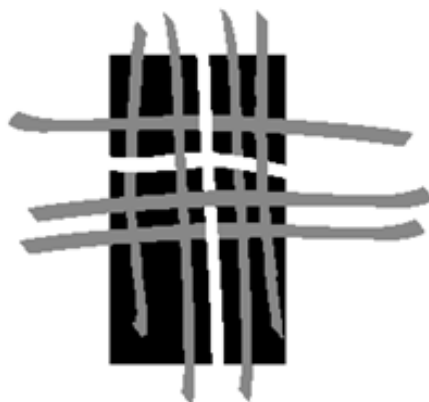


The Episcopal Diocese of Massachusetts

Compensation and Benefits Committee

Guidelines for 2009



Inviting
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(version formatted for DioMass website)

**The Episcopal Diocese of Massachusetts
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The Episcopal Diocese of Massachusetts Compensation and Benefits Committee

Guidelines for 2009

1.0 Introduction

The Clergy Compensation Committee was established by a resolution of the Diocesan Convention of 1980 as a sub-committee of The Commission on Ministry. The present title reflects the broader role of the Committee as it has evolved since 1980.

The role of the Committee is to serve the Diocese, its congregations and employees, including ordained and lay staff, in matters of compensation and benefits. The Committee proposes guidelines to promote uniform, fair, and equitable compensation and benefits for such church employees within the Diocese.

The Committee also is a resource to lay and ordained congregational leadership as advisors and facilitators in establishing and maintaining compensation and benefits in relation to Diocesan guidelines, congregational mission, and individual performance objectives. In fulfilling this role, the Committee collects and reviews compensation and benefits data from other Episcopal dioceses and denominations as well as from the business, government, and academic communities.

The Committee has focused on these specific goals related to compensation and benefits for clergy:

- Attract, retain and support clergy to achieve the mission of the Diocese and congregations
- Create an environment that promotes the well-being of clergy through a clear understanding of their relationship with their congregations and the goals that express their mutual ministry.
- Allow a reasonable standard of living according to local and/or regional measures
- Recommend that the initial salary in a new clergy placement conforms to the Diocesan standard and takes into account differences in length and range of experience relative to the scope of the position and role.
- Promote salary advancement and benefits that reflect personal growth and experience in the role
- Advocate for standards for fair and equitable benefits and compensation for lay employees

Over the past several years, the Committee has established guidelines for the minimum Total Clergy Compensation (TCC) to be paid to a priest in a parish. The minimum TCC is based on various 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.

In the context of these Guidelines, the minimum TCC is designated as the Standard TCC.

2.0 Compensation

2.1 Total Clergy Compensation (TCC)

The Church Pension Fund uses the TCC for computing annual pension contributions. That is, a contribution of 18% of the TCC is required to be paid into the Fund each year. The TCC was adopted by this Committee to provide a uniform basis for assessing and selecting clergy compensation in parochial situations. One must differentiate between the TCC Standard, which is the minimum compensation, defined and discussed in sections 2.2 and 2.3, and the TCC, which, as used here, is the actual compensation.

As defined by the Church Pension Fund, the TCC contains the following elements¹:

Cash stipend: Salary, bonuses, fees, one-time cash payments, tuition paid for dependents, severance and any salary reductions used to fund tax-deferred annuities or other tax deferred accounts such as an IRA, 403(b) plan, or RSVP.

Social Security tax reimbursements: Payments to the priest to offset the cost of self-employment (SECA) taxes

Utilities: Allowances and direct payments to cover the cost of utilities

Housing: If housing is provided, compensation for housing is calculated at 30% of the sum of Cash Stipend, Social Security Tax Reimbursement, and Utilities

Housing Allowance: Actual cash paid to the priest to assist with housing expenses.

Housing Equity Allowance: Amounts paid to the priest, typically living in church provided housing to help offset the costs of anticipated future housing expenses. These amounts can be paid either in cash or through contributions to a tax-sheltered account.

Other amounts: Payments taxable under the IRS code, as determined by the Plan Administrator.

If a rectory is provided, the congregation pays the following items:

- Insurance and property taxes on the rectory
- Maintenance and replacement of major appliances
- Maintenance of the grounds
- Shades or blinds

The clergy person pays for:

- Insurance on personal property
- Furnishings

Capital improvements are subject to negotiation between the vestry and priest.

¹ *What Every Pension Administrator Should Know* (July 2006.) [Which is generally consistent with supported and by the current versions of *What Every Treasurer Should Know* (July 2003) and *A Guide to Your Benefits* (June 2006)] and Pension Assessment Notice, Church Pension Fund, particularly pages 2 and 5 of 6

Clergy who are provided housing by the congregation may be at a disadvantage in comparison to clergy who receive a housing allowance and purchase a home. As an element of a sound financial plan, and to compensate for the lack of equity interest in property if housing is provided, the Committee recommends that the congregation and rector agree on an equity allowance at the time the priest's compensation is negotiated.

The equity allowance should be selected with the intent that the clergyperson will be able to fund housing upon retirement, as if he or she had purchased a home and was gaining equity during the clergyperson's active years. The equity allowance should range between 2% and 6% of the TCC, depending on mortgage interest and property value inflation. Preferably, it should be placed in a tax-sheltered account.

These seven components of compensation combine to form the TCC, and the annual payment to the pension fund, as defined by the Church Pension Fund in the following hypothetical example:		
Cash stipend:		\$50,000
Social Security tax reimbursements:		\$ 4,000
Utilities:		\$ 1,500
Subtotal, sum of the above:	\$55,500	
Housing: [30% of above subtotal]		\$16,650
Housing Allowance:		\$ 3,000
Housing Equity Allowance:		\$ 2,500
Other Amounts:		\$ 0
Total of above, TTC Actual:		\$77,650
Payment to the pension fund [18% of above TCC Actual]:		\$13,977

2.2 TCC Standard for Rector, Vicar, Priest-in-charge, Priest-in-residence, and Interim Priest

The TCC Standard is the minimum TCC for active full time parochial clergy in a leadership position (i.e., Rector, Vicar, Priest-in-charge, Priest-in-Residence, and Interim Priest) in this Diocese.

The TCC Standard is based upon the size of the congregation as reflected in the operating revenues, pledging units, and average Sunday attendance and upon the time that the clergy has spent with the congregation. These factors may not be a perfect measure of the difficulty of the clergy position nor of the growth and service that the congregation is realizing in mutual ministry with the priest. However, the Committee believes that these measures will be useful and objective when applied uniformly over the diocese.

The TCC Standard was reviewed and revised in 2001 for application in the Guidelines for 2002. Each year, the TCC Standard has been revised to reflect the rise in the regional cost-of-living. This past year, the Committee elected to revisit the TCC Standard and to revise as appropriate. The Committee again engaged the services of Lawrence Associates of Wellesley, MA for this review. They determined that the current TCC standard positioned the Diocesan clergy at the upper range of comparable positions and that that only minor adjustments in the formula were indicated. Because of their study, the TCC Standard for application in 2009 has been revised upward by between 3-1/2% and 4%.

As represented in previous years, the TCC Standard applicable to each congregation is determined using two formulas. The first relates to the size and capacity of the congregation. The second relates to the mutually beneficial tenure that the priest has had with the congregation.

The **first formula** is as follows:

$$\text{TCC Standard} = \$56,620 + (116.4 \times \text{Points})$$

However, no congregation may use fewer than 30 points. Accordingly, for this component the minimum TCC Standard for full-time clergy is \$60,112.

Points are determined as the sum of three factors, calculated from data taken from the most recent Parochial Report:

Total Current Operating Revenues (000's)	x 0.30
+ Number of Current Adult Pledging Units	x 0.40
+ Average Current Sunday-Attendance	x 0.30

The **second formula** is as follows:

$$\text{Increment to TCC Standard} = \$500 \times (\text{years as priest in this congregation})$$

However, for determining this increment, no more than ten years of service should be considered. The TCC Standard is the sum of the values determined for the two formulas:

$$\text{TCC Standard} = \text{TCC Standard (first formula)} + \text{TCC Standard (second formula)}$$

For assistance in determining the TCC Standard, the TCC and the Total Cost to the Congregation for the Position, worksheets are provided at the end of this section. The format for these worksheets has been changed from similar worksheets from previous issues of the Guidelines. The first (page 19) now shows space for adding “Additional Considerations in Establishing the TCC” – thereby emphasizing that the TCC Standard is meant to be a minimum and that each congregation should consider these additional factors in establishing clergy compensation. The second (page 20) has been modified significantly to remove the need for an iteration or trial and error approach to determining the “Cash Compensation” component once the TCC and the other components are established.

As an example, consider a congregation with an annual operating budget of \$140,000, an average Sunday attendance of 115, and 75 pledging units; and, the rector has had six years of mutual beneficial service with the congregation. The congregation's TCC Standard would be calculated as follows:

$$\begin{aligned} 140 \times 0.30 &= 42 \text{ (where 140 is the annual operating venues in 000's)} \\ 75 \times 0.40 &= 30 \text{ (where 75 is the number of pledging units)} \\ \underline{115 \times 0.30} &= 35 \text{ (where 115 is the average Sunday attendance)} \\ \text{Total Points} &= 107 \end{aligned}$$

$$\begin{aligned} \text{TCC Standard} &= \$56,620 + (116.4 \times 107) + 6 \times \$500 \\ &= \$56,620 + \$12,455 + \$3,000 = \$72,075 \end{aligned}$$

2.3 TCC Standard for Assisting Clergy

In this section, the characteristics assigned to each of the three assisting clergy positions are not meant to be position descriptions. Rather they are meant to serve as guidelines for congregations and rectors for designating the proper position title and TCC Standard.

Curate: For the purpose of these guidelines, a curate is a priest:

- Who is a recently ordained transitional deacon or priest;
- Where the position is time limited -- up to three years;
- Whose major goal is training and formation therefore it is appropriate to have learning objectives and be ready to show growth and learning through exposure to all aspects of liturgical/parish life;
- In a position where the role of rector and parish leadership is to teach, mentor and supervise.

The TCC applicable to a full-time curate shall not be less than:

$$\text{TCC Standard (curate)} = [\$56,620 + (116.4 \times \text{Points})] \times 0.65$$

Continuing the example above, the TCC Standard for a full-time Curate at this congregation is $[\$56,620 + 12,455] \times 0.65 = \$44,899$.

