Memorandum of Agreement

Between

The Wardens and Vestry of [insert church name and location]

and

The Reverend [first, middle, last name]

  The Vestry and Wardens of the Episcopal Church of [insert church name here] in [insert town name here], Maine, in consultation with the Rt. Rev. Thomas J. Brown, Bishop of Maine, have called the Reverend [insert name here]  to serve as [insert title here: rector, vicar, priest, interim, temporary priest, or other]. The Reverend [insert name here] has accepted this call and will be compensated for [indicate the number of hours to be worked per week] as defined in Section C below. This Letter constitutes the parties’ agreement as to the nature and terms of the Priest’s employment.

**PURPOSE AND CONTEXT**

The Episcopal Church of [insert church name here] acting through its Wardens and Vestry (the “Congregation”),  and the Reverend [insert name here]  agree and recognize that the church is a community of the baptized, each member of which is given gifts by God for God’s service and the service of God’s people. The ministry of the church is to be the Body of Christ in the world, to carry out Christ’s ministry of reconciliation, and to love one another and all the world as Christ loves us. The ministry of the Priest is to support, challenge and encourage the ministry of the whole congregation; to preach the Gospel and celebrate the sacraments; to serve young and old, rich, and poor alike; and to take part in the councils of the congregation and the larger church, in communion with the Bishop.

**EFFECTIVE DATE AND TERM**

  This Letter of Agreement shall become effective on the day all parties have signed and will terminate on the [date] day of [month], [year] unless it has sooner been extended, amended, or terminated by mutual agreement of all the parties.

**SECTION A: START-UP MATTERS**

  All pay and benefits will begin on [insert date here].

 The Reverend [insert name here] will begin work on [insert date here].

The Congregation will reimburse the costs of moving the Reverend [insert name here]’s family and household goods from [where] to the greater [where], Maine, up to a maximum amount of $ [insert dollar amount]. Reverend [insert name here] is aware that such reimbursement may constitute taxable income.

**SECTION B – DUTIES, MUTUAL PROMISES, AND GOALS**

The priest has oversight of and responsibility for all decisions related to:

* the planning and organization of worship
* preaching and presiding at worship
* presiding, as canonically authorized, at meetings of the Vestry
* the proper administration of the Congregation’s affairs in accordance with applicable canons, policies, and laws
* staffing, both paid and volunteer

The priest is expected to:

* care for  members of the Congregation at times of emergency
* offer pastoral care and counsel to the best of their abilities
* support members of the Congregation in discerning, developing and exercising their own ministries as baptized members of the Body of Christ
* participate in the life and leadership of the Diocese
* and live and serve in a manner faithful to the priest’s ordination vows and the doctrine, discipline and worship of The Episcopal Church.

Unless otherwise defined in this Letter of Agreement these responsibilities and expectations are given to rectors, vicars, priests in charge, and may be extended to interim priests/rectors.

The congregation and the priest promise that each will use care, respect, and diligence to support the ministry of each other, recognizing that the common purpose of all ministry is the glory of God and the care of God’s people.

As reflected in the materials prepared by the Congregation in preparation for calling its new Priest, and as discussed during the process that led to this call, the Congregation and Priest jointly agree to direct special attention to the following goals and priorities, which shall be assessed and revised annually (including as part of the Mutual Study of Ministry, *see* Section E *below*):

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SECTION C – TIMES OF WORK AND LEAVE**

1. The priest’s work includes both activities within the congregation and work on behalf of the community, the Diocese, and the larger Church. The Priest is expected to work an average of [insert number here] hours of work per week with specific weekly schedules depending on the varying demands  of ministry. The priest is expected to take two days off per week, one of which will be a sabbath of at least twenty-four consecutive hours set aside solely for personal and family use (barring pastoral or another emergency). The weekly schedule outlined in this paragraph will be referred to throughout this Agreement as the “Work Week.”

 Additional details regarding the priest’s responsibilities, such as agreements pertaining to the number of Sundays per month the priest will preside at worship, allocation of responsibility for Sundays when the priest will not lead, and the like, may be added here:

1. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
2. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
3. \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2. For 40 hours a week positions (“full time”), priests will take the following periods of leave at full compensation:

1. National holidays, taken at their discretion so as not to interfere with worship or major religious festivals.
2. Annual vacation of equivalent to twenty work days, including four Sundays, details of accrual and availability by mutual agreement,
3. Parental leave after the birth or adoption of a child as provided by Canon 22, Section 4(4) of the Diocese of Maine.
4. Education leave not to exceed two work weeks per year.
5. Sabbatical leave equal to that provided by Canon 22, Sec 4(2) of the Diocese of Maine.

          Unused leave time of any kind other than Sabbatical leave will not be carried over to the following year, except that up to one week of vacation time may be carried over from year to year. Unused leave time is not compensated at the end of the priest’s employment, except for vacation time accrued and unused.

3. Clergy positions that are less than 40 hours a week, i.e., 30, 20, or 10 hours per week, shall include all periods of leave defined above in part 2 of this section.

