

EPISCOPAL DIOCESE OF NEWARK
COVENANT OF MINISTRY/LETTER OF AGREEMENT FOR VICAR

Between

The Rev. _____ and the Executive Committee of _____ Church, _____, New Jersey, which has elected [him/her] vicar and the Bishop who has approved [his/her] election to serve as Vicar with the understanding that [his/her] tenure as vicar shall continue until dissolved by mutual consent or by arbitration and decision as provided by Title III, Canon 13 of the Episcopal Church.

The relationship between a Vicar and an Executive Committee is unique, and it evolves within a larger covenant of mutual trust and ministry to each other. The purpose of the Letter of Agreement is to strengthen that relationship by clarifying some of the practical arrangements and to reduce later misunderstandings.[1]

The Vicar shall begin [his/her] ministry on _____

Section A – COMPENSATION

1. The Vicar's salary will be \$_____ per annum commencing on or about _____.

The parties agree that the Vicar's Total Clergy Compensation ("TCC") will equal \$_____ [including the amount of the Housing Allowance, if applicable], as set forth in Appendix A, which corresponds to _____% of full-time based on current Diocesan Compensation Guidelines.[2]

2. Housing [3]
[Option A –Vicar will not live in a Rectory]

The Vestry agrees to adopt annually the necessary resolution required by the Internal Revenue Service designating that portion of the TCC shown above as a Housing Allowance within the meaning of Section 1.107 of the IRS Code. [4]

1 This Letter of Agreement model contains recommended provisions that may be varied according to the particular facts and circumstances. For a part-time Vicar, the various sections should be prorated on the basis of a fraction (or percentage), e.g., half-time, three-quarters time, etc. Consult the current Diocesan Compensation & Benefits Guidelines.

2 Specify compensation and benefits received by the Vicar in Appendix A. Consult the current Diocesan Compensation and Benefits Guidelines

3 The model contains two options relative to housing. "Option A" applies to those situations where the Vicar will not live in a Rectory. "Option B" applies to those situations where the Vicar will live in a church-provided Rectory.

4 The amount of the TCC designated as a Housing Allowance should be the lesser of (1) the fair rental value for the housing: including furnishings and appurtenances (such as garage) and utilities or (2) the amount the Rector expects to spend on housing.

[Option B –Vicar will be living in a Rectory]

The Vicar and [his/her] family will be living in the church-owned Rectory. The Executive Committee will be responsible for the following expenses:

- (a) Insurance (and property taxes, if any) on the property,
- (b) Maintenance or replacement of the following appliances:
[Specify, such as refrigerator, dishwasher, etc.];
- (c) Maintenance of the structure(s), renovations or capital improvements;
- (d) Specify utilities (such as heat, light, water, etc.);
- (e) [Specify other responsibilities].

The Vicar shall receive as a tax-deferred set aside a housing equity allowance equivalent to ___% of the TCC.

The Vicar and [his/her] family are responsible for good stewardship in regard to the care of the Rectory and will remain responsible for the general care and upkeep such as [specify particular responsibilities].
[5]

The Vicar is expected to present an annual report to the Executive Committee on the condition of the Rectory, with particular attention to items requiring maintenance.

The Executive Committee or a representative thereof shall inspect the Rectory at least annually upon adequate notice given to the Vicar.

3. Other Compensation: the Vicar shall receive Social Security reimbursement quarterly at the rate of 50% of the Vicar's actual Social Security liability (SECA).

Section B – PREMIUMS

1. The Executive Committee will pay the following premiums as required by the Diocese:

- (a) Church Pension Fund premiums based on the Vicar's TCC;
- (b) The cost of Health Insurance premiums [specify whether individual or family coverage, which includes domestic partners, where applicable].

2. The Executive Committee will provide the following additional benefits [specify other benefits, e.g., dental, other insurance, life insurance for clergy not eligible for pension, etc. and allocation of premiums].

5 The specific responsibilities of the Executive Committee and Vicar will depend on the particular facts and circumstances. Once these are determined, they should be delineated with as much specificity as possible.

Section C – EXPENSES

The Executive Committee agrees to pay for the following expenses incurred by the Vicar in fulfilling [his\her] professional duties:

- 1) Travel: The Executive Committee agrees to reimburse the Vicar for travel expenses at the current rate established by the IRS
- 2) Communications: To provide for a telephone in the Vicar's office and study and a cell phone for business use. All postage for church business will be included in the parish budget.
- 3) Office: All necessary office furniture, equipment and supplies will be paid by the congregation, the amount to be established in the annual budget.
- 4) Discretionary Fund: A fund will be provided for charities and expenditures at the discretion of the Vicar in accordance with the Diocesan Guidelines for Clergy Discretionary Funds, the amount to be established in the annual budget.
- 5) Guests and Hospitality: The Vicar will be reimbursed for the reasonable costs of hospitality and entertainment on behalf of the parish, the amount to be established in the annual budget.
- 6) Professional Fees: Dues of the Vicar to professional associations, the cost of the annual Clergy Conference and Clergy Day with the Bishop, and the cost of professional periodicals, the amount to be established in the annual budget.
- 7) Continuing Education: The amount of \$ _____ (at least \$500) annually to support continuing education with the expectation that there be a report to the Vestry and/or parish on his/her continuing education work.
- 8) The Executive Committee agrees to pay the cost of pulpit supply and pastoral services when the Priest-in-Charge is absent from the parish; the amount to be established in the annual budget.

