**Episcopal Diocese of Massachusetts**

**INSTRUCTIONS AND TEMPLATE**

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**Letter of Agreement Template for an Interim Priest in Charge**

**This is a Shared Ministry**

*The relationship between Interim Priest in Charge (hereafter Interim Priest) and Vestry is unique, and evolves within a larger covenant of mutual trust and ministry. The purpose of this Letter of Agreement is to strengthen that relationship by clarifying the practical arrangements so as to reduce later misunderstandings.*

*This Letter of Agreement is intended to be negotiated after the Vestry has accepted the appointment of the Interim Priest by the Bishop and it should be reviewed annually during the duration of the assignment. Negotiations can be facilitated by your Regional Canon. This template contains required policy minimums and in other places contains recommended provisions that may be negotiated according to the particular facts and circumstances.*

*The first five pages (A-E) are instructions to help you fill out the template which follows on pages 1 through 7.*

*When this document is in final form, please send an* **unsigned electronic copy, preferably in PDF format***, to your Regional Canon for review, along with the names and email addresses of the Interim Priest, Wardens and Vestry Clerk. Once review is complete, Jennifer Garrett, of the administrative staff at the Diocesan Center, will send the document by email to all involved for electronic signing. A completed, tamper-proof, signed copy will then be provided to each signer for their records.*

**Instructions for completing the attached Template:**

*These first four pages A-D are section by section instructions to aid you with the filling out of the Letter of Agreement template which begins on page 1)*

As you work through this template, please consult our Diocesan Guidelines for Compensation and Benefits for greater detail. That document can be found at the bottom of this subpage of the Diomass website, <https://www.diomass.org/clergy_transition> under the heading “Compensation and Benefits Resources for Congregations. The TCC worksheet for the current year is also found there.

For a part-time Interim Priest, the various sections should be prorated on the basis of a fraction (or percentage), e.g., half-time, three quarters time, etc.

**Section A – Statement of Non-Discrimination**

* Required by Diocesan Convention since 2001
* Affirms employment processes should be open, fair and free of bias.

**Section B – Total Clergy Compensation TCC**

Since 2001, our diocese, through our Comp & Benefits Committee and Diocesan Convention vote has maintained the minimum Total Clergy Compensation (TCC) to be paid to a priest in parish ministry.

The TCC is meant to:

* Attract talented clergy to achieve our collective mission
* Promote an environment of mutual ministry between parishes and clergy
* Promote a reasonable standard of living for clergy based on local/regional measures.

The minimum TCC is based on several measures of parish size and on an individual priest’s years of service in that parish. A parish may (and is encouraged to) provide additional compensation for special skills, abilities and competencies that may be relevant to a parish’s specific needs.

1. **Required TCC Compensation**
2. **Salary:** Salary is the cash compensation paid to the clergy person less any housing allowance designated, and other TCC Compensation. The Salary amount is labeled “cash stipend paid directly” found on the TCC worksheet at line 46.
3. **Housing**
   * + **Option 1: Living in own housing:** they may designate a portion of their cash compensation as a housing allowance for tax purposes. During the negotiating of this covenant, the clergy person will provide that number to the wardens.The amount is entered into line 40 of the TCC worksheet. **It is required that annually in December** the clergy person advise the vestry of their housing allowance for the coming year, and the vestry needs to pass a resolution to that effect.
     + **Option 2**: **Church provided Housing**: If the clergy person is going to be living in church provided housing, the TCC worksheet will calculate the “imputed value” when 100 is entered on TCC Worksheet line 32. It is important to understand that this is not necessarily the market value of the church owned housing. This number represents a formula that the Church Pension Fund uses to calculate the value of church providedhousing as part of the clergy person’s compensation on which the pension premium is based. The specific responsibilities of the Vestry and Interim Priest with regard to the care and upkeep of the housing will depend on the particular facts and circumstances of each parish. Once these are determined, they should be delineated with as much specificity as possible using the template prompts.
4. **Negotiable TCC Compensation** 
   * **SECA Allowance:** It is strongly recommended that vestries agree to pay ½ of the Interim Priest’s annual SECA taxes. If this is the case it should be entered into line 42 of the TCC worksheet
   * **Housing Equity Allowance:** If the cleric lives in church owned property it is strongly encouraged that vestries fund an equity allowance through contributions to a tax sheltered 403(b) plan. If this is the case it is listed on line 41 of the TCC worksheet
   * **Value of Parish-paid Utilities**: The direct payment to a third-party utility for utility expense. This amount gets entered into line 44 of the TCC worksheet
   * **Any and all** of these allowances reduce the cash salary of the cleric.