Assistant (to the) Rector: For the purpose of these guidelines, an Assistant Rector is a priest:

- Who assumes more ordained ministry and life experience than a curate;
- Who is able to work with less oversight than a curate;
- Where the expectation is that, although there may be responsibility for specific programmatic areas, this clergy person's primary role is "assisting" the rector.

The TCC applicable to a full-time assistant rector shall not be less than:

$$\begin{aligned} \text{TCC Standard (assistant)} &= [\$56,620 + (116.4 \times \text{Points})] \times 0.70 \\ &+ \$350 \times [\text{years of service within the congregation}] \end{aligned}$$

Continuing the example above, the TCC Standard for a full-time Assistant Rector at this congregation (and who has been in this position for example for two years) $[\$56,620 + 12,455] \times 0.70$ plus $2 \times \$350 = \$49,053$.

Associate Rector: For the purpose of these guidelines, an Associate Rector is a priest:

- Who is an experienced priest -- generally at least five to eight years ordained ministry experience;
- Who has responsibilities for specific program areas while still involved in the whole life of the parish and ministry;
- In a position where the relationship with the rector is collegial

The TCC applicable to a full-time associate rector shall not be less than:

$$\begin{aligned} \text{TCC Standard (associate)} &= [\$56,620 + (116.4 \times \text{Points})] \times 0.75 \\ &+ \$375 \times [\text{years of service within the congregation}] \end{aligned}$$

Continuing the example above, the TCC Standard for a full-time Associate Rector at this congregation (and who has been in this position for example for six years) $[\$56,620 + 12,455] \times 0.75$ plus $6 \times \$375 = \$54,056$.

3.0 Application

3.1 Determining the TCC – Standard and Actual

A clergy person's actual TCC (hereafter, called simply TCC) is determined after reviewing the applicable TCC Standard and should be commensurate with his or her background, experience, responsibility, capability, and the salaries of others in comparable fields.

The determination of the TCC Standard and TCC should follow the following steps

- First, determine the component of the TCC Standard in the first formula from Section 2.2. The factors in this formula are adjusted annually to reflect the changes in the cost-of-living in the greater Boston area and periodically to reflect comparable compensation for applicable clergy (as is being done with these Guidelines for 2009).
- Second, determine the component of the TCC Standard in the second formula from Section 2.2. This component is meant as a real salary growth measure, which assumes that there is benefit to a priest's ministry and that there has been mutually beneficial service and personal growth. This is not intended to be a maximum annual increment above the TCC Standard.
- Next, the sum of these two factors becomes the TCC Standard for the particular congregation and clergy for this year.
- Finally, compensation exceeding the TCC Standard follows from an assessment of each individual situation. The clergy and the congregational leadership shall meet annually to discuss the expectations and resources for the coming year and, if practical, qualitative and quantitative goals for that period. The "additional considerations" suggested in section 3.2 are intended to give guidance to congregational leadership in moving from the TCC Standard, which is meant to be a minimum TCC, to a TCC which reflects the priest's and the congregation's understanding of their mutual growth.

A similar logic and process would be followed for determining the TCC Standard and the TCC for Assisting Clergy, using material from section 2.3 above.

For assistance in determining the TCC Standard, the TCC and the Total Cost to the Congregation for the Position, worksheets are provided at the end of this section.

3.2 Additional Considerations in Establishing the TCC

Additional Monetary Considerations: The TCC Standard offers a base for clergy with typical experience and skills. After determining the applicable TCC Standard, the following factors should be considered in establishing the actual TCC:

Congregational Factors – those factors that have bearing on the life of the congregation as developed by the priest and the leadership in mutual ministry, such as:

- Scope of Ministry
- Expanding Scope of Responsibilities
- Demonstrated Growth and Success of Mission /Congregation

Professional Factors – those factors that have bearing on the development of the priest as a Christian leader within the congregation, such as:

- Teaching, Presentation and Communication Skills
- Extent of Diocesan participation
- Involvement in promoting parish partnerships
- Valued Skills and Job Responsibilities such as:
 - Pastoral Experience
 - Pastoral Care and Counseling Skills
 - Significant Accomplishments
 - Ability to Coordinate Large Numbers of Volunteers and Committees
 - Experience prior to ordination that has a direct benefit to the congregation

These factors should be an integral part of the initial TCC negotiation between the congregational leadership and the incoming clergy.

Alternative Monetary Considerations: It is not required that all components of the TCC be in the form of cash compensation. Clearly, the use of a rectory [as applicable] is one form of non-cash compensation, which is part of the TCC. Additional components might be considered on a case-by-case basis, which are more appealing to the clergy and more acceptable to the congregation's means. Examples might include:

- Supplemental health insurance
- Medical reimbursement
- Dependent care expense
- Additional life insurance
- Savings account for medical expenses
- Educational tuition support for children

Additional Non-Monetary Considerations: There may be circumstances where the financial position of the congregation and the needs of the priest lead the compensation discussion into the area of non-monetary factors. That is, the congregation may be able to use certain benefits to enhance the compensation of the priest without significant additional impact on the annual operating budget. Examples include:

- Additional time off for family time, professional development, or study. While this may have monetary impact due to costs of supply clergy while the “home” clergy is away, there still may be a net cash savings nonetheless.
- Use of certain facilities provided by the parishioners at no cost to the clergy or to the congregation.
- Access to certain professional services provided by members of the congregation to the clergy at no cost to the clergy or to the congregation.

3.3 General Considerations

- Congregations are reminded that the TCC is intended to enable the clergy person to maintain at least a moderate standard of living in the community.
- Congregations are encouraged to review decisions relative to clergy compensation with a qualified professional, such as an attorney, accountant, or human resources professional, to ensure compliance with federal and state tax laws.

- Clergy have noted the difficulty of advocating for salary increases in the congregational budgeting process, given increases in fixed expenses and stable or declining revenue. Both clergy and wardens are encouraged to call the Office of Congregational Development (617-482-4826) or any member of the Committee to talk about these matters further
- Diocesan policy states that the salary, compensation, or hours of a clergy person employed under a letter of agreement with a parish cannot be reduced for a period of six months from the date upon which the vestry by resolution has taken such action and has notified the clergy person thereof.

3.4 Part-Time Clergy

Negotiations of the details of a compensation and benefits package for a part-time clergy person are complex. The TCC for part-time rectors and clergy assistants should be proportionate to the time required by the congregation, in relation to a normal full-time professional position, e.g., half time, three-quarter's time.

One of the difficulties is in measuring TCC for a part-time clergy person, who may choose to receive a greater percentage of his or her compensation as tax-free benefits than would a full-time clergy person. If housing is provided, its value shall be estimated as 30% of the full-time stipend, even though the clergy person is part-time. If supply clergy earn \$200 or more per month in salary and/or housing from the same church for three or more consecutive months, an assessment of 18% to the Church Pension Fund becomes a mandated benefit retroactive to the first month. (This mandate is not applicable for retired clergy drawing pension benefits.)

3.5 New Clergy

The Bishop's office will question the calling of clergy to new positions if these Guidelines are not met. For clergy whose compensation and benefits package do not meet these Guidelines, a review by the wardens with the Bishop's office to determine how to select the clergy's compensation and benefits equitably will be expected.

3.6 Covenant of Ministry

Each congregation should have a written employment agreement with its clergy, called a "Covenant of Ministry". Sample documents for the positions of Rector, Priest in Charge, and Interim Priests are shown in Appendix B. Downloadable copies of these agreements are also available at the diocesan web site. Go to www.diomass.org and then proceed first to "Governance and Administration" then to "Clergy Deployment" and, at the bottom of that screen, under the heading "Related Documents".

3.7 Congregational Data

The Diocesan Convention of 1908 resolved"

"That in every number of the Convention Journal of the Diocese, beginning in 1909, a comparative list of Parishes and Missions, with and without rectories, be published; also that a table be printed in the same publication giving the amount of all clergymen's salaries"

To meet that end, the Committee solicits and tabulates such information from the congregations in the Diocese. The tabulation is shown in Appendix A.

4.0 Benefits

4.1 Mandated Benefits

The following clergy benefits are required to be paid by the congregation in addition to the TCC:

- Full pension assessment – determined as described in section 2.1 of these Guidelines
- Full health insurance premium - The full cost of the applicable single, two-person, or family coverage available in the area
- Parental leave - Eight weeks paid

Term life insurance of \$50,000, including disability coverage, is provided under the Church Pension Fund assessment. Disability benefits commence from the date of application; accordingly, a prompt application is essential. While receiving such disability benefits, the term life insurance benefit is reduced to \$25,000.

Health Insurance -- The Committee's guidelines follow upon the actions of Diocesan Convention that 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.

This year the Committee reconsidered the provider of the health insurance program for clergy and lay employees of the Diocese. This reconsideration was prompted by two facts: First, the Diocese had been contracting with Tufts Health Plan for several years and it was felt appropriate to “test the market”; second, the Church Pension Group has been directed by the General Convention in 2006 to study the benefits to a Denominational Health Plan (DHP) encompassing the entire Episcopal Church. Because of this study, it is the understanding of the Committee that a resolution concerning a DHP will be presented and passed at the General Convention of 2009. Important features of the DHP will include:

- All Episcopal Church employers (ie, dioceses, parishes, etc) will be mandated to participate in the DHP
- The mandate will cover Diocesan and congregational clergy and lay employees working more than 1,500 hours per year
- There will be opt out provisions for persons otherwise covered
- There will be local choice regarding plan design and cost sharing

With the expected passage in summer of 2009, it is expected that there will be a phase-in period covering years 2010 and 2011 with the mandated participation beginning in year 2012.

Following a review with the Tufts Health Plan and the CPG Medical trust personnel and a receipt of their formal proposals, the Committee elected to move from Tufts to the Medical Trust. This was presented to the Diocesan Council in October and received their endorsement.

This year, the Diocese offers four plans:

- Open Access Plan In-Network Only (OAP-IN) – functioning similar to the previous HMO-Choice but without the PCP and without differential co-pays for practitioners and facilities
- Open Access Plan – functioning similar to the previous POS plan

- High Deductible HMO with a Health Savings Account (HD/HSA)
- BCBS (Blue Cross Blue Shield) Plan – available only to residents of Nantucket and Martha’s Vineyard

With each of these plans, the subscriber will bear greater responsibility to assure that their physician, specialist, laboratory, facility, or hospital is covered under their particular plan. There will no longer be a Primary Care Physician acting as the “gate keeper”.