Section D - LEAVE TIME

The Vicar's work includes not only activities directed to the parish and its well-being, but also labors on behalf of the diocese and community. The Vicar's normal scheduled workweek is 50-hours, which shall include Sundays. It is expected that the Vicar will preserve 48 hours a week solely for personal and family use. This time can be distributed in any way that makes sense to the particular ministry and the specific needs of the Vicar.

The Executive Committee agrees that the Vicar shall have the following periods of leave at full pay:

1. One month of vacation per year, including Sundays, plus one other Sunday per year.
2. _____ weeks per year (in addition to vacation time) for continuing education and career development.
3. Extended time off (Between Sundays) following Christmas Day and Easter day each year.

4. National holiday: to be taken so as not to interfere with worship or major occasions.
5. Sick leave as necessary.
6. Paid Sabbatical Leave: The Vicar is eligible for 3 months of sabbatical leave for every 5 years of parish ministry, for the purpose of renewal, study, travel, and continued spiritual growth.
[the Clergy Sabbatical Policy is available online.]

Planning for the Vicar's sabbatical shall begin at least nine months prior to the first day of the leave. The Vicar and the Executive Committee shall agree to the form this planning shall take. Both the Vicar and the Executive Committee will participate in this planning, which shall include financial and activity information about the sabbatical, provision for congregational life and continuity, and clergy support during the Vicar's absence.

In no event shall the sabbatical be taken within one year of the Vicar's departure, retirement, resignation, or separation from the congregation.

7. The Vicar is expected and encouraged to participate in Regional, Diocesan and National Church responsibilities as well as community endeavors. Further, time given to such work shall be understood as an integral part of the Vicar's ministry in the parish.

Section E - SUPPLEMENTARY COMPENSATION

The disposition of wedding, funeral and other fees will be determined in conjunction with the Executive Committee.

Section F - USE OF BUILDINGS

The Vicar in accordance with the canons of the Episcopal Church, shall have the right to grant use of the buildings to individuals and groups from outside the congregation, It is contemplated that the granting of such use shall follow guidelines mutually agreed upon by both the Vicar and the Executive Committee.

Section G - REGULAR CONGREGATIONAL GOAL SETTING

The Vicar and the Executive Committee will review the ministry of the congregation on or about a year from the Vicar's assumption of [his/her] duties on the basis of goals and expectations set at the time of the call of the new Vicar. Subsequently, periodic reviews (every year or two years) will be scheduled. These reviews for the purpose of goal-setting will cover the following items:

1. What are the mission and goals of the congregation as presently understood?
2. What are the roles and tasks of the parish leaders (Vicar, Executive Committee members, and others) in accomplishing the goals?
3. How well have the previously set goals been met?
4. What goals and expectations will be set for the next period in the life of the congregation?

Finally, this Letter of Agreement will be revised as desired with the mutual consent of the Vicar and the Executive Committee, and at any rate shall reviewed and revised no later than

_____.

Section H- MUTUAL MINISTRY REVIEW

The Executive Committee will employ a consultant for the purpose of a mutual ministry review. No more than six months after the start date the Executive Committee and the Vicar will meet together with the consultant to review how the ministry is progressing and to set the goals and objectives for the coming six months. This consult may also provide the opportunity to develop the role expectations described above. A second meeting will be conducted six-months later at which time progress on the goals set will be evaluated. This cycle will continue on a yearly basis for the purpose of providing the Vicar, wardens and the Executive Committee an opportunity to assess how well they are fulfilling their responsibilities to each other and to the ministry they share, to establish goals for the work of the congregation for the coming year(s), to isolate areas of conflict or disappointment which have not received adequate attention and may be adversely affecting mutual ministry, and to clarify expectations of all parties.

Section I- FRESH START (NEW CLERGY PROGRAM)

The Bishop expects all vicars to attend the monthly meeting of his “Fresh Start” (New Clergy Program) group for clergy in new cures. There is no cost to the congregation or the Vicar for this program. However, mileage to and from the meeting is to be treated as a reimbursable travel expense.

Section J – STATEMENT OF NON-DISCRIMINATION

In accordance with diocesan and national church principles, this congregation will not discriminate on grounds of age, race, gender, sexual orientation, marital status, or disability.

In the 1999 Report to Convention, the Clergy Compensation Committee has included this option to reflect the concerns of both the Diocese and National Church as reflected in a variety of resolutions presented in their respective conventions.

VICAR’S SIGNATURE

Date: _____

Vicar: _____

CONGREGATION'S SIGNATURES

Approved by the Executive Committee on (date) _____

Warden: _____

Warden: _____

Clerk: _____

BISHOP'S SIGNATURE

Approved by the Bishop:

Date: _____

Bishop: _____

APPENDIX A

Clergy Compensation/Benefits Schedule

- A. Cash Stipend \$ _____
- B. Rectory Value or Housing Allowance \$ _____
- C. SECA Reimbursement \$ _____
- D. Utilities \$ _____
- E. Housing Equity (if rectory provided) \$ _____

TOTAL CLERGY COMPENSATION (TCC) (Sum of A+B+C+D+E)
\$ _____

Pension (18% of TCC) \$ _____

Health Insurance \$ _____

- Type of Plan Selected

Clergy; Clergy + Spouse; Clergy + Child; Family; None

- If no coverage provided, state reason _____

Dental Insurance \$ _____

- Type of Plan Selected

Clergy; Clergy + Spouse; Clergy + Child; Family; None

- If no coverage provided, state reason _____

Additional Benefits (e.g., vision, additional insurance, premium payments)