1. When demands of the priest’s duties, such as pastoral emergencies or holiday services, prevent the Priest from taking scheduled time off, the priest will take compensatory time off as soon as possible.

**SECTION D – COMPENSATION, BENEFITS & EXPENSES**

The Vestry will provide the priest with:

1. Total Clergy Compensation of $ [insert amount here], to be paid in equal installments, made up of the following components (exact figures to be determined with the aid of the Diocesan Finance Office):

 a. Unless housing is provided, an annualized allowance for housing and utilities in an amount to be designated by the Priest prior to the beginning of work and then prior to the beginning of each calendar year. The Vestry shall adopt annually a resolution specifying such amount to be a Parsonage Allowance within the meaning of §107 of the Internal Revenue Code of 1986 (as amended).

b. A cash payment equal to one-half the amount of the Priest’s self-employment tax.

c. The balance as a cash stipend.

2. Pension assessments as required by the canons pertaining to the Church Pension Group, currently set at 18% of Total Clergy Compensation.

**OR**

Because the priest is retired, there will be no pension assessments due or paid.

3. Reimbursement for expenses pertaining to continuing education up to [insert amount] per year**.**

4. Medical, dental and life insurance as specified by Canon 22, section 2(2) (regarding insurance benefits) and section 3 if applicable (regarding proration of benefits for part time employment) of the Canons of the Diocese of Maine, as in effect as of the effective date of this Letter of Agreement and as may be subsequently amended by action of the Convention of the Diocese of Maine.

5. Reimbursement of out-of-pocket expenses, including mileage reimbursement at the rate determined by the IRS, in accordance with an Accountable Reimbursement Plan adopted by the vestry, up to a maximum annual amount of $ [insert amount here].

1. The Vestry will maintain worker’s Compensation and Employers’ Liability Insurance coverage as required by Maine law. The Vestry will provide the Priest with a W-2 statement annually no later than the end of January, as required by Internal Revenue regulations.
2. The Priest will not charge fees for performing any rites of the Church for active members of the congregation.
3. If in the event of illness or disability the Priest receives income replacement benefits such as those administered by the Church Pension Group as part of the pension plan, the Priest’s Total Clergy Compensation will be reduced by a like amount; but the Vestry will otherwise continue to pay the Priest’s salary and benefits (including full pension assessments).

**SECTION E – CLERGY GATHERINGS and MUTUAL STUDY OF MINISTRY**

The Diocese of Maine holds several gatherings each year for the educational, spiritual, and collegial nurture of the clergy. The priest, if compensated at full time, is expected to participate in at least four gatherings per year. If the priest’s compensation is less than full time, they must attend at least two of these events. When participation is not possible, clergy must notify the bishop.

Approximately eighteen months after the beginning of the priest’s ministry with the Congregation, the priest and congregation shall conduct a Mutual Study of Ministry (MSM), for the purpose of assessing  strengths and areas needing attention in the ministry they share, assessing progress towards previously stated goals, establishing new or renewed goals, and clarifying expectations of all parties. This first MSM will be facilitated by the Canon to the Ordinary or another member of the Bishop’s staff.

Further MSMs, or similar structured reviews of the priest and the Congregation’s shared ministry, will take place at least every two years thereafter, and will be facilitated by a person outside the Congregation chosen by the priest and the vestry.

**SECTION F –DISCRETIONARY FUND**

A Discretionary Fund is to be established and managed in accordance with the Canons and Constitution of The Episcopal Church, including Canon 1.7 pertaining to Business Methods in Church Affairs, as the same may be interpreted from time to time in guidance from The Episcopal Church or the Diocese of Maine about best practices in the administration of such funds.

**SECTION G – USE OF BUILDINGS**

The priest shall, at all times, be entitled to the use and control of all buildings and furnishings belonging to the congregation, as specified in Canon III.5(a)(2) of the General Convention of The Episcopal Church. The priest will be guided in the exercise of such control by the advice of the vestry, and by any policies regarding building use that may be adopted by the vestry, facilities Committee, or other appropriate body.

**SECTION H – INTERPRETATION AND ENFORCEMENT**

This Agreement is subject to the canons of the Episcopal Diocese of Maine and of The Episcopal Church, which shall control over this Agreement in any case of inconsistency. In case of disagreement concerning any aspect of this Agreement, the priest and the vestry agree first to seek the assistance of a mediator acceptable to both, or suggested by the Bishop. In the event a mediated resolution is not reached, the Bishop of Maine shall have final authority as to the interpretation and application of this Agreement, and the Bishop will not be required to consider any agreements not reflected in writing (such as unwritten “side deals.”) .  This Agreement is entirely an ecclesiastical document and is not subject to interpretation or enforcement by any secular authority, including any secular court.

This Agreement is subject to review and updating at least once every three years using the current Letter of Agreement template provided by the Bishop’s office.

Signature Page

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Reverend [print and sign name] Date

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 [print name and sign], Senior Warden Date

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 [print name and sign] Junior Warden Date

By\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 The Right Reverend Thomas J. Brown, Bishop of Maine Date