Details of each of these plans have been sent to all parochial clergy. Workshops covering these plans and signup and claims procedures are being scheduled for November 2008.

In 2008, the mandate for payment of the cost of health coverage is stated as follows:

- The congregation is required to pay at least the premium for the Cigna OAP In-Network unless the HD/HSA option is selected by the subscriber
- If the congregation and the subscriber agree that there are circumstances which require the Cigna OAP In/Out Network coverage, the congregation should consider fully funding that coverage
- If the HD/HSA plan is selected by the subscriber, the congregation is required to deposit into the HSA 65% of the deductible
- Nantucket and Vineyard – congregation required to pay 100% of Empire BCBS PPO 90/70 premium

The Committee anticipates there will be unusual circumstances that strongly support a clergy person’s participation in the POS plan. In these rare cases, the parish should respond in charity, go beyond the minimum mandate, and support the POS premium.

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.

In some cases, clergy and lay employees can obtain health insurance coverage through another employer or a spouse’s employer. It is the recommendation of the Committee that congregations establish a policy for sharing of a portion of the savings with the clergy and lay employee (and that the policy applies equally to all employees). The Diocese has such a policy for its employees who “opt out” of health insurance coverage, and increases taxable compensation in such cases by \$1,040 annually. In any case, the employer should ask the employee to provide documentation showing that he or she is covered by comparable health insurance before any arrangement is made to substitute compensation for health insurance. It is noted that such opt-out payments become taxable compensation as ordinary income. Accordingly, they would be shown on the hypothetical case on page 3 and in the worksheet on page 20 as “Other Amounts”.

Massachusetts Health Connector -- The Massachusetts Health Connector requires, in part, the following:

Domestic partner coverage: Employees who subscribe to benefits for domestic partner coverage will be taxed on the cost difference between a single plan and domestic partner plan. If there are children, the cost for the dependent coverage for the children is not taxable; however, the cost of coverage for the partner is taxable.

Same sex married couples: Since Massachusetts is unique in allowing same sex marriage, tax implications vary between state and federal income tax filing. For state taxes, health insurance coverage is

that of a married couple and is not considered taxable income. The federal government on the other hand does not recognize same sex marriage. When filing federal taxes, married same sex couples are considered domestic partners and the additional cost of insurance is taxable. Please note: for coverage outside the Commonwealth of Massachusetts, an Affidavit of Domestic Partnership may be required.

Fair Share Assessment: Parishes that employ 11 or more full-time-equivalent employees may make a “fair and reasonable” contribution toward a health insurance for their employees; or must make a payment to the state up to \$295 per employee, per year.

Section 125 Plan: Parishes that employ 11 or more full-time-equivalent employees are required to maintain a Section 125 Plan that meets Health Connector regulations. Failure to do so will result in the parish being charged for portion of the “free care” used by employees or their dependents when receiving medical care. This is called the “Free Rider Surcharge”.

Workforce Development Form: It is the responsibility of all parishes to complete the Workforce Development Form. This form is used to report to the Commonwealth whether or not an employer provides health insurance and whether or not there is a Section 125 Plan. This form is due upon receipt from the Commonwealth

Health Insurance Responsibility Disclosure for employees (HIRD): In the event that an employee declines enrollment in a company-sponsored health care plan or declines to use a Section 125 Plan. The employee will complete the form and return it to the employer where it will be retained for three years.

To calculate the number of full time equivalent employees for the Fair Share Assessment: Total all hours paid between October 1, 2007 through September 30, 2008 to include paid time off such as vacation, sick time, jury duty, etc. These hours only need to be calculated on those employees who have worked more than one month. Divide the total number of hours worked by 2000. This will give you the number of full-time equivalents.

Non-Discrimination: While the majority of the regulations are mandates for employers with 11 or more full-time-equivalent employees, the regulation against non-discrimination applies to all employers regardless of size. Insurance carriers are prohibited from contracting with employers whose contribution levels are discriminatory. Therefore, any contribution towards health insurance for one employee has to apply to all full-time employees. This includes special considerations given to fund a higher-level plan for clergy. For example, if the vestry agrees to fund 100% of the POS for clergy, it is then required that this option be available for all full-time employees. Full time hours are considered an average of 35 hours weekly based on the period from October 1 to September 30.

Additional Information: Additional information [especially a Handbook for Employees and a Handbook for Employers] can be obtained on one at:

[Http://www.mahealthconnector.org/](http://www.mahealthconnector.org/)

And typing “Handbook” in the search window.

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.

If applicable, all congregations also must comply with state or federal law.

Massachusetts Law (M.G.L., c105D) requires that employers with six or more employees grant up to eight weeks leave without pay for purposes of child birth or adoption to an employee who has completed a probation period or been employed for at least three consecutive months as a full-time employee. The Federal Family and Medical Leave Act (FMLA) requires that employers with 50 or more employees grant up to 12 weeks leave without pay within a twelve-month period for purposes of child birth, adoption or caring for a child following birth or adoption or in the event of a serious illness of the employee, spouse or parent. The employer will maintain paid health benefits for the duration of such leave to an employee who has completed a year of employment and worked a minimum of 1250 hours over the previous 12 months.

4.2 Optional Benefits

These include (a) dental insurance, (b) long-term disability insurance, (c) term life insurance in excess of \$50,000 and (d) longer parental leave within FMLA guidelines, unpaid or paid. These benefits, if provided, are not included in TCC. As of January 2004, the Church Pension Fund covers all active clergy for short-term disability, which eliminates this expense for parishes or clergy.

Vacation, holidays, and sabbatical -- Vacations, holidays, and sabbatical leave do not affect the TCC unless they are unusually long, such that the priest should be considered part time, or unusually short, in which case the TCC should be at the high end of these guidelines.

Sick Leave -- Sick leave does not affect the TCC.

4.3 Sabbatical Leave

Regular sabbatical leave can be an important time of growth and renewal for clergy, lay leaders, and congregations. Planned time away is essential for the purpose of renewal, study, travel, and continued spiritual growth. The national church and others encourage sabbaticals to be undertaken following a period of five years to maximize opportunities for renewal by all. The Sabbatical Committee of the Diocese recommends that clergy receive three months sabbatical leave with full pay (which may be combined with annual vacation time) for every five years of ministry within a congregation. Funding is a shared responsibility of the clergy and the congregation. Vestries are encouraged to set aside a minimum of \$500 in their annual budgets to accrue over time and to be used to fund the congregation's contribution. Clergy and congregations are also eligible to apply to the diocese for funding resources and planning support through the bishops' Clergy Sabbatical Program. Planning for the sabbatical should begin early, and congregations may wish to include the following language in their letter of agreement.

The sabbatical time, as supported financially by the Diocese, is not appropriate at the end of a ministry. Funds provided through the Sabbatical Committee of the diocese will be granted to clergy in active ministry and are not available for clergy as terminal leave. Likewise, funds set-aside by the parish for a sabbatical are to support active ministry, are not cumulative and will revert to the congregation if sabbatical leave is not taken while a priest is actively serving a congregation.

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

For details, and further guidelines on sabbaticals, clergy and congregations are urged to consult with the Sabbatical Committee of the Diocese.

4.4 Ministry-Related Reimbursements

Ministry related expenses are often reimbursed by the congregation and may include:

- Auto allowance or mileage
- Annual continuing education
- Books and periodicals
- Fees for professional organizations
- Attendance fees and expenses for clergy conferences

This is not a clergy benefit as it is merely reimbursing the priest for expenses incurred by the priest in the pursuit of parish mission. These reimbursements are not included in the TCC.

4.5 Other Costs

Other Costs might include, for example, (a) the rector's discretionary fund and (b) an annual set-aside to provide the rector with a sabbatical leave. These costs to the congregation are not part of the clergy's TCC.

In some congregations, the discretionary fund is funded through alms at one service per month. In some, there is endowment income that supports the church-owned fund, and in some cases, funds are provided directly through the Church budget.

The Diocese provides guidelines for the establishment and use of church-owned clergy discretionary funds and expressly prohibits the use of such funds for compensation or personal purposes of the clergy or any Church employees. Gifts to the clergy or other church employees for their own use are not tax deductible to the donor and may not be deposited in a church-owned clergy discretionary fund.

5.0 Mutual Ministry Review

The Committee believes that the well-being of a congregation is integrally related to the well-being of the clergy called to serve the congregation, which is the overarching goal of these Guidelines.

In addition to adhering to fairness in compensating the clergy, it is equally important to the well-being of the clergy to establish a clear understanding of the relationship between them and their congregations and to set goals to meet the expectations of both parties reflecting their mutual ministry. This process, which the Committee strongly encourages, is called Mutual Ministry Review, or MMR. Initially, this process involves articulation of the mission, goals and objectives of the congregation and a mutual determination of the roles and tasks of leadership (clergy, vestry members and others) in meeting them. A periodic review of achievement toward the goals and objectives and an adjustment of future expectations follow. An excellent tool for starting a MMR review is for the congregation to conduct a self-assessment utilizing the diocesan form, "Opportunities for Self Assessment in the Context of a Bishop's Visitation."

Several important considerations are critical to the success of mutual ministry review:

- Establish an atmosphere of trust and respect in which both clergy and vestry are committed to common goals.
- Use an outside facilitator, either lay or ordained, to enhance the effectiveness of the review and to insure that the process is open and fair.

- Start with a review of the needs of the congregation taking into consideration the relationship between the clergy and vestry as one of shared leadership is a starting point.
- Mutual ministry review is not intended to be a form of crisis intervention.
- Mutual ministry review should not be used to determine clergy compensation.

The MMR process would ordinarily be separated from the compensation determination and instead conducted in the framework of an overall assessment of the congregation's progress toward its goals. In addition, there may be circumstances when additional evaluation of the clergy in specific areas may be appropriate. This evaluation should take place outside of the MMR process.

A congregation might also consider models specifically developed by other congregations that have proven effective for those congregations. For more information relative to establishing a review process, contact the Staff Officer for Congregational Development and Transition Ministry at the Diocesan office.

