**Priest in Charge (PIC) Letter of Agreement**

Effective:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

between

The Vestry and Wardens of

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Church

and

The Reverend \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

who has been appointed to be Priest in Charge with the understanding that this tenure is to continue for *(one year with the option to renew*) unless dissolved by the Bishop, by mutual consent, or by arbitration and decision as provided for in the relevant Constitutions and Canons of The Diocese of West Missouri and the General Convention of The Episcopal Church.

**Expectations and Responsibilities of the Vestry**

All ministries other than those reserved to ordained leadership (such as administering the sacraments) are understood as mutual ministries of the Vestry and Wardens (hereafter “the vestry”), the members of the parish, and the Rev.\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (hereafter “PIC”).

1. The Vestry will work cooperatively with the PIC in pursuit of parish goals and take an active role in guiding the mission and ministry of the congregation.
2. Vestry members will participate in the life of the parish by:
   1. being regular in worship,
   2. tithing or giving proportionally,
   3. praying daily for the PIC and parish, and
   4. inspiring and encouraging all members of the parish in their vocations and ministries.
3. The Vestry will serve as representatives of the congregation and will keep the parish fully advised of actions adopted at all Vestry meetings.
4. The Vestry is the legal agent for the congregation in all matters concerning its corporate property and in relationship with the PIC. The Vestry will see that the PIC is properly supported personally and organizationally as will as through the Vestry’s financial obligations.

**Expectations and Responsibilities of the Priest in Charge**

The PIC extends the ministry which is the Bishop Diocesan’s pastoral and canonical responsibility for parishes in The Diocese of West Missouri. The PIC shall lead the parish as pastor, priest, and teacher and shall participate and share in the councils of the congregation, the Diocese, and of the whole Church, in communion with the Bishop. The PIC, informed at all times by the Holy Scriptures, the Book of Common Prayer, and the Constitutions and Canons of the General Convention and of the Diocese, shall, by word and action, 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. Moreover:

1. The PIC shall publish and maintain a regular schedule of worship services and, as needed, occasional services, e.g. weddings, funerals, baptisms, etc.
2. The PIC shall provide pastoral care, including calling upon the sick and shut-in and responding to pastoral emergencies.
3. The PIC shall provide oversight to the ongoing administration of the parish and help support the routine activities of the congregation.
4. All lay members of the parish staff, paid or volunteer, are under the supervision of the PIC and serve at the discretion of the PIC, who has the responsibility to engage for employment and to discharge from employment. All paid clergy or lay members of the parish staff shall be called by the PIC only after compensation and benefits have been approved by the Vestry. Non-stipendiary Deacons shall, per the Canons, be appointed to the parish staff by the Bishop after consultation with the PIC. The PIC will consult with the Wardens concerning problems or issues with staff.
5. Self-care being integral to readiness for sustained ministry, the PIC shall maintain physical and mental health and effectiveness by availing adequate time for rest and refreshment, recreation, and normal life with family and friends.
6. The PIC will have use and control of the Church and Parish buildings for the discharge of duties of the PIC’s office, as provided by Canon law. The PIC shall have the right to grant use of the buildings to individuals or groups from outside the parish, following guidelines approved by both the PIC and the Vestry.

**Priest in Charge’s Employment Status, Compensation, Benefits, and Financial**

**Employment Status:** The PIC shall work \_\_\_\_\_\_\_\_ hours a week which shall include Sunday activities.  This position is considered professional under the Fair Labor Standards Act (FLSA) and is therefore exempt (not covered) under FLSA. The PIC shall be compensated in compliance with the diocese’s annually approved Minimum Compensation Schedule.

**Withholding**: Since the IRS considers clergy to be “self-employed,” the congregation is not required to withhold or remit the Federal Insurance Contributions Act portion (i.e. “FICA” or “employer’s share”) of withholding. If requested by the PIC the parish may withhold and remit federal, state, and local income tax and SECA on the PIC’s behalf.

**Stipend**: The PIC’s monthly stipend shall be $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_; such stipend to be paid on the last day of the month.

**Housing Allowance**: Per IRS regulations, the PIC may designate a portion of the stipend as a Housing Allowance. This allowance is then exempt from federal income tax withholding and subject only to the Self-Employment Contributions Act (SECA) portion of withholding. The Vestry, prior to the first payroll date, will adopt the appropriate housing allowance resolution. The value of any housing allowance will be made part of the vestry minutes.

**Tax Deferred Retirement Plan:** The PIC shall have the opportunity to invest in a tax deferred retirement plan through payroll deduction. The church treasurer will send the PIC’s pre-tax contributions directly to the plan sponsor. The amount is the sole discretion of the PIC, pursuant to applicable tax laws.