**Section C – Premiums**

1. **Required Premiums**
2. **Church Pension Group:** Each clergy person in the Episcopal Church is a member of the Church Pension Fund, and each parish is assessed 18% of the TCC each year. This is automatically calculated by the TCC worksheet on line 53. (Note CPG assessments cover short-term disability insurance and term life insurance for clergy while they are actively working)
3. **Health Insurance:** The congregation pays at least the premium for the lowest cost comprehensive plan which is the Anthem BCBS BlueCard PPO 80. The Anthem BCBS BlueCard PPO 90 and 100 plans may also be used under this mandate with the stipulation that the parish contributes at least the cost of the premium for the Anthem BCBS BlueCard PPO 80 plan towards these plans and the clergy person pays for the remainder. The cost of PPO 80 plan for the right category (single, plus 1 or family) needs to be entered into line 54 of the TCC worksheet (contact Nathaniel Fasman, Benefits Coordinator for up to date rates, [nfasman@diomass.org](mailto:nfasman@diomass.org)). Where all parties agree, the Anthem BCBS CDHP-20/HSA High Deductible plan may be used under this mandate with the stipulation that the parish contribute 65% towards an HSA (Health Savings Account). The appropriate figures need to be entered into line 54 of the TCC worksheet.
4. **Negotiable Premiums**

If the parish and clergy negotiate other premiums (e.g. dental insurance, life insurance for clergy not eligible for pension, etc.) those premiums are entered in this section of the template.

**Section D – In the Event of Permanent Disability or Death**

This section covers immediate support for the clergy and their dependents in the aftermath of their

permanent disability or death. You determine the maximum number of months granted in the month

per years of service section. Our Diocese recommends 4.

**Section E – Expenses**

1. **Moving:** After the call is accepted, if the Interim Priest is to move geographically, the parish will cover any cost of moving the Interim Priest's family and household goods. The Interim Priest will be responsible for getting the estimates of costs and keep the vestry apprised of the costs as the become actual.
2. **Travel:** In this sectionSpecify whether the Interim Priest will receive (1) travel reimbursement and, if so, at IRS rate, (2) an annual allowance or (3) an automobile. In any case, the Rector will submit the expense reimbursement form. Note IRS mileage reimbursement in 2021 is $.56/mile

**Numbers 3-9** of this section outline the costs associated with the Interim Priest’s ministry that are to be provided for in the parish budget. When it comes to continuing education, the standard is in the range of $500-$1000 per year. Budgeting for supply clergy cost should be based on the annual rate established by the diocese and found on page 24 of the Comp & Benefits Guide referenced above.

If other costs not mentioned here or in another section of this letter are negotiated, please insert them as number 10 and following.

