control of the church buildings for the discharge of the duties of the Rector's office, as provided by Canon, the Rector shall have the right to grant use of the buildings to individuals or groups from outside the parish, following guidelines approved by the Vestry.

Section G: Mutual Ministry Review

There shall be ongoing discussion and mutual review of the total ministry of the parish in order to:

1. Provide the Rector, Wardens, and Vestry opportunity to assess how well they are fulfilling their responsibilities to each other and to the ministry they share.
2. Establish goals for the ministry of the parish for the coming year.
3. Isolate areas of conflict or disappointment that have not received adequate attention and may be adversely affecting mutual ministry.
4. Clarify expectation of all parties to help put any future conflicts in manageable forms.

An Annual Ministry Review shall be held each year at the end of the activity year, in June or July. A mutually agreed-upon third party might be engaged to facilitate the ministry review process.

Section H: Other Agreements

1. The Rector shall begin duties in the parish no later than XXXXX unless delayed by adverse circumstances.
2. All pay and benefits shall become effective on a mutually agreed start date.
3. The Rector shall receive a relocation fund in the total amount of \$XXXXXX to cover all costs associated with moving *himself and his family* from XXXXXX, including but not limited to real estate assistance and transactions, shipping and storage of household goods, temporary housing, travel expenses and all fees and other costs and expenses associated with establishing residence in the state of Minnesota.
4. The Vestry will support the Rector in fulfilling the requirements as stated in Title IV of the Constitution and Canons of the Episcopal Church regarding successful completion of Safe Church Training and Anti-racism Training.
5. In the event of the Rector's death, the Vestry agrees to continue payment of the Rector's cash salary and appropriate health and hospital insurance to the Rector's surviving direct dependents for a period of one month, or as agreed by the Executive Committee.
6. This Letter may be revised only by mutual, written agreement of the Rector, Wardens and Vestry, with final approval of the Bishop.

Section I: Dispute Resolution

While an Episcopal faith community is guided by Scripture, faith, prayer and common worship through the Book of Common Prayer, it is recognized that the a faith community is a human institution and that human differences about matters important to the faith community will inevitably arise. The parties pledge that any such disagreements or disputes involving the Rector shall be resolved in direct, personal discussions marked by full and open communication, candor and mutual concern for the others' courtesy, dignity and respect.

In particular, the parties acknowledge that any disagreement over the interpretation, application, validity or enforcement of this Agreement shall not be the subject of any proceeding in any secular court. Instead, the parties shall resolve any dispute under this Agreement as follows: (i) by direct discussion among the Rector and Vestry; (ii) failing that, then through a mediator within the Episcopal Church in Minnesota, selected by mutual agreement; and (iii) failing that, by the binding determination of a third party within the Church designated by the Bishop or her/his representative which may result in the dissolution of the pastoral relationship.

Except upon mandatory resignation by reason of age, a Rector may not resign as Rector of a parish without the consent of its Vestry, nor may a Rector, canonically or lawfully elected and in charge of a Parish, be removed therefrom by the Vestry against the Rector's will, except as provided in Title III Canon 9 Sections 14-20 of The Episcopal Church.

I/We have read and hereby agree to the terms and conditions of this Letter of Agreement.

Rector

Date Signed

Senior Warden
XXXXXEpiscopal Church

Date Signed

* * * *

I hereby acknowledge receipt of this Letter of Agreement between the Rev. XXXXXXX and XXXXXX Episcopal Church, XXXX Minnesota.

The Rt. Rev. Brian N. Prior
IX Bishop of Minnesota

Date Signed Copy Received by Bishop