**Benefits**: The parish shall provide the following customary and required benefits:

* **Insurance**: Based on the rules of the Medical Trust, the PIC shall have the option to receive medical insurance coverage through the Medical Trust of the Church Insurance Corporation (a division of the Church Pension Group). Medical coverage expense will follow the Diocese approved plan established annually. The current annual benefit is $\_\_\_\_\_\_\_\_\_\_. An additional $1000 annually to be deposited into the PIC’s Health Savings account if enrolled in a CDHP plan. Any additional costs for insurance, should the PIC choose a more expensive insurance coverage plan, shall be borne by the PIC. Based on rules of the Medical Trust, dental coverage will be available for employee purchase. Workers’ Compensation will be provided as required by the state of Missouri.
* **Pension**: The annual pension assessment of 18% of the cleric’s compensation (as compensation is defined by Church Pension Fund rules) will be remitted by the congregation on the required schedule of remittance. This will be $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ for the first year and will change should the PIC’s compensation change. *(There is no pension requirement for Clergy currently receiving Retiree Pension Benefits from the Church Pension Fund.)*

**Expense Reimbursements:** The Vestry shall reimburse the following expenses incurred by the PIC in fulfilling the duties of the office:

* Expenses incurred while using a privately owned vehicle for ministry on behalf of the Church will be reimbursed at the then-applicable IRS rate. Such reimbursement is not to exceed $\_\_\_\_\_\_\_\_ annually.
* Pre-approved non-travel related expenses incurred during professional activities on behalf of the Church.
* The actual cost of the PIC’s relocation, if necessary, not to exceed $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

**Continuing Education Allowance**: The PIC will be allowed $\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ annually to pursue canonically required Continuing Education. Such may be augmented by Continuing Education resources made available by the diocese.

**Office, Office Equipment, Supplies, etc.**: The parish will provide the PIC use of the parish office, necessary office equipment, and telephone service, postage, internet connectivity, email accounts, supplies, etc. for the ministry of administration.

**Supplementary Compensation**: The PIC shall not charge fees for performing any rites of the Church (i.e. baptisms, marriages, funerals, etc.) for members of the parish. The PIC may, however, receive unsolicited honoraria from members of the parish. The PIC may also receive additional income for sacramental services on behalf of persons not related to the parish and may also receive fees and honoraria for professional services performed on personal time for groups or individuals unrelated to the parish, or for sermons, books, or articles published outside the parish.

**Discretionary Fund:** In accordance with the Canons and business practices and guidelines of the church, a Discretionary Fund is to be established and administered by the Treasurer and expended according to the guidance of the PIC. All monetary gifts to the Discretionary Fund are for charitable purposes only. All donations and expenditures from this Fund must be part of the annual audit/financial review.

**Synopsis of Initial, Annual Financial Considerations**

Stipend & Housing $\_\_\_\_\_\_\_\_\_\_\_\_

Pension contributions $\_\_\_\_\_\_\_\_\_\_\_\_

Health Insurance $\_\_\_\_\_\_\_\_\_\_\_\_

HSA annual contribution $\_\_\_\_\_\_\_\_\_\_\_\_

Travel reimbursement $\_\_\_\_\_\_\_\_\_\_\_\_

Continuing Education allowance $\_\_\_\_\_\_\_\_\_\_\_\_

**Total $**\_\_\_\_\_\_\_\_\_\_\_\_

**Times of Work, Leave, and Vacation**

**General Work Expectations**: The PIC’s work includes not only activities directed to the parish and its well-being, but also labors on behalf of the diocese and community. As a priest of the Church, the PIC is expected to take his/her place in the Councils of the Church and in the life and ministry of the Diocese.

**Expected Workweek**: The PIC’s scheduled workweek will include Sundays. The PIC is expected to preserve at least one continuous twenty-four (24) hour period each week solely for personal and family pursuits.

**Vacation**: The PIC shall have 4 weeks of vacation annually, which includes 4 Sundays. During vacation periods, the PIC shall continue to receive full compensation and benefits.

**Leave**: The PIC will have the following periods of leave at full compensation:

* **National Holidays** to be taken so as not to interfere with worship for major occasions or Sundays.
* **Maternity/Paternity Leave** will constitute up to 12 weeks upon the birth or adoption of a child. Short term disability benefit from the clergy pension plan will be coordinated with this benefit.
* **Continuing Education Leave** will constitute a minimum of seven (7) days each year, not to exceed (14) days each year.

**Notification of Absence from the Parish**: Before being absent and away from the parish at a distance that would prohibit being available for pastoral emergencies, the PIC shall advise the Senior Warden how the PIC may be contacted, shall arrange for on-call pastoral care from another member of the clergy, and shall inform the Wardens of such arrangements.

**Other Agreements**

**Mutual Ministry Review:** Within three months of the PIC’s arrival, the PIC and the Vestry shall engage in an initial goal setting and mutual expectations process.

**Disputes**: If the PIC and the Vestry disagree concerning interpretation of this Letter of Agreement, either party may appeal for mediation to the bishop, whose decision shall be binding.

**Revisions**: This Letter of Agreement may be revised by mutual agreement at any time. Revisions of compensation, benefits, and reimbursements may be agreed upon in a separate budgeting process, and when enacted, such revision shall be understood to be a revision of this Letter of Agreement.

This letter of agreement shall be made a part of the minutes of the next vestry meeting following the signing, and copies shall be given to each new vestry member each year.

**APPROVALS**

This Letter of Agreement is approved by the three parties signing below and is not valid until all three parties have signed.

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Priest in Charge Date

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Senior Warden Date

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

Bishop Date