Among the many publications and other tools available to assist clergy and congregations in mutual ministry review are these:

- "Mutual Ministry Review: for Clergy and Parishes" which can be ordered from:
The Church Deployment Board of The Episcopal Church
815 Second Avenue
New York, NY 10017-4594
212 922 5250
- "Living into Our Ministries: The Mutual Ministry Cycle Resource Guide" a comprehensive set of tools for completing a mutual ministry review for a congregation, which may be ordered from:
CREDO Institute, Inc.
266 S. Front St., Ste. 204
Memphis, TN 38103
Phone: (901) 399-7396

6.0 Other Matters

6.1 Federal and State Taxes

The federal and state tax laws and regulations regarding clergy are notably different from those regarding laypersons. For guidance, the following document may be helpful:

- 2008 Tax Guide For Episcopal Ministers & Churches
Prepared by Richard R. Hammer, J.D., LL.M., CPA
Editors: Matthew KI. Chew, Reverend William F. Geisler, and James W. Dooley
Downloadable from: <http://www.cpg.org/formspublications/>

In general, consider that:

Clergy IRS Taxation Status -- In order to ensure that the congregation and its staff meet obligations under Federal taxation law, it is noted that pursuant to the decided case law, National Church guidelines and IRS guidelines clergy are treated as employees and therefore should receive form W2 as record of their cash income in most circumstances.

Clergy Federal Social Security Payments Status -- The position of clergy under the Federal Social Security laws is different from laypersons. Clergy are treated as if they were self-employed contractors for the purposes of Medicare and social security payment obligations. The guidelines require that all clergy make SECA payments and provide that no FICA payments are required in respect of clergy or the congregation.

6.2 Supply Clergy

Congregations periodically engage clergy for “supply” work, to perform one or two services on a Sunday or to perform a weekday service. For one Sunday service, the established rate of pay is \$160. For two services on a Sunday, the rate is \$200, and for a weekday service, \$75. In addition, actual travel expenses should be reimbursed, with mileage reimbursement at the current IRS rate. The established rates are determined to be fair and equitable and are equal to or exceed those paid by these other dioceses.

If supply clergy, who are active (that is, not retired and drawing pension benefits), earn \$200 or more per month in salary and/or housing from the same congregation for three or more consecutive months, an assessment of 18% to the Church Pension Fund is mandated, retroactive to the first month.

6.3 Retired Clergy

No assessment is due on earnings of age-retired clergy over 72 years of age or for those under 72 unless they earn in excess of \$30,000 in a calendar year, in which case an 18% assessment is due from the employing congregation(s) on any earnings for that year. (The figure \$30,000 is 50% of the national clergy median compensation, as established by the Church Pension Fund.)

Ordinarily, no assessment is due on earnings of clergy under 65 years of age who are on disability retirement with the Church Pension Fund.

6.4 Clergy in Non-parochial Employment

Clergy who have ministerial employment, but not from a congregation of the Diocese, should be aware of the Church Pension Fund provision for “an extension of the ministry,” mentioned on p. 9 of the *A Guide to Your Benefits Now and in the Future*. They might work for an ecumenical agency, for example, or a pastoral counseling center. Such clergy may wish to have their employer reallocate their compensation package (paying CPF assessments before taxes as a way of purchasing some disability coverage and other benefits), and the cleric or employer might wish to purchase medical, dental, or other benefits for the clergy or family members, including domestic partners, through the Diocese. Retroactive CPF payments of this sort can only be made for two years. Such a ministry can continue to age 72.

6.5 Priests in Campus Ministry

In year 2002, the Committee addressed compensation and duties for Campus Ministers. A summary of the results of this study is contained in the Guidelines for 2007 and 2008 as well as in Appendix C of the on-line version of these Guidelines for 2009. An update of the TCC Standards for Campus Ministers and directions for on-line access are shown as Appendix C of this Guidelines book.

6.6 Importance of Church Pension Fund Payment for Clergy

CPF coverage provides age-retirement benefits, some disability benefits, a death benefit, and life insurance for those working full time. Any clergy persons working in ministry less than the “half-credited service” level can make payments on their own to bring them up to the level where they qualify for benefits. A clergy person “between cures” can also make such payments to maintain coverage. For details, one can call the

Church Pension Fund at 800-223-6602 to ask questions or get a copy of the CPF handbook and one's individual record. If a clergy person needs help in getting an employer to pay current mandated assessments, or if one discovers that recent mandated assessments were not paid, it is advised to contact the Church Pension Fund and the Diocesan Treasurer's Office (617) 482-4826, Ext. 501).

6.7 The Committee

Members of the Committee and their contact information can be found at the end of this section.

7.0 Lay Employee Compensation and Benefits

7.1 Background

Prior to now, the committee has been focused upon compensation and benefits for parochially employed clergy. However, the Diocesan Convention of 2004 passed a resolution that, among other things, asked the committee to:

- Continue advocacy for standards for fair and equitable compensation ... for clergy and lay employees
- Work in collaboration with other leadership groups to promote understanding for fair compensation for leadership in the congregations.

The committee responded in the first year following that convention with internal discussion regarding its resources and its authority and capability to be a positive factor in compensation and benefits for lay employees.

7.2 Congregational Lay Personnel Practices and Compensation

Late in year 2005, it was determined that it would be timely and appropriate to carry out a survey of congregational practices – this being a repeat of a similar survey conducted by the committee in 2000. The survey instrument was sent to all congregations in the Diocese of Massachusetts in March 2006. Results were received in the spring and early summer of 2006. A summary of the results is contained in the Guidelines for 2007 and 2008 as well as in Appendix D of the on-line version of these Guidelines for 2009. Directions for on-line access are shown as Appendix D of this Guidelines book.

In mid-year 2008, the Committee agreed to extend the scope of this earlier survey of practices and survey the congregations regarding their compensation for lay employees in these five categories: Administrative, Sexton, Children's Ministry, Director of Christian Education, and Music. As of the date of publication of these Guidelines for 2009, early results have been obtained. An analysis will be completed and the Committee will be able to publish a summary report soon after the first of the year.

In the General Convention in 1997 and endorsed by the Diocesan Convention in 1998, the living wage was defined as \$7.50 per hour or \$16,000 per year. However, there was no provision for cost of living increases. At the Diocesan Convention in 2001, a resolution was passed that provides for cost of living adjustments to the living wage, which was originally established by. The resolution requires that the minimum wage be recalculated at least annually by March 1, with adjustments to reflect the increases from 1998 to date.

The cost-of-living adjustments through January 1, 2007 bring that minimum wage to \$10.10 per hour. The \$2.60 is the total 12-month CPIU increases for each calendar year from January 1998

through January 2007. The resolution requires that the diocesan treasurer's office notify all parishes, diocesan agencies, organizations and contractors of this policy and send out on an annual basis notification of the appropriate cost of living adjustment based on the Department of Labor Consumer Price Index.

7.3 Lay Personnel Guide

With these results in hand, the committee felt that a beneficial first step in dealing with lay congregational employment, would be to prepare a "Model Personnel Handbook" for use in the congregations. This is shown as Appendix E to these Guidelines. In addition, Appendix E contains directions for obtaining a downloadable and editable version of this Handbook.

The committee encourages congregational leadership to review this Model Personnel Handbook and to copy and adapt any and all of the paragraphs in the model to serve its own purposes. It is hoped that this will serve to:

- stimulate discussion
- put into effect certain uniform, fair and equitable policies, and
- catalyze a documentation of each congregations' lay personnel practices

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Worksheet for Determination of TCC Standard and TCC (actual)

This worksheet describes the process to determine the TCC Standard and TCC (actual) for clergy in a leadership position (i.e., Rector, Vicar, Priest-in-charge, Priest-in-residence, and Interim Priest) in a given congregation, using the formula as defined in section 2.2 of these Guidelines. A similar procedure should be followed for determining the TCC Standard for Assisting Clergy, using the slightly different formula as defined in section 2.3 of these Guidelines.

Step 1: collect the following data for this congregation [for example for the latest Parochial Report]:

- Total Current Operating Revenues
- Number of Current Adult Pledging Units
- Average Current Sunday-Attendance
- Number of years that the clergy has been called in this congregation

Step 2: calculate the three components and then add them to get the total congregation points, as follows:

Total Current Operating Revenues (000's) x 0.30 = _____ (A)
 Number of Current Adult Pledging Units x 0.40 = _____ (B)
 Average Current Sunday-Attendance x 0.30 = _____ (C)

Points = A + B + C = _____

Step 3: calculate the value for the first formula for the TCC Standard using the following:

TCC Standard (first formula)² = \$56,620 + (116.4 x Points) = _____ (D)

Step 4: calculate the value for the second formula for the TCC Standard using the following:

TCC Standard (second formula)³ =
 \$500 x (years as priest in this congregation) = _____ (E)

Step 5: the **TCC Standard** is the sum of the above, ie = (D) + (E) = _____ (F)

Step 6: address “Additional Considerations in Establishing the TCC” as discussed in section 3.2 of these Guidelines:

Congregational Factors _____ (G)

Professional Factors _____ (H)

Alternative Monetary Considerations _____ (I)

Step 7: the TCC (actual) is then = (F) + (G) + (H) + (I) = _____

This value should be entered on the top line of the next worksheet

² No congregation may use fewer than 30 points. Accordingly, for this component the minimum TCC Standard for full-time clergy is \$60,112

³ For determining this value, no more than ten years of service should be considered.

Worksheet for Determination of the Total Cost to the Congregation for the Position

Compensation

Step 1: enter the TCC (actual) from the preceding worksheet: _____ (A)

Step 2: using the definitions from section 2.1 of these Guidelines, enter the following amounts:
(as defined in section 2.1)

Social security tax reimbursement	_____	
Utilities	_____	
Subtotal = sum of above two lines		_____ (B)
Housing Allowance	_____	
Housing Equity Allowance	_____	
Other Amounts	_____	
Subtotal = sum of above three lines		_____ (C)

Step 3: carry out the following calculations:

Subtotal = (A) minus (C) _____ (D)

If housing is provided, multiply (D) by 0.2308 (if not, enter zero) _____ (E)
(This in non-cash income to the clergy and non-cash expense to the congregation)

Step 4: determine the clergy "Cash Stipend" = (A) – (B) – (C) – (D) = _____ (F)
(as defined in section 2.1)

Step 5: determine clergy gross cash from all sources⁴ = (B) + (C) + (F) = _____

Benefits

Pension payment -- multiply line (A) by 0.18	_____	
Health insurance premium(s)	_____	
Other (<i>specify</i>)	_____	

Total Benefits Cost (sum of above three entries) _____ (G)

Expenses

Travel reimbursement	_____	
Office Expense (e.g. phone)	_____	
Continuing education/fees, etc.	_____	
Supply Clergy	_____	
Other (<i>specify</i>)	_____	

Total Expense Cost (sum of the above five entries) _____ (H)

Total Cash Cost to Congregation for Position = sum of (A) – (E) + (G) + (H) = _____

⁴ If the Housing Equity Allowance is provided as a tax sheltered account [such as a 403(B)], then this amount is not included in the gross amount paid to the clergy.