**Section F – Leave Time**

1. **Vacation:** One month of vacation per year including five Sundays is the minimum standard and this applies to both full and part-time clergy. Additional vacation time may be negotiated as appropriate.
2. **Continuing Education:** One week of continuing education/career development per year is the minimum standard. Two weeks are recommended Additional time off for clergy retreat is strongly encouraged
3. **Parental Leave:** It is Diocesan policy that a minimum eight-week paid parental leave will be granted for purposes of childbirth, adoption, or caring for a child following birth or adoption. However, additional paid or unpaid leave is encouraged based on individual facts and circumstances. See pages 19-20 of the Diomass Compensation and Benefits Guide for more information on the state and federal laws that congregations need to adhere to.
4. **Other Leave Time-**

* The Interim Priest shall have 2 days off after Christmas and 3 days after Easter.
* The Interim Priest will have all public holidays: New Years Day, Martin Luther King Day, President’s Day, Patriot’s Day, Memorial Day, Independence Day, Labor Day, Indigenous Peoples’ Day, Veterans’ Day, Thanksgiving Day
* This LOA should also contain a statement regarding personal and sick leave time for the Interim Priest (if extended leave is needed, the Church Pension Fund provides short- and long-term disability insurance as part of clergy benefits for qualified disabilities).

**Section G - Supplementary Compensation**

* In the course of their regular duties, the Interim Priest may receive fees or honoraria for sacramental and liturgical acts such as weddings, funerals, baptisms, etc..
* The Vestry and Interim Priest will indicate here how those funds will be used.
* Many churches use them to fund the Clergy’s Discretionary Fund.
* If the Interim Priest takes them for personal use, they will need to declare it as taxable income.
* **Indicate in this section the decided upon use of this supplementary compensation.**

**Section H - Use of Buildings**

This is a self-explanatory statement that needs no action but must be included.

**Section I – Mutual Ministry Responsibilities**

This section is self-explanatory and should be included as is in the final version of the covenant.

**Review and Signatures**

* When this document is in final form, please send an ***unsigned*** *electronic copy, preferably in PDF format*, to your Regional Canon along with the TCC worksheet so all can be reviewed before signing.
* In that same email please include the names and email addresses of the Interim Priest, Wardens and Vestry Clerk – all of whom will be signers.
* Once review is complete, Jennifer Garrett, of the administrative staff at the Diocesan Center, will send the document by email to all involved for electronic signing. A completed, tamper-proof, signed copy will then be provided to each signer for their records.

(Print this first page of the covenant on parish Letterhead)

EPISCOPAL DIOCESE OF MASSACHUSETTS

**Interim Priest in Charge and Congregation’s Letter of Agreement**

BETWEEN

The Rev. Click or tap here to enter text. and the Vestry of Click or tap here to enter text. Church in Click or tap here to enter text., Massachusetts, which has accepted [his/her] appointment by the Bishop to serve as the Interim Priest in Charge (Hereafter Interim Priest) with the understanding that [he/she] will serve beginning Click or tap here to enter text. and expect to terminate upon the arrival of the new Rector or at a mutually agreed upon date with 30 days’ written notice given by either the Vestry or the Interim Priest, or at the discretion of the Diocesan Bishop and not requiring a 30-day notice. The parties agree that any changes in the terms and conditions of this agreement must first be approved by the Bishop.

The relationship between an Interim Priest and a Vestry is unique, and it evolves within a larger covenant of mutual trust and ministry to and with each other. The purpose of this Agreement is to strengthen that relationship by clarifying some of the practical arrangements and to reduce later misunderstandings.

As stated in the church Canons, “…[T]he Priest-in-Charge shall exercise the duties of Rector as outlined in Title III Canon 9.6, subject to the authority of the Bishop.”

**Section A – Statement of Non-Discrimination**

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

**Section B – Total Clergy Compensation (TCC)**

1. **TCC (required)**

The parties agree that the Interim Priest’s Total Clergy Compensation (as calculated using the current year TCC worksheet) will equal $Click or tap here to enter text.. This amount corresponds to Click or tap here to enter text.% of full-time based on current Diocesan Guidelines for Compensation & Benefits. Included in that TCC are the following amounts:

1. **Salary**

The Interim Priest's salary will be $ Click or tap here to enter text. per annum commencing on or about Click or tap here to enter text.. It will be reviewed annually using the Total Clergy Compensation worksheet.

