

Rector Letter of Agreement

Effective: _____

between
The Vestry and Wardens of
_____ Church
and
The Reverend _____

who has been called to be Rector with the understanding that this tenure is to continue until dissolved 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 “the Rector”).

1. The Vestry will work cooperatively with the Rector 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:
 - a. being regular in worship,
 - b. tithing or giving proportionally,
 - c. praying daily for the Rector and parish, and
 - d. 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 Rector and the Vestry will jointly develop and approve an annual financial plan for supporting the goals and ministries of the parish.
5. With the Rector, the Vestry will engage in a Mutual Ministry Review annually. This expectation is intended to ensure the Rector and Vestry collaborate about ways to improve their working relationship, to discuss how various activities and programs in the parish are meeting the needs of the church and its members, and to look at new ideas for ministry. (*Assistance with fulfilling this expectation is available by contacting the Office of the Bishop.*)

Expectations and Responsibilities of the Rector

The Rector extends the ministry which is the Bishop Diocesan’s pastoral and canonical responsibility for parishes in The Diocese of West Missouri. The Rector 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 Rector, 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 Rector shall publish and maintain a regular schedule of worship services and, as needed, occasional services, e.g. weddings, funerals, baptisms, etc.
2. The Rector shall provide pastoral care, including calling upon the sick and shut-in and responding to pastoral emergencies.
3. The Rector 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 Rector and

serve at the discretion of the Rector, 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 Rector 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 Rector. The Rector will consult with the Wardens concerning problems or issues with staff.

5. Self-care being integral to readiness for sustained ministry, the Rector 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 Rector will have use and control of the Church and Parish buildings for the discharge of duties of the Rector's office, as provided by Canon law. The Rector shall have the right to grant use of the buildings to individuals or groups from outside the parish, following guidelines approved by both the Rector and the Vestry.
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Rector's Employment Status, Compensation, Benefits, and Financial

Employment Status: This position is full-time. This position is considered professional under the Fair Labor Standards Act (FLSA) and is therefore exempt (not covered) under FLSA. The Rector 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 Rector, the parish may withhold and remit federal, state, and local income tax and SECA on the Rector's behalf.

Stipend: The Rector's initial annual stipend shall be \$ _____; such stipend to be reviewed annually.

Housing Allowance: Per IRS regulations, the Rector 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 Rector shall have the opportunity to invest in a tax deferred retirement plan through payroll deduction. The church treasurer will send the Rector's pre-tax contributions directly to the plan sponsor. The amount is the sole discretion of the Rector, pursuant to applicable tax laws.

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

- **Insurance:** The Rector 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 Rector's Health Savings account if enrolled in a CDHP plan. Any additional costs for insurance, should the Rector choose a more expensive insurance coverage plan, shall be borne by the Rector. 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 as the Rector's compensation changes in subsequent years. *(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 Rector 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 in the course of professional activities on behalf of the Church.
- The actual cost of the Rector's relocation if necessary, not to exceed \$ _____.

Continuing Education Allowance: The Rector 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 Rector 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 Rector shall not charge fees for performing any rites of the Church (i.e. baptisms, marriages, funerals, etc.) for members of the parish. The Rector may, however, receive unsolicited honoraria from members of the parish. The Rector 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 Rector. 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.

<u>Synopsis of Initial, Annual Financial Considerations</u>	
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 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. As a priest of the Church, the Rector 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 Rector's scheduled workweek will be five (5) days, including Sundays. The Rector is expected to preserve at least one continuous twenty-four (24) hour period each week solely for personal and family pursuits.

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

Leave: The Rector 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.
- **Continuing Education Leave** will constitute a minimum of seven (7) days each year, not to exceed (14) days each year.
- **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.
- **Sabbatical Leave:** Per diocesan policy, the Rector shall accrue two weeks of Sabbatical Leave for each full year of ministry in the parish. (*Example: after 6 years of ministry, the Rector will have accrued 12 weeks of Sabbatical Leave.*) Sabbatical Leave shall be available after 6 years of service and taken in the seventh year, unless otherwise arranged between the Rector and the Vestry. The Rector will receive full compensation and benefits during Sabbatical Leave. Sabbatical Leave is not to be used for searching for a new cure or preparing for retirement; therefore, the Rector shall be required to remain in office for a minimum of one year after completing Sabbatical Leave. Unused Sabbatical Leave will be forfeited.

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 Rector shall advise the Senior Warden how the Rector 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 Rector's arrival, the Rector and the Vestry shall engage in an initial goal setting and mutual expectations process.

The Rector, Wardens, and Vestry agree to an annual discussion and mutual review of the total ministry to:

- 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.
- Establish goals for the work for the coming year.
- Isolate areas of conflict or disappointment that have not received adequate attention and may be adversely affecting ministry.
- Clarify expectations of all parties to help put any future conflicts in manageable form.
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Disputes: If the Rector 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 will be revisited at each annual Mutual Ministry Review but 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.

Rector

Date

Senior Warden

Date

Bishop

Date