Appendix A Charts and Graphs

Graphical and Tabular Representations of the 2009 Guideline

The following charts are presented for a visual representation of the Guidelines for 2009. Each congregation should calculate the appropriate TCC Standard based upon its own characteristics as described in the main text at paragraph 3.1.

Report of Congregational Data regarding Parish Size and Clergy Compensation

The Diocesan Convention of 1908 resolved”

“That in every number of the Convention Journal of the Diocese, beginning in 1909, a comparative list of Parishes and Missions, with and without rectories, be published; also that a table be printed in the same publication giving the amount of all clergymen’s salaries”

To meet that end, the Committee solicits and tabulates such information from the congregations in the Diocese. The following table gives the compensation points and clergy compensation figures based on the Parochial Reports and Clergy Compensation Reports most recently received. This chart includes all data received as of October 31, 2008.

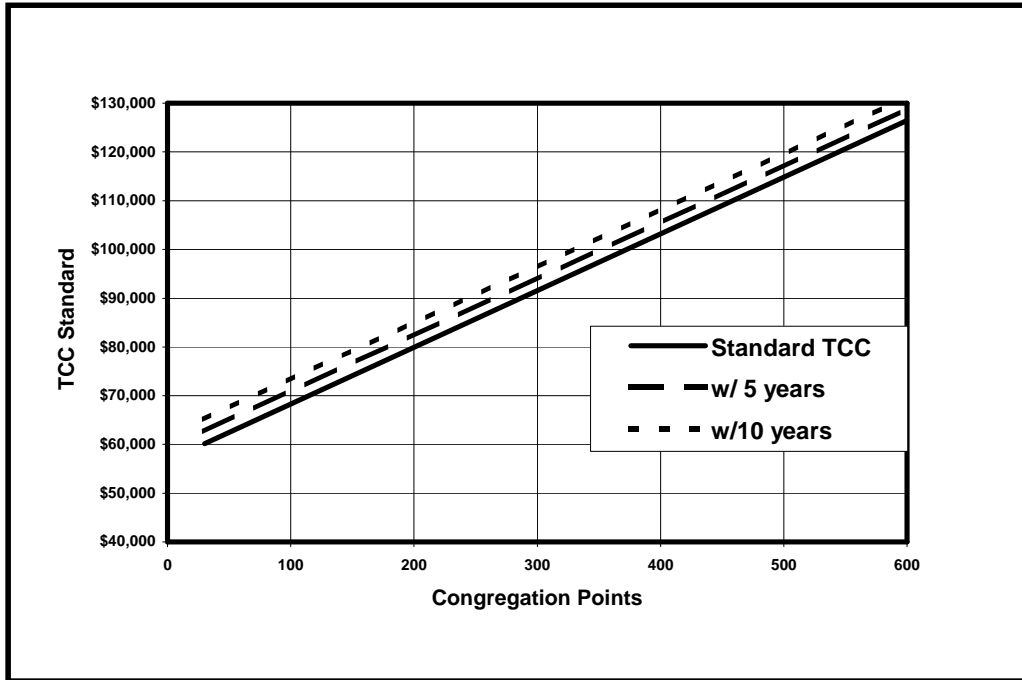
Since this table combines data from two separate reports, and previously displayed in two separate spreadsheets, there may be discrepancies – particularly in the years from which data is reported. Nonetheless, the data is being combined in order to provide more succinct reporting of TCC related information for congregations and clergy across the Diocese.

Note:

- Blank spaces indicate either that data is not applicable (e.g. budget and pledging information for chaplaincies) or that no data was received.
- Reports of “Time Worked” (that gave a figure in hours per week) have been converted to show a percentage (i.e. 20 hours = 50%).

This information has been made available in the copy of the Guidelines provided to the rector, wardens, and treasurer in each of the congregations. For a copy, please contact the Human Resources Manager at the Boston office of the Episcopal Diocese of Massachusetts.

Graphical Representation of the 2009 Guideline



Tabular Representation of the 2008 Guideline

Points	TCC Standard	w/5 years	w/ 10 years
30	\$60,112	\$62,612	\$65,112
50	\$62,440	\$64,940	\$67,440
100	\$68,260	\$70,760	\$73,260
150	\$74,080	\$76,580	\$79,080
200	\$79,900	\$82,400	\$84,900
250	\$85,720	\$88,220	\$90,720
300	\$91,540	\$94,040	\$96,540
350	\$97,360	\$99,860	\$102,360
400	\$103,180	\$105,680	\$108,180
450	\$109,000	\$111,500	\$114,000
500	\$114,820	\$117,320	\$119,820
550	\$120,640	\$123,140	\$125,640
600	\$126,460	\$128,960	\$131,460

Appendix B
Sample Document
Covenant of Ministry
for Position of Rector

The Diocesan Office for Congregational Development has prepared several model documents, called Covenant of Ministry. The copy for the position of Rector is shown on the pages following.

For downloadable and editable versions of all the applicable model Covenant of Ministry documents, please go to the Diocesan Website as follows:

Website address: <http://www.diomass.org/>

Then follow this track

Click on “INSIDE the Diocese” on the scroll bar near the top

On the menu on the left, scroll down and click on “Clergy Deployment/Transition Ministry”

Scroll down, nearly to the bottom, and click on “Covenants of Ministry”

Links to the following documents will appear:

- Covenant of Ministry for Rector
- Covenant of Ministry for Assistant/Associate Rector
- Covenant of Ministry for Priest in Residence
- Covenant of Ministry for Interim Priest
- Covenant of Ministry for Priest-in-Charge
- Covenant of Ministry for Vicar
- Covenant of Ministry for Interim Vicar

Rector's and Congregation's Mutual Covenant of Ministry

EPISCOPAL DIOCESE OF MASSACHUSETTS

LETTER OF AGREEMENT

between

The Rev. _____ and The Vestry of _____ Church, _____, Massachusetts, which has elected [him/her] to be Rector with the understanding that [his/her] rectorship shall continue until dissolved by mutual consent or by arbitration and decision as provided by Title III, Canon 21 of the Episcopal Church.

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

Section A – COMPENSATION

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

The parties agree that the Rector's Total Clergy Compensation ("TCC") will equal \$ _____, including the amount of the Housing Allowance, if applicable, and _____.²

2. Housing³

[Option A - Rector 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

¹This Letter of Agreement is intended to be negotiated after the Vestry has extended the initial call to the Rector and it should be reviewed annually. The model contains recommended provisions that may be varied according to the particular facts and circumstances. For a part-time Rector, 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 Guidelines for Salaries and Benefits.

²Specify other compensation received by the Rector that may be considered part of TCC. Consult the current Diocesan Guidelines for Compensation and Benefits.

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

⁴The 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 - Rector will be living in a Rectory]

The Rector and [his/her] family will live in the church-owned Rectory. The Vestry 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 Rector 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 Rector is expected to present an annual report to the Vestry on the condition of the Rectory, with particular attention to items requiring maintenance.

3. [Optional] Other Compensation: [Specify, e.g., SECA allowance, equity allowance, etc.].⁶

Section B – PREMIUMS

1. The Vestry will pay the following premiums as required by the Diocese:
 - (a) Church Pension Fund premiums based on the Rector's TCC;
 - (b) The cost of Health Insurance premiums [specify whether individual or family coverage, which includes domestic partners, where applicable].
2. The Vestry 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].
3. In the event of a total and permanent disability of the Rector, or in the case of the death of the Rector, the following agreements apply:
 - (a) Regarding housing: _____month(s) in Rectory or _____month(s) Housing Allowance, to be negotiated by the Vestry, Warden and the Rector, or Rector's spouse or other designee.
 - (b) Regarding compensation; _____month(s) salary per year of service, up to a maximum of _____month(s).

⁵The specific responsibilities of the Vestry and Rector will depend on the particular facts and circumstances.

Once these are determined, they should be delineated with as much specificity as possible.

⁶ Since a Rector while living in a church-provided Rectory will not build any equity in a home, a number of Vestries have agreed to fund an equity allowance through contributions to a tax sheltered 403(b) plan. Such other compensation is includable as TCC.

Section C – EXPENSES

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

1. **Moving**: The cost of moving the Rector's family and household goods when the initial call has been accepted
2. **Travel**: The Vestry agrees to provide the Rector with _____⁷

[Option A: reimbursement for all church-related automobile travel at the current rate established by the IRS (2007=\$.485/mile)]

[Option B: a travel allowance of \$_____per year adjusted annually for all church-related automobile travel.]

[Option C: an automobile for purposes of church-related travel upon such terms as the Vestry and the Rector shall determine.]
3. **Communications**: To provide for a telephone in the Rector's office and study. All postage for church business will be included in the parish budget.
4. **Office**: All necessary office furniture, equipment and supplies 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 Rector in accordance with the Diocesan Guidelines for Clergy Discretionary Funds, the amount to be established in the annual budget.
6. **Guests and Hospitality**: The Rector 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 the Rector to the Massachusetts Episcopal Clergy Association and other professional associations, the cost of the annual Clergy Conference with the Bishop, and the cost of professional periodicals, the amount to be established in the annual budget.
8. **Continuing Education**: The amount of \$_____ annually to support the Rector's continuing education. The Rector is expected to make an annual report to the Vestry and/or parish on his continuing education work.
9. **The cost of pulpit supply and pastoral services**: when the Rector is absent from the parish; the amount to be established in the annual budget.

⁷ Specify whether the Rector will receive (1) travel reimbursement and, if so, the rate of reimbursement, (2) an annual allowance or (3) an automobile. Note IRS reimbursement 2007 + \$.485/mile

Section D - LEAVE TIME⁸

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

1. _____ month(s) of vacation per year, including Sundays, plus[_____].⁹
2. _____ weeks per year (in addition to vacation time) for continuing education and career development.
3. **Paid Sabbatical Leave:** The Priest 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. [*Congregations may wish to adapt this period to fit their needs, or the needs of their clergy. For example, a Priest may wish to have a longer leave after a longer number of years of service, or may wish to have shorter leaves after fewer years.*] Applications for diocesan support from the bishop's Clergy Sabbatical Program can be obtained from the Department of Canonical Ministries.

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

4. The Rector 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 Rector's ministry in the parish.¹⁰
5. [Specify other leaves.]

Section E - SUPPLEMENTARY COMPENSATION

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

The following understanding has been reached between the Rector and the Vestry concerning the income the Rector may receive performing [specify].

Section F - USE OF BUILDINGS

In addition to his/her use and administration of parish buildings for the discharge of his/her duties, the Rector 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.

⁸ Currently, one month of vacation per year and one week of continuing education/career development per year are the recommended minimum. Additional time off for clergy retreat is strongly encouraged.

⁹ Specify additional leave, e.g., amount of time after Christmas, amount of time after Easter and amount of other time as agreed upon with the Wardens.

¹⁰ Other such leave may include parental leave in the event of childbirth or adoption. Consult current Diocesan Guidelines on Compensation and Benefits

Section G - REGULAR PARISH GOAL SETTING

The Rector and Vestry will review the mutual ministry of the parish, vestry, and clergy on or about _____ (in no event more than one (1) year) from the Rector's assumption of his/her duties based on goals and expectations set at the time of the call of the new Rector. Subsequently, periodic reviews (every year or two years) will be scheduled. These reviews for goal setting will cover the following items:

1. What are the mission and goals of the parish as presently understood?
2. What are the roles and tasks of the parish leaders (Rector, Vestry 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 parish?

Finally, this Letter of Agreement will be revised as desired with the mutual consent of Rector and Vestry, and at any rate shall reviewed and revised no later than _____.

Section H – 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. ¹¹

¹¹ Since the 2001 Report to Convention, the Compensation and Benefits 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.

PARISH SIGNATURES

Date: _____ Rector: _____

Approved by the Vestry on (date): _____

Warden: _____

Warden _____

Clerk _____

BISHOP'S SIGNATURE

Reviewed by the Bishop:

Date: _____

Bishop: _____

Appendix C

Priests in Campus Ministry

As announced at the 2001 Diocesan Convention, the Committee undertook a study of compensation of clergy engaged in campus ministries with the assistance of the Diocesan College Work Committee. Currently there are 5 campus ministries located at Boston University, Northeastern, Tufts, UMass–Dartmouth, and MIT that are directly supported by the Diocese.¹

The Committee's study showed that there are many parallels between parochial and campus ministries that justify guidelines for campus ministry clergy that will maintain compensation at levels comparable with clergy engaged in parochial ministry. Through its study with the College Work Committee, the Committee has grouped campus ministries in three identifiable levels denoted as Campus Ministry A, Campus Ministry B, and Campus Ministry C, which its study shows generally equate in scope and accountability to family, pastoral and program size congregations, respectively. The Committee also recognizes that campus ministry typically requires a good deal of independent initiative, and envisions that initiative would become more important with the increasing size and complexity of the program.

Accordingly, the Committee recommends of a TCC Standard for these three campus ministry levels that correspond to the TCC Standards applicable to the comparable parochial ministries, as given below. When fixing the actual compensation for any given clergy person, additional factors should be taken into consideration, such as experience level, extra qualifications, and specialized training.

Campus Ministry A — TCC Standard \$60,112

The most basic campus ministry position is essentially pastoral in nature, responding to anticipated needs, with little formal programming. It is an entry-level position, with little special training required. The position may be tied to a parish, as an outreach program of a local church, and would most likely be part-time. The Committee envisioned this position as essentially comparable to the position of rector or vicar of a family-sized congregation. The recommended TCC Standard for Campus Ministry A is \$60,112 (30 points).²

The basic duties and responsibilities of Campus Ministry A are as follows:

1. Provides Episcopal presence on a campus - may be a parish outreach
2. Is available for pastoral counseling and care for students, faculty, and staff
3. Provides opportunities for students to gather for prayer and fellowship
4. Provides opportunities for Bible study and catechesis
5. May lead weekly Eucharistic worship on campus

¹ Subsequent to the time of this study, both the number of and the identity of the campus ministries supported by the Diocese of Massachusetts have fluctuated. Notwithstanding, the basis for establishing TCC Standards for Campus Ministries remains valid.

² The TCC Standard for Priests in Campus Ministry is established using the "first formula" only.

Campus Ministry B — TCC Standard \$68,260

The second level of campus ministry adds to that described for A. It, too, is primarily pastoral in nature, but also involves some formal programming, including some Christian formation programs. It may be full-time or part-time, but requires more initiative than the position described under A, above. The Committee envisioned this position as essentially comparable to the position of rector in a pastoral-sized congregation. The recommended TCC Standard for Campus Ministry B is \$68,260 (100 points).

The basic duties and responsibilities of Campus Ministry B are as follows:

1. Includes responsibilities 1–4, described under A, and:
2. Leads weekly Eucharistic worship with a student congregation
3. Engages in the life and mission of the academic institution
4. Cultivates lay leadership among students, faculty and staff
5. Beginnings of campus programming

Campus Ministry C — TCC Standard \$79,900

Campus Ministry C is a full-time position with significant levels of responsibility and initiative required. The duties are pastoral, formational, programming, administrative, and supervisory. The Committee envisioned this position as essentially comparable to the position of rector in a program-sized congregation. The recommended TCC Standard for Campus Ministry C is \$79,900 (200 points).

The basic duties and responsibilities of Campus Ministry C are as follows:

1. Includes foregoing [Campus Ministry B, 1–4], either as a direct responsibility, or as the supervisor of others, and:
2. Has primary responsibility for a significant freestanding program
3. Usually has primary responsibility for significant fundraising and/or endowed funds
4. May supervise program associates

Factors in Establishing TCC

After determining the applicable TCC according to the Campus Ministry level, the following factors should be considered in establishing the actual TCC:

- Development and Scope of Campus Ministry
- Valued Skills and Job Responsibilities such as:
 - Teaching, Presentation and Communication Skills
 - Expanding Scope of Responsibilities
 - Pastoral Experience
 - Demonstrated Growth and Success of Mission /Campus
 - Pastoral Care and Counseling Skills
 - Significant Accomplishments
 - Ability to Coordinate Volunteers and Committees

During this past year, a working group from the Compensation and Benefits Committee assisted Diocesan staff is reviewing the job content of each of the diocesan-supported campus ministries and provided recommendations to staff regarding the ministry level for each.

Appendix D

2006 Survey of Lay Staff Personnel Policies

This is the second survey of lay staff salary guidelines benefits and personnel policies conducted by the Clergy Compensation and Benefits Committee, the first survey having been conducted in spring 2000. The report of that survey was dated January 2001. The current survey was undertaken because of the request from the 2004 Diocesan Convention that the committee:

- Continue advocacy for standards for fair and equitable compensation for clergy and lay employees
- Work in collaboration with other leadership groups to promote understanding for fair compensation for leadership in the congregations

Survey instruments were sent to all congregations in the Diocese of Massachusetts in March 2006. Results were received in the spring and early summer of 2006. In this document, we have compared the findings of the 2006 survey with those of the 2001 survey. In addition, we have put forward some conclusions about the state of employment management in the Diocese.

Caveat

While we make some judgments based upon responses to the survey, we need to realize that we have information on far less than a majority of our congregations at every size. This means that our results can be used in only the broadest sense in drawing conclusions about the nature of personnel administration in our congregations.

Definition of Size of Congregations

The 2000 survey measured congregational size by the then current categories used to determine clergy compensation, i.e., A, B, C and D. We have since changed our clergy compensation calculation to the effect that there are no categories, but rather a continuum of points based upon a number of criteria that translate into a compensation number. We have therefore indicated size based upon Arlen Routhage's definitions of Family (Active membership of up to 50), Pastoral (51 to 150), Program (150 to 350) and Corporate (300 – 500+) sized congregations. We felt that these definitions, which include size parameters (in parentheses) as well as other operational conditions, were enough in use in the church to be familiar to most. It is important to note that the indicators used in 2000 and 2006 are not interchangeable. There can be a large range of operating budget sizes and numbers of lay people employed within single Routhage definitions. We found no relationship between the size of budget or number of employees and the designation of church size. Several Pastoral congregations had lower operating budgets and fewer employees than did some Family size congregations. The Routhage definitions does, however, provide an indicator of the complexity of organization in a congregation, e.g. a Family church (usually around 50 members) needs far less "administration" than does a Corporate church with over 350 members.

Exhibit 1 Response Rate

Congregation Size	Number in Diocese	Responses	Percent Responses
Family	40	13	33%
Pastoral	105	42	40%
Program	35	15	43%
Corporate	4	2	50%

Response to the Survey

The overall response to the 2000 survey was 34% of the congregations in the Diocese. The response to the 2006 survey was somewhat better at 40%. Exhibit 1 shows the response rate as a function of size of congregation responding.

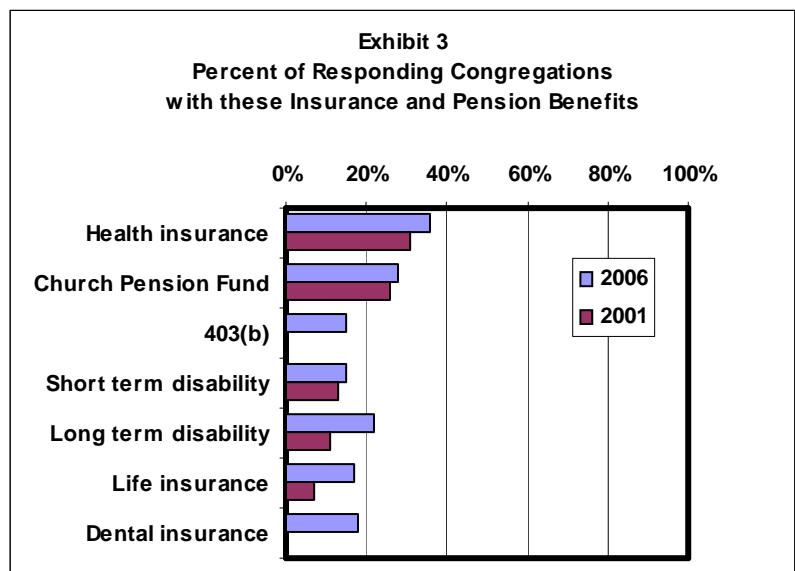
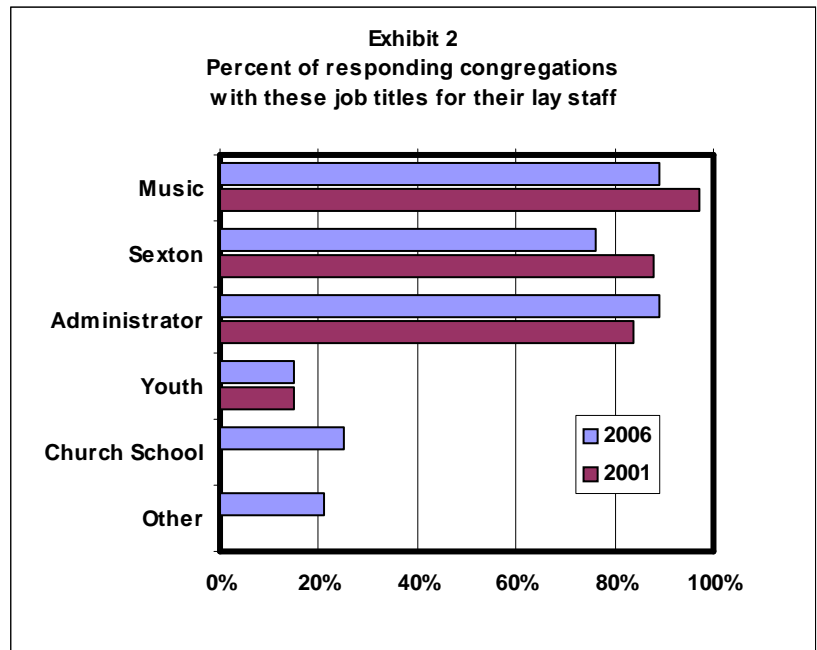
Results

Employees: The three most common lay employees in all size congregations were musicians, administrative assistants or secretaries, and sextons, in that order. Exhibit 2 illustrates the overall results comparing selected position titles to the results of the 2001 survey.

From the current survey, 100% of Program and Corporate congregations employed administrative assistants and musicians. Of the respondents, 90% of Pastoral congregations had an administrative position and 95% had a musician. Only 69% of Family congregations had an administrative position, and 61% had a musician. Finally, 100% and 93% of Corporate and Program congregations, respectively, had sextons. Volunteers, cleaning services, and in a few cases, the Priest, filled in the gaps where a paid position was lacking. Some congregations, mainly Program and Corporate, had additional administrative and financial people working for them. Significantly, fewer congregations had Christian Education positions [50% of Corporate, 33% of Program, 24% of Pastoral and 15% of Family] or Youth Ministers [50% of Corporate, 33% of Program, 9% of Pastoral and 8% of Family].

Salary Guidelines: Only 18% of our respondents used formal or written salary guidelines to determine compensation levels.

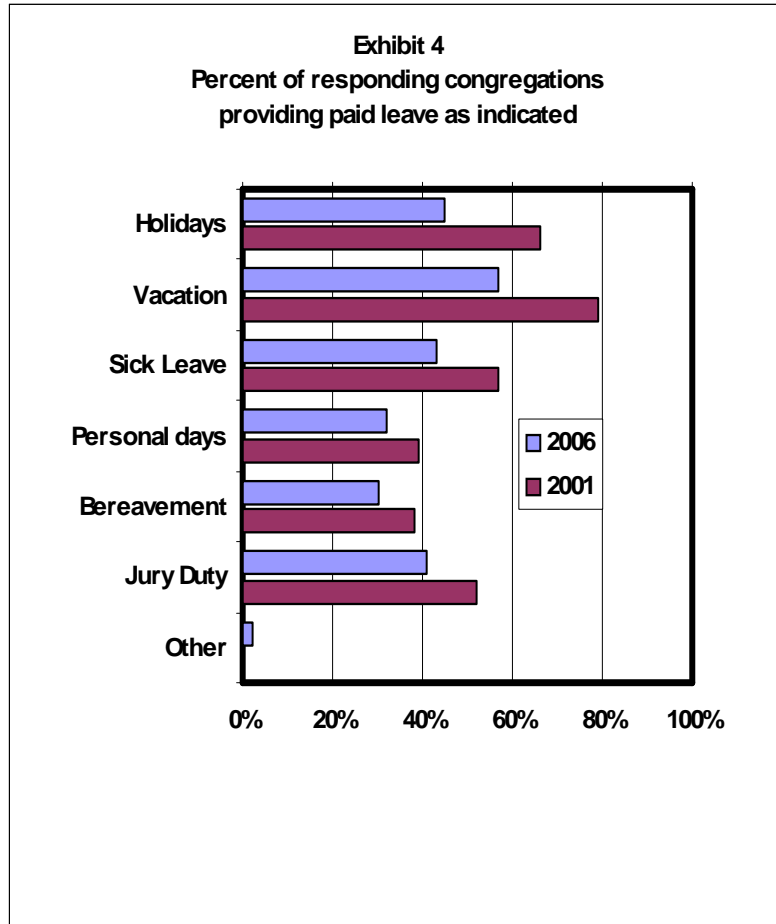
Benefits: Exhibit 3 illustrates the overall results comparing selected benefits to the results of the 2001 survey.



Currently, in the area of benefits offered, none of the Family congregations that reported provided any benefits, while 45% of Pastoral congregations, 86% of Program congregations, and 100% of Corporate did provide as least some benefits.

Paid Leave: Exhibit 4 illustrates the overall results comparing the offering of paid leave to the results of the 2001 survey.

Here, 69% of Family congregations, 83% of Pastoral, and 100% of Program and Corporate congregations provided at least some paid leave. In the family congregations over half the respondents provided paid vacation and one-third provided sick leave. Holidays, vacations, and sick leave were the most common in Pastoral congregations. Predictably, the Program and Corporate responders provided more paid leave than did Family and Pastoral congregations.



Personnel Policies: Exhibit 5 [next page] illustrates the overall results comparing the availability of written personnel policies to the results of the 2001 survey.

Congregations had at least some personnel policies at the rate of 69% of Family congregations, 60% of Pastoral congregations, 93% of Program congregations, and 100% of Corporate congregations. As with other areas, the frequency of policies increases with the complexity of the church organization. The most frequent policies were about definitions of workweek, voluntary and involuntary termination and performance evaluations. Congregations of all sizes submitted position descriptions for various positions. Many said that their policies were stated in letters of agreement for individual employees rather than in a formal policy document. Of the 72 respondents, only six or 8% attached a written personnel policy document. As with the other areas, 10% of Pastoral, 33% of Program and 50% of Corporate congregations attached documents. None of the Family congregations had such a document.

Conclusions

Trends: Allowing for the difficulty with the small number of responses, it appears from the overall results shown in Exhibits 2 through 5, that there is little change in the policies and practices of the congregations in the Diocese with their lay staff between 2000 and 2006. For example, Exhibit 3 suggests that there is a slight uptrend in the number of congregations offering insurance and pension benefits. However, Exhibit 4 suggests that there is a slight downtrend in congregations offering paid leave. Still, Exhibit 5 suggests that there might be an uptrend in availability of written personnel policies.

Size Effects: Exhibit 6 [next page] shows examples of benefits and policies offered as a function of size of the congregations. It is no surprise that the larger the congregations the broader are the components of their lay compensation package.

Employees: The vast majority of the congregations in the Diocese of Massachusetts (78%) are of either Family or Pastoral size, i.e. up to about 150 average Sunday attendance. The survey shows that the administrative support available to congregations increases with the size of their organization. Therefore, the majority of our congregations, being either Family or Pastoral, have the fewest resources for administration and evangelism.

Personnel Administration:

Our survey shows that congregations of Family and Pastoral size have a simple organization with few layers, and informal personnel policies where they exist at all. The smallest congregations offer no benefits, and the number offered by larger congregations increases with the size of its organization. Some respondents suggested that a diocesan model of personnel policy would be helpful.

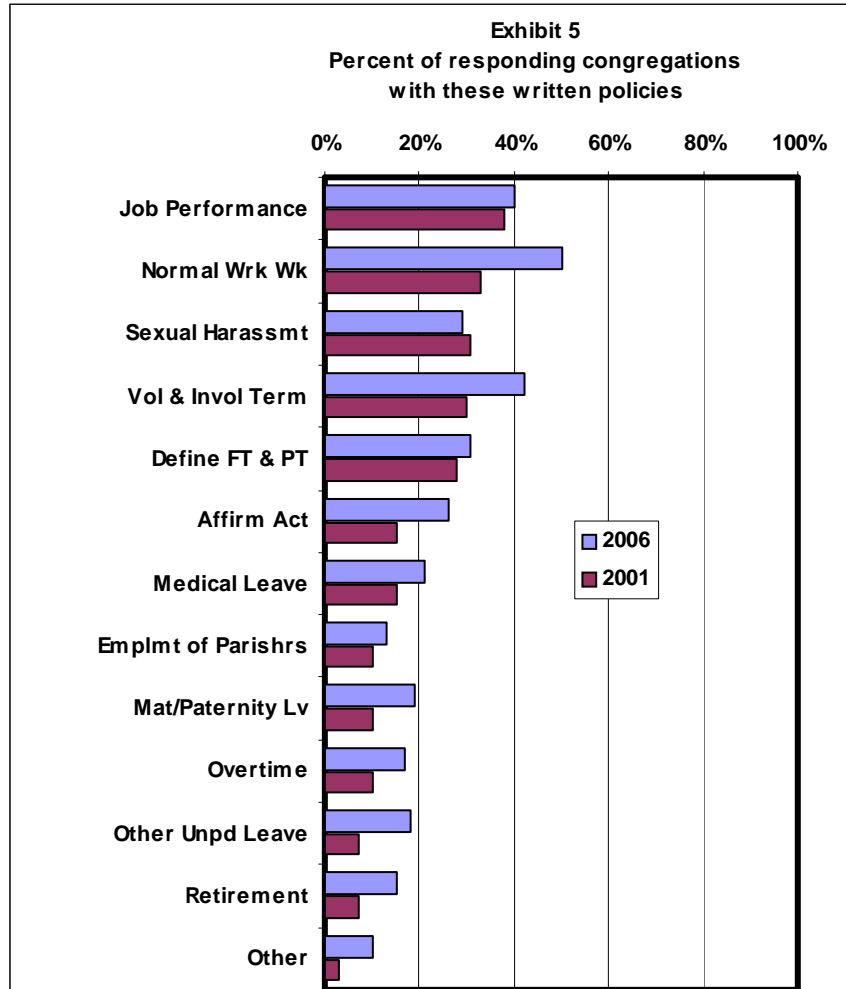


Exhibit 6 Effects of Size on Lay Employee Package

	Family	Pastoral	Program	Corporate
Salary Guidelines	15%	17%	20%	50%
Any Benefits	0%	48%	87%	100%
Any Paid Leave	69%	83%	100%	100%
Any Personnel Policy	69%	60%	100%	100%

Committee Follow-up

The committee concludes that there is work to do in the area of education and guidance for salaries and benefits for lay congregational employees. To begin to address this need, this year, we have prepared a model personnel handbook for adaptation by parishes that do not currently have a document. We hope that this model will fill a need for many congregations.