If in the event of significant budget deficits, the vestry votes to reduce the salary of the Interim Priest any such reduction shall not become effective for at least six months after the vestry vote has been taken and after the Interim Priest has been notified of the vote. Any such reduction shall be accompanied by an appropriate reduction in the % time to be worked by the Interim Priest and by such other amendments and additions to the agreement as shall be negotiated between the parties at the time.

**(b)Housing**

**Option 1:** If the Interim Priest won’t be living in Church provided housing, the amount of the Housing Allowance included in the TCC calculation will be $ Click or tap here to enter text. which has been set by the Interim Priest, and which must be reaffirmed by vestry resolution each December in accordance with IRS code, section 1.107.

**Option 2:** If the Interim Priest will be residing in Church provided housing, the imputed annual value of that housing, as entered into the TCC calculation is $Click or tap here to enter text..

If, in addition to church provided housing, a Housing Allowance will be taken it will be $Click or tap here to enter text. per year which has been set by the Interim Priest, and which must be reaffirmed by vestry resolution each December in accordance with IRS code, section 1.107.

The Vestry will be responsible for the following expenses for Church owned housing:

* Insurance (and property taxes, if any) on the property;
* Maintenance or replacement of the following appliances:

Click or tap here to enter text.;

* Maintenance of the structure(s), renovations or capital improvements;

Click or tap here to enter text.

The Interim Priest and [his/her] family:

* + are responsible for good stewardship in regard to the care of the Church owned housing and
* will remain responsible for the general care and upkeep such as

Click or tap here to enter text.

The Interim Priest:

* is expected to present an annual report to the Vestry on the condition of the Church owned housing, with particular attention to items requiring maintenance.

1. **Negotiable TCC Compensation**

The following other compensation is agreed to between the Interim Priest and parish:

Click or tap here to enter text.

**Section C – Premiums**

1. **Required Premiums**

The Vestry will pay the following premiums as required:

1. **Church Pension Group:**

Pension premiums of 18% are required by the Church Pension Group based on the Interim Priest’s TCC (and is calculated automatically by the TCC worksheet). When necessary, the Church Pension Group provides all active and qualified clergy with a short-term disability benefit.

If a clergy person is not vested in the Episcopal Church Pension Group because they are a clergy person of the ELCA, or another Anglican Province, the parish will provide equal premiums to their judicatory’s pension fund, or will work with the DioMass HR department to develop a way to contribute quarterly to an account for the clergy person’s retirement.

1. **Health Insurance:**

The actions of Diocesan Convention mandate payment of the full cost of the applicable single, two-person, or family group health insurance coverage, including domestic partner health coverage, for clergy working 3/4 time or more. For part-time clergy, working less than 3/4 time, the congregation or other Diocesan employer must pay, at minimum, a percentage of the premium cost equal to the percent of full time the clergy person works.

In addition, because there is often a lapse of time between interim positions, it is recommended that

the parish continue to pay an interim's health insurance for a period of up to 90 days, if needed,

following completion of the interim’s assignment in that parish.

1. **Negotiable Premiums:** The Vestry will provide the following additional benefits:

SECA Allowance

Housing Equity Allowance

Value of Parish-paid Utilities

**Section D – In the Event of Permanent Disability or Death**

In the event of a total and permanent disability of the Interim Priest, or in the case of the death of the Interim Priest, the following agreements apply:

1. Regarding housing: 2 months in Rectory or 2 months of Housing Allowance, to be provided by the Vestry to the Interim Priest, or Interim Priest’s spouse or other designee.
2. Regarding compensation (in the event of permanent disability of the Interim Priest); 1 month of salary per year of service, up to a maximum of Click or tap here to enter text. month(s).

**Section E – Expenses**

The Vestry agrees to pay for the following expenses incurred by the Interim Priest in fulfilling [his/her] professional duties:

1. **Moving:** The vestry agrees to pay the actual moving costs of moving the Interim Priest, their immediate family and household goods.
2. **Travel:** The Vestry agrees to provide the Interim Priest with:

**Option A:** reimbursement for all church-related automobile travel at the current rate established by the IRS.

**Option B:** a travel allowance of $Click or tap here to enter text. per year adjusted annually and included in the annual budget for all church-related automobile travel.

**Option C:** an automobile for purposes of church-related travel upon such terms as the Vestry and the Interim Priest shall determine.

1. **Communications:** To provide for a computer/laptop/iPad, internet connection and a telephone in the Interim Priest’s office and a cell phone if needed. All postage for church business will be included in the parish budget.

**4. Office:** All necessary office furniture, equipment and supplies (computer, lap top, iPad, etc.) will be paid by the parish, the amount to be established in the annual budget.

**5. Discretionary Fund:** A fund will be provided for charities and expenditures at the discretion of the Interim Priest in accordance with the Diocesan Guidelines for Clergy Discretionary Funds, the amount to be established in the annual budget.

**6. Guests and Hospitality:** The Interim Priest 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.

**7. Professional Fees:** Dues of a professional association of the Interim Priest’s choice, the cost of the annual Clergy Conference with the bishops, and the cost of professional periodicals, the amount to be established in the annual budget.

**8. Continuing Education:** The amount of $Click or tap here to enter text. annually to support the Interim Priest’s continuing education and will be established in the annual budget. The Interim Priest is expected to make an annual report to the Vestry or parish on their continuing education work.

**9. The cost of pulpit supply and pastoral services:** when the Interim Priest is absent from the parish; the amount to be established in the annual budget.

**Section E – Leave Time**

The Vestry agrees that the Interim Priest shall have the following periods of leave at full pay:

1. **Vacation:** Click or tap here to enter text.month(s) of vacation per year, including Sundays.
2. **Continuing Education:** Click or tap here to enter text.week(s) per year (in addition to vacation time) for continuing education and career development, and Click or tap here to enter text. days per year for retreat.
3. **Parental Leave:** Plans for parental leave are to be made in compliance with the current Diocesan Guidelines for Compensation and Benefits, and State and Federal law.
4. **Other Leave Time:**
5. The Interim Priest shall have 2 days off after Christmas and 3 days off after Easter.
6. The Interim Priest shall have public holidays off: New Year’s Day, Martin Luther King Day, President’s Day, Patriot’s Day, Memorial Day, Independence Day, Labor Day, Indigenous Peoples’ Day, Veterans’ Day, Thanksgiving Day
7. Personal/Sick time: Click or tap here to enter text.

**Section G - Supplementary Compensation**

The following understanding has been reached between the Interim Priest and the Vestry concerning the honoraria the Interim Priest may receive for performing weddings, funerals, baptisms or other sacramental and liturgical duties that are considered part of the Interim Priest’s parish work: Click or tap here to enter text.

**Section H - Use of Buildings**

In addition to his/her use and administration of parish buildings for the discharge of his/her duties, the Interim Priest shall have the right to grant use of the buildings to individuals or groups from outside the parish under general conditions to be determined in conjunction with the Vestry.

**Section I – Mutual Ministry and Responsibilities**

Recognizing that the review of a congregation's total ministry should be a continuing process, a meeting between the Interim Priest and the Wardens is required at least once a month with encouragement to meet more often in periods and under circumstances where extra meetings would be helpful.

The Interim Priest, Wardens and Vestry agree to meet monthly (regular vestry meeting) to clarify expectations and to evaluate successes and raise concerns from the congregation, staff, leadership, or the Interim Priest in order to ensure the effectiveness of their joint ministry.

**Focus Points during the Interim Period**

The interim period is seen as prime time for renewal, re-energizing the parish in its life and mission. Beyond maintaining effective ministry during this period, the Vestry and the Interim Priest shall work together to prepare for healthy transition to the next rectorship. Specific tasks to be addressed include:

* Heritage: Coming to terms with the history of the congregation and its relationships with previous clergy.
* Mission: Discovering the congregation's special identity and core values, what it dreams of being and doing apart from previous clergy leadership; short-term tactical plans can be worked out here.
* Leadership: Dealing with shifts in leadership roles that naturally evolve in times of transition, allowing new leaders to come to the fore constructively. New leaders might emerge, while seasoned ones may re-commit or decide to refocus their gifts.
* Connections: Renewing and reworking relationships with the Diocese and the community, so that each may be a more effective resource and support to the other. Time to re-asses old links and to consider new ones.
* Future: Building commitment to the leadership of the new rector in order to be prepared to move into the future with openness to new possibilities-Developing congregational and Pastoral Profiles.

**Vestry Responsibilities**

All ministries other than those reserved to ordained leadership (such as administering the sacraments) are understood as mutual ministries of the laity of the parish and the Interim Priest. The Vestry shall lead the laity to support and cooperate with the Interim Priest in pursuit of parish goals and in the performance of the focus points during the transition period.

The Vestry is legal agent for the parish in all matters concerning its corporate property and in its relationship with the Interim Priest. The Vestry will see that the Interim Priest is properly supported, personally and organizationally, as well as in the Vestry's financial obligations to the Interim Priest.

**Interim Priest’s Responsibilities**

The Interim Priest represents and extends the ministry which is the Bishop's pastoral and canonical responsibility for congregations in leadership transition. The Interim Priest shall lead the parish as pastor, priest and teacher, sharing in the councils of this congregation and of the whole church, in communion with our Bishop.

The Interim Priest is trained to assist parishes during a time of transition, especially during the period between the leave-taking of one rector and the calling of another rector. It is an intentional ministry of sustaining the direction and ministry of a congregation as defined by the vestry; reviewing the past, assessing the present, and evaluating the future. However, it is expected that the ministry during the transition period will be different from that experienced by members of the parish under the previous rector.

The major goal of the ministry of the Interim Priest is to prepare the congregation for the next phase of their life together. To this end, the Interim Priest shall:

* help the congregation deal with a sense of loss and any unresolved issues arising from the departure of previous clergy,
* deal with internal conflicts if any and help heal any divisions within the congregation.
* help the Vestry, lay leaders and staff make such changes as may be needed to align parish life and administration with generally accepted standards in our Diocese.

The primary tasks of the Interim Priest shall be to:

* work with the Vestry and other lay leaders to maintain the regular schedule of worship services and preaching, education, pastoral care and pastoral offices (weddings, funerals, baptisms),
* calling upon the sick and shut-in, visiting newcomers, and ongoing administration of the parish,
* supervise all parish staff in the exercise of their responsibilities and ministries, for which they shall be accountable to the Interim Priest. If it is necessary in the transition time to hire or terminate staff, the wardens shall take those actions, given their canonical responsibility for the parish between rectors.
* support the Vestry in its responsibilities.

The Interim Priest is expected and encouraged to participate in regional, diocesan and churchwide responsibilities as well as community endeavors. Further, time given to such work shall be understood as an integral part of the ministry of the Interim Priest in the parish. Monthly attendance at meetings of the Interim Priests and Rector Search Consultants by the Interim Priest is expected by the Bishop.

**The Interim Priest shall not be eligible to be a candidate for Rector.**

**Signatures**

When this document is in final form, please send an *unsigned electronic copy*, preferably in PDF format, to your Regional Canon for review, along with the names and email addresses of the Interim Priest, Wardens and Vestry Clerk. Once review is complete, Jennifer Garrett, of the administrative staff at the Diocesan Center, will send the document by email to all involved for electronic signing. A completed, tamper-proof, signed copy will then be provided to each signer for their records.

Date: Interim Priest:

Approved by the Vestry on (date):

Warden:

Warden:

Clerk:

**Reviewed by the Office of Transition Ministry**

Date: By:

**Bishop’s Signature**

Reviewed by the Bishop:

Date: Bishop: