



Draft letter of agreement

Letter of Agreement

The Rev. _____

We give thanks for your acceptance of our call to be **Rector** of _____.

*"The **Rector** shall lead as pastor, priest and teacher, sharing the councils of this congregation and of the whole Church, in communion with our Bishop. By word and action, informed at all times by the Holy Scriptures, the Book of Common Prayer, and the Constitution and Canons of our Diocese, 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."*

The following are the points that we agreed upon at our last meeting. Please review them and approve of them by placing your signature at the bottom of the page.

1. The **Rector's** cash salary will be _____, payable twice a month (or monthly) beginning _____ (Date of Employment), and will be reviewed yearly. At the Rector's request, the Vestry may designate a portion of that salary as housing allowance. See attached Clergy Salary Worksheet.
2. Your pension will be paid to the Diocesan Pension Fund, in the amount shown on the attached Clergy Salary Worksheet.
3. A portion of your Social Security will be paid by the parish in the amount shown on the attached Clergy Salary Worksheet.
4. Car allowance of _____ per year. This amount will be budgeted by the church and mileage will be reimbursed according to a mileage log turned in monthly.
5. Continuing Education of two weeks per year for professional development. Fees will be paid by the parish.
6. Health Insurance for family/single or cleric and spouse (indicate which type of coverage) _____ . The Rector is expected to pay _____ per month deducted from the paycheck in accordance with diocesan policy.
7. Moving expenses _____
8. Vacation time of one month _____ not including national holidays, beginning _____.
9. Paid sabbatical time after seven years of service to this parish. The arrangements will be made in full consultation with the Vestry, to insure benefits for the parish as well as for the Rector.
10. Cell phone/PDA/laptop for parish use only.

11. Discretionary Fund for the sole use of the Rector for charity. This will be audited each year. \$_____ will be deposited into the account each month, (If funding comes from the budget. Otherwise, indicate here where funds are expected to come from.)

12. The Rector is expected to preserve at least one continuous twenty-four hour period each week solely for personal and family use.

13. Other special agreed-upon duties, responsibilities, or expectations are: _____
(Enter here anything else agreed upon which both parties believe is important to have in writing.)

We anxiously await your arrival and look forward to many fine years together serving the Lord in this vineyard.

Senior Warden	Date	Rector	Date

Approved by the Bishop	Date

The Rt. Rev. Mark J. Lawrence

The Vestry on the ___st day, _____ 2020, after discussing the amount to be paid to The Rev _____ as a parsonage allowance, on motion duly made and seconded, adopted the following resolution:

Whereas, The Rev. _____ is employed _____ of _____, South Carolina, which does not provide a residence for him, the Vestry **resolves** that of the total annualized compensation of \$_____ to be paid to The Rev. _____ during 2020 that \$_____ be designated as parsonage allowance within the meaning of that term as used in Section 107 of the IRS Code of 1986.

Resolved, that the designation of \$_____ as a housing allowance shall apply to calendar year 2020 and all future years unless otherwise provided by the vestry.

CLERGY SALARY AND ALLOWANCE FOR THE YEAR 2020

	Clergy Name:	Full Time____ Part Time____
	Church Name:	Rector____ Associate____
	Church City:	
1	Cash Stipend (salary, bonuses, tuition paid for dependents, unaccountable travel,etc.)	
2	Social Security reimbursement (Paid in addition to stipend)	
3	Utilities and Household Allowance (if living in a rectory)	
4	<i>Total Cash Stipend-Subtotal of lines 1 through 3</i>	
5	Household expenses paid on behalf of the cleric to 3rd party(utilities etc.)	
6	<i>Sub-Total of lines 4 and 5</i>	
7	a) Allowance Provided for Home Purchase or Rental (OR)	
	b) Rectory Value (30% of line 6)(Calculation is for 403b purposes only)	
8	Subtotal of line 6 plus 7a or 7b	
9	Annuity or other tax-deferred plan	
10	Total of lines 8 and 9	
11	403(b) Retirement Contribution (17% of line 10)	
12	Travel Allowance (accountable plan reimbursements)	
13	Continuing Education Allowance	
14	Medical Insurance, Net cost of Church's share:	
	Employee only	\$ 6,620.04
	Employee/Spouse	\$10,665.60
	Employee/Dependent	\$ 9,930.00
	Employee/Family	\$13,975.92
	<i>Total of lines 10 through 14</i>	
	<i>Less Line 7b if applicable</i>	
	<i>Net Cost to Budget</i>	
	Form Completed by:	Phone #:
	Date Completed:	