Appendix E

Model Personnel Handbook

An editable version of this document can be downloaded from the Diocese of Massachusetts web site as follows:

Please go to the Diocesan Website as follows:

Website address: <http://www.diomass.org/>

Then follow this track

Click on “INSIDE the Diocese” on the scroll bar near the top

On the menu on the left, scroll down and click on “Congregational Development”

Scroll part way down, and click on “Compensation and Benefits Resources for Parishes”

Finally, click on “Model Personal Handbook for Parishes”

MODEL PERSONNEL HANDBOOK XYZ PARISH

INTRODUCTION

This Personnel Handbook provides information relative to the personnel practices, compensation and benefits of **XYZ Parish** applicable to lay staff.¹

XYZ Parish reserves the right to add, modify or change any practice at any time without prior notice. This handbook supersedes any prior handbooks, manuals, policies and procedures issued previously by **XYZ Parish**.

Lay staff of **XYZ Parish** are employees-at-will and are subject to termination at any time, with or without cause, and without prior notice.

[One may also include a message from the rector, a history of the Parish, or descriptive comments about the Parish in the introduction.]

PERSONNEL ADMINISTRATION

A. Responsibility of Rector

The Rector is responsible for personnel administration, including the hiring and supervision of lay staff, who are accountable to the Rector. In periods of transition, the interim priest and wardens are responsible for personnel administration.

B. Personnel Committee

The Personnel Committee, which consists of *[describe composition, including number of members, ex officio members by title or by whom appointed, e.g., wardens, vestry or rector]* is responsible

¹ *This model personnel handbook has been prepared in response to the Compensation and Benefits Committee's 2006 Survey of Lay Staff Guidelines, Benefits and Personnel Policies that shows there is a need at the congregational level for education and guidance in the areas of personnel administration, compensation and benefits for lay staff.*

The model personnel policies handbook contains suggested policies relative to subjects generally covered by written employment-related policies. It is intended to be used by a congregation as a resource and guide in developing employment policies for lay staff based on its particular needs and circumstances, consistent with applicable state and federal laws. In some instances suggested alternative or optional language is offered.

Generally clergy have letters of agreement that incorporate the terms and conditions of their employment, which also are covered in the Diocesan Compensation and Benefits Committee guidelines applicable to clergy. However, the handbook may be expanded to include policies applicable specifically to clergy, as well as policies common to both clergy and lay staff.

Although Diocesan staff and members of the Committee are available to provide assistance to a congregation in developing its own personnel handbook, the final determination relative to the scope, form and content of policies applicable to its clergy and lay staff ultimately is the responsibility of the congregation.

for the following: (1) serve as an advisor to the rector in employment-related matters, including hiring, discipline and termination, and the administration and interpretation of personnel policies and practices; (2) periodic review of personnel policies and practices, including the personnel handbook and recommendations to the vestry for changes, as appropriate; (3) periodic review of compensation and benefits for lay staff, including individual adjustments and recommendations to the vestry, as appropriate; (4) development of job descriptions for lay staff; and (5) such other matters that may be delegated by the wardens and/or vestry.²

C. Equal Employment Opportunity Policy

XYZ Parish is committed to providing equal opportunity for all employees and applicants without regard to race, color, sex, sexual orientation, age, national origin, disability or veteran status. **XYZ Parish's** policy regarding equal employment opportunity applies to all aspects of employment, including recruitment, hiring, job assignments, promotions, working conditions, scheduling, benefits, wage and salary administration, disciplinary action, termination, and social, educational and recreational programs.

Except where the position could affect or relate to the religious principles or doctrines of the Episcopal Church, parishes will adhere to a policy of equal opportunity without regard to religious beliefs.

XYZ Parish will not tolerate any form of discrimination and the expectation is that all employees will cooperate fully in implementing this policy. If an employee believes there has been a violation of the policies on discrimination, immediate reporting to the Rector and/or appropriate person at **XYZ Parish** is necessary.

Anti-Harassment Policy

XYZ Parish is committed to maintaining a working environment that is free from sexual harassment and other types of discriminatory harassment. **XYZ Parish's** commitment begins with the recognition and acknowledgment that such harassment is, of course, unlawful. To reinforce this commitment, **XYZ Parish** has developed a policy against harassment and a reporting procedure for employees who have experienced or witnessed harassment. This policy applies to all work-related settings and activities, whether inside or outside the workplace, and includes business trips and **XYZ Parish**-related events. **XYZ Parish employees are not to use** systems and equipment (e.g. telephones, voice mail, copy machines, facsimile machines, computers, and computer applications such as e-mail and Internet access) for any illegal activity or conduct that violates this policy.

XYZ Parish's policy against harassment covers employees. It is necessary for employees to report any experiences of inappropriate conduct by someone who may have business with the **XYZ Parish** (e.g., vendors, contractors).

Prohibition of Sexual Harassment

XYZ Parish's policy against sexual harassment prohibits sexual advances or requests for sexual favors or other physical or verbal conduct of a sexual nature, when: (1) submission to such conduct is made an express or implicit condition of employment; (2) submission to or rejection of such conduct is

² *Establishment of a personnel committee is recommended without regard to the size of a congregation.*

used as a basis for employment decisions affecting the individual who submits to or rejects such conduct; or (3) such conduct has the purpose or effect of interfering with an employee's work performance or creating an intimidating, hostile, humiliating, or offensive working environment.

While it is not possible to list all of the circumstances, which would constitute sexual harassment, the following are some examples: (1) unwelcome sexual advances -- whether they involve physical touching or not; (2) requests for sexual favors in exchange for actual or promised job benefits such as favorable reviews, salary increases, promotions, increased benefits, or continued employment; or (3) coerced sexual acts.

Depending on the circumstances, the following conduct may also constitute sexual harassment: (1) use of sexual epithets, jokes, written or oral references to sexual conduct, gossip regarding one's sex life; (2) sexually oriented comment on an individual's body, comment about an individual's sexual activity, deficiencies, or prowess; (3) displaying sexually suggestive objects, pictures, cartoons; (4) unwelcome leering, whistling, deliberate brushing against the body in a suggestive manner, sexual gestures, suggestive or insulting comments; (5) inquiries into one's sexual experiences; or (6) discussion of one's sexual activities.

It is also unlawful and expressly against **XYZ Parish's** policy to retaliate against an employee for filing a complaint of sexual harassment or for cooperating with an investigation of a complaint of sexual harassment.

Prohibition Against Other Types of Discriminatory Harassment

It is also against **XYZ Parish's** policy to engage in verbal or physical conduct that denigrates or shows hostility or aversion toward an individual because of his or her race, color, gender, religion, sexual orientation, age, national origin, disability, or other protected category (or that of the individual's relatives, friends, or associates) that: (1) has the purpose or effect of creating an intimidating, hostile, humiliating, or offensive working environment; (2) has the purpose or effect of interfering with an individual's work performance; or (3) otherwise adversely affects an individual's employment opportunities.

Depending on the circumstances, the following conduct may constitute discriminatory harassment: (1) epithets, slurs, negative stereotyping, jokes, or threatening, intimidating, or hostile acts that relate to race, color, gender, religion, sexual orientation, age, national origin, or disability; and (2) written or graphic material that denigrates or shows hostility toward an individual or group because of race, color, gender, religion, sexual orientation, age, national origin, or disability and that is circulated in the workplace, or placed anywhere in **XYZ Parish's** premises such as on an employee's desk or workspace or on **XYZ Parish's** equipment or bulletin boards. Other conduct may also constitute discriminatory harassment if it falls within the definition of discriminatory harassment set forth above.

It is also against **XYZ Parish's** policy to retaliate against an employee for filing a complaint of discriminatory harassment or for cooperating in an investigation of a complaint of discriminatory harassment.

Reporting of Harassment

If an employee of **XYZ Parish** believes that he or she has experienced or witnessed sexual harassment or other discriminatory harassment by any employee of **XYZ Parish**, the employee should

report the incident immediately to his or her supervisor, the Rector or other appropriate person. It is necessary to report possible harassment by others with whom **XYZ Parish** has a business relationship, including contractors and vendors, as soon as possible so that the Rector may take appropriate action. Although verbal reports are accepted, employees are strongly encouraged to make any reports of sexual harassment or other discriminatory harassment in writing. Doing so can assist in the investigation process.

XYZ Parish will investigate promptly and thoroughly all reports of harassment as discreetly and confidentially as practicable. Generally, the investigation will include a private interview with the person making the report of harassment. In addition, it may be necessary to discuss allegations of harassment with the accused individual and with other employees. **XYZ Parish's** goal is to conduct a thorough investigation, to determine whether harassment occurred, and to determine what action to take against an offending individual. To the extent feasible, only individuals whom **XYZ Parish** will only inform those determined to have a need to know of allegations and those people will receive instructions to treat the matter confidentially.

XYZ Parish will take appropriate action against the offending party if there is a determination that a violation of this policy has occurred. Action may include counseling, warning, transfer, suspension, and termination. Employees who report violations of this policy and employees who cooperate with investigations into alleged violations of this policy will not be subject to retaliation. Upon completion of the investigation, **XYZ Parish** will inform the employee who made the complaint of the results of the investigation.

Safe Church Training

As a condition of employment, **XYZ Parish** requires all employees to complete within the first 12 months of employment a Sexual Misconduct Awareness Education Program sponsored by the Diocese or submit written proof that the employee has participated in a similar program through a previous employer. In addition, all employees must be knowledgeable about the **XYZ Parish** safe church policies and, in particular, report any suspicion of misconduct as outlined in (Name of Parish Safe Church Document)

D. Employee Definitions

XYZ Parish places employees into several classifications for purposes of employment, compensation, administration of benefits and other personