



## Convocation of American Churches in Europe

### *Standards for Clergy Letters of Agreement*

*Approved by the Bishop-in-charge and the Council of Advice*

*Introduction:* In general, Episcopal dioceses have standard Letters of Agreement for their clergy, which candidates and vestry use to guide their negotiations in a new call. These often include salary ranges to be followed, depending on size of congregation and years of experience.

The Convocation of American Churches in Europe has no standard letter form or salary range. This leads to confusion for congregations in search, as well as potential inequities in compensation. Therefore, the Bishop-in-charge and Council of Advice are issuing these mandatory guidelines which are to be followed both in new calls and in the renewal of letters of agreement.

The first and most important guideline to remember is that the manner in which the Letter of Agreement is negotiated and observed over time directly reflects the beginning and continuation of the relationship between priest and congregation. The Rector or Vicar is not an employee of the congregation, since the congregation must have the Bishop's approval to call a specific candidate, and only the Bishop can remove a sitting Rector or Vicar. Thus we do not have "contracts," with start and end dates, but "Letters of Agreement," which are open-ended covenants. More significantly, the congregation and Bishop invest a lot of trust to the priest to be a loving pastor, respecting confidentiality, and generally becoming a servant in building up the spiritual life of the congregation and its overall health. A Letter of Agreement should therefore reflect in material terms the high value that the congregation places upon its priest.

The high turnover in our congregations means that vestry members often have expectations derived from business experience or other churches that are inconsistent with the norms of The Episcopal Church. There are also expectations that Episcopal clergy have in general, as well as the requirements of the canon law.

One issue that prevents using a standard letter of agreement is the fact that several different sets of national laws cover our parishes. Another is that our compensation levels are lower across the board for our clergy, who often must also pay higher taxes than Americans. (Tax considerations may dictate a number of provisions in the letter of agreement.)

National employment norms may well set the form of agreement and certain provisions to be negotiated, but they do not abrogate the basic norms of the canons of The Episcopal Church. Rectors are called by the vestry with the Bishop-in-charge's explicit consent; Vicars are appointed by the Bishop (including congregational missions). Assisting clergy are called by Rectors; however, the Bishop's consent is required before they can begin ministry, after his review of their proposed letters of agreement. Candidates and vestries negotiate the terms and conditions of the exercise of ministry; vicars and bishop's committees work with the Bishop to arrive at the

same. Rectors have the equivalent of tenure. According to canon, only the Bishop may dissolve the pastoral relationship—neither the Rector nor the vestry can.

The compensation “package” for all full-time clergy requires the provision for the following: cash salary, housing, health insurance, participation in the Church Pension Fund or other pension plan of an Anglican province, moving expenses to Europe, arrangements for vacation and days off, and travel expenses. There are further considerations as well: professional expenses, the provision of a car, time for continuing education, sabbatical leave after a certain number of years of service accomplished. In the United States the payment of half the Social Security tax is often a part of the package. If the parish is offering parish-owned housing, paying a certain sum annually into an investment vehicle, dubbed an “equity allowance,” is often given in compensation for losing the equity value of home ownership in preparation for retirement. Finally there must be a date set for review of the terms and conditions of exercise of ministry. (A standard letter of agreement based upon American standards is appended.)

The number presently used in the United States as the minimum cost of the package for an assisting priest is about €50,000. (Rectors receive higher compensation, of course.) This includes a cash salary of around €24,000, plus the cost of housing, insurances and the pension (payment equals 18% of [salary + housing + utilities]). The Pension Fund currently provides free of charge a \$50,000 life insurance policy to all active clergy as well.

*No priest shall be allowed to take a cure in the Convocation without having secured in advance the proper visas and other documents required by the country in which the congregation is located.*

The following shall be required of agreements between clergy and congregations in the Convocation:

1. All agreements between clergy and congregations must comply with applicable national employment laws, and also explicitly recognize the Bishop’s role in approving candidates and dissolving eventually the pastoral relationship.
2. An adequate cash salary commensurate with compensation of the other clergy in the Convocation shall be provided.
3. Housing for the priest and family shall be provided, including a utility allowance if the congregation is providing housing. It is to be understood that the home of the clergy is a private residence, and is not normally used for meetings or a parish office. If there are needs to hold parish meetings in the priest’s home, there shall be adequate provision for protecting the privacy of the priest and family.
4. Health insurance shall be provided with full coverage for the priest and family. Should the priest feel that participation in the local health and government pension plan is preferable to remaining in the American Social Security plan, this does not obviate his or her responsibility toward both the local and the American plans.
5. The priest shall participate fully in the Church Pension Fund as well as government retirement plans.

6. Moving expenses to Europe shall be guaranteed, including legal costs for securing visas for the priest and family. Any necessary improvements to the clergy residence (e.g., lighting, wiring, etc.) shall be paid by the congregation.
7. Removal expenses shall be paid only if the priest has become disabled or has been terminated. Otherwise, removal expenses are to be borne by the next calling parish or organization.
8. No fewer than four weeks vacation (20 work days) shall be allowed. If the local standard is higher than that, it shall be respected. The congregation shall pay for supply clergy during the Rector's vacation.
9. Travel expenses to required Convocation events shall be paid by the congregation. A travel allowance for accomplishing priestly duties shall also be provided to the priest. The priest is required to attend a retreat annually, paid for by the Bishop, which shall be counted as regular work time.
10. Clergy in the Convocation are not expected to work more than 50 hours a week, or 10 hours a day, five days a week, and are entitled to compensatory time off if unusual circumstances demand extra hours work.
11. Provision for a rector's discretionary fund shall be made, which the priest shall keep. The annual audit of the congregation's finances shall include a review of the discretionary fund.
12. Reasonable office expenses shall be provided for, including at least office supplies, postage and telephone.
13. The Letter shall include a provision for an *annual* review of its terms and conditions.
14. Members of the clergy are expected to continue their education as canon law and the ordination vows require. Congregations shall allow for reasonable time off for education, and should provide some funds for this. Priest and congregations are strongly advised to provide a paid sabbatical leave after a minimum of 5 years, two weeks of sabbatical time accumulating for every full year of ministry completed.
15. Priests are expected to have a published telephone number and to be available for emergencies at all times when not away from the parish. In case of a scheduled absence, provision shall be made for emergency pastoral coverage.
16. The priest, the senior warden, and the Bishop-in-charge shall sign all letters of agreement before they come into force. *This includes renewals.*

## **LETTER OF AGREEMENT**

between

The Wardens and Vestry of

St. X Church

and

The Reverend John Doe

who has been elected Rector (appointed Vicar) with the understanding that this tenure is to continue until dissolved with the consent of the Bishop-in-charge of the Convocation of American Churches In Europe and as provided by the relevant Canons of the Convocation and the Episcopal Church.

### **PREAMBLE**

The Rector shall lead St. X Church as pastor, priest and teacher, sharing in the councils of this Convocation and of the whole Church, under the authority of the Bishop-in-charge. By word and action, informed at all times by the Holy Scriptures, the Book of Common Prayer, and the Constitution and Canons of the Episcopal Church and the Convocation of American Churches In Europe, 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.

This ministry will be further described in a Rector Position Description which meets the mutual agreement of the Rector, Wardens and Vestry and the approval of the Bishop-in-charge, to be completed between the seventh and twelfth month of their ministry together. When the Rector Position Description has been thus completed, it shall be considered a part of this Letter of Agreement.

### **SECTION A - TIMES OF WORK AND LEAVE**

1. The Rector's work includes not only activities directed to the parish and its well-being, but also labors on behalf of the Convocation and community. 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, preferably—whenever possible—two.
2. The Rector will have the following periods of leave at full compensation:
  - a. National Holidays, to be taken so as not to interfere with worship for major occasions.
  - b. One month Annual Vacation, consisting of twenty-four workdays, which shall include four Sundays. Vacation time shall not be carried forward unless by written agreement with the Vestry prior to the end of each calendar year.
  - c. Continuing Education Leave, at the rate of two weeks per year.
  - d. Sabbatical Leave, generally after seven years of service, may be arranged between the Vestry and the Rector, insuring benefits for the Parish and the

Rector and in accordance with Diocesan guidelines. Sabbatical leave ordinarily is between three and six months, during which time full benefits shall be continued.

## **SECTION B - COMPENSATION**

1. The Rector's annual compensation package (including salary and housing allowance) will be \$\_\_\_\_\_, paid monthly (or twice monthly) on or before the \_\_\_\_\_ day of the month, to be reviewed and adjusted annually in light of changes in the Consumer Price Index and the current Convocation clergy salary guideline. Upon the Rector's request, the Vestry will designate a portion of the total cash salary as "Housing Allowance" under provisions of the Federal Internal Revenue Code.
2. The Rector shall receive one half (1/2) of the Self Employment Tax (currently 7.65% of compensation package including salary and housing allowance) paid monthly.
3. The Vestry shall pay the following benefits:
  - a. Church Pension Fund assessment as required by canons (18% of compensation) on the sum of the Rector's total annual cash salary and housing allowance, plus the Rector's Self Employment Tax Reimbursement.
  - b. Health and Hospital Insurance, equivalent to or better than the group plan provided through the Convocation.
  - c. Group Life and Accidental Death and Dismemberment Insurance through the Church Insurance Company, or a policy equivalent to or better than the group plan provided through the Church Insurance Company.
  - d. Workers' Compensation Insurance, as required by local law.

## **SECTION C - EXPENSES**

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

1. Travel expenses under an accountable reimbursement plan not to exceed \$\_\_\_\_\_ annually, *[or a travel allowance of \$\_\_\_\_\_ per month, to be reviewed annually in terms of actual travel expenses]*.
2. The normal expenses of the church's office operation, such as telephone, postage, office equipment, supplies, secretarial services, etc.
3. An expense allowance (up to \$\_\_\_\_\_ annually) for reimbursement of expenses incurred in the course of professional activities on behalf of St. X Church.
4. A Continuing Education Allowance of at least \$\_\_\_\_\_ per year, to be reviewed annually and paid to or on behalf of the Rector toward expenses incurred in relation to Professional Development Leave.

## **SECTION D - DISCRETIONARY FUND**

In accordance with the canons of the Episcopal Church, a Discretionary Fund is to be established as a parish account but under the Rector's sole control equal to the undesignated offering received at the celebration of the Holy Eucharist on one Sunday in each calendar month, as well as gifts given to the Rector for the purposes of the Discretionary Fund.

## **SECTION E - SUPPLEMENTARY COMPENSATION**

1. The Rector shall not charge fees for performing any rites of the Church (for example, baptisms, marriages, funerals) for members of St. X Church.
2. The Rector may, however, receive income from other sources, such as: Sacramental services on behalf of persons not in any way related to St. X Church.  
Fees and honoraria for professional services performed on personal time for groups unrelated to St. X Church, or for sermons, books or articles published outside the parish.
3. The Rector may engage in reserve military service or other income producing activities up to a total of \_\_\_\_\_ days per year, which shall not be counted against any leave time.

## **SECTION F - USE OF BUILDINGS**

In addition to 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 Rector and Vestry.

## **SECTION G - MUTUAL MINISTRY REVIEW**

The Rector, Wardens and Vestry agree to an **annual** discussion and mutual review of the total ministry of the parish, in order 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 of the parish for the coming year.
- Isolate areas of conflict or disappointment which have not received adequate attention and may be adversely affecting mutual ministry.
- Clarify expectations of all parties to help put any future conflicts in manageable form.

A mutually agreed upon third party may be engaged to facilitate the mutual ministry review process.

## SECTION H - OTHER AGREEMENTS

1. The Rector agrees to comply with all risk management policies of the Convocation of American Churches In Europe, including a background check and training on issues of Sexual Misconduct and Racism. He/She agrees to undertake all necessary procedures for securing a visa permitting his her work in the country of \_\_\_\_\_.
2. All moving and travel expenses incurred in making the move from \_\_\_\_\_ to \_\_\_\_\_, shall be paid by St. X Church. This includes legal expenses incurred for visas for the Rector and family, and housing improvements to make the rectory habitable. The specific moving contract shall be mutually agreed to by the Rector and Vestry. If the Rector and Vestry agree that intensive language training is necessary, this training shall take place before active ministry begins, and shall be paid by St. X.
3. The moving date shall be in the week of \_\_\_\_\_. The Rector shall begin duties in the parish (after language training) not later than \_\_\_\_\_, unless delayed by adverse circumstances such as delay of visa.
4. All pay and benefits shall become effective on \_\_\_\_\_ (which includes the period of intensive language training).
5. This Letter of Agreement shall be made part of the minutes of the next Vestry meeting following its signing, and copies shall be given to each new Vestry member, as they are elected.
6. In the event of the Rector's death, the Vestry agrees to continue payment of the Rector's compensation package, and appropriate health and hospital insurance to the Rector's surviving direct dependents for a period of \_\_\_\_\_ months, as well as reasonable removal expenses.
7. This letter may be revised by mutual agreement at the time of the annual mutual ministry review, except that compensation and expenses revisions shall be mutually agreed upon in a separate budget process.
8. If the Rector and Vestry are in disagreement concerning interpretation of this Letter of Agreement, either party may appeal for mediation to the Bishop-in-charge, the Bishop-in-charge remaining the final arbiter.

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 Date

Rector

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 Date

Senior Warden

Approved: \_\_\_\_\_

Date

Bishop-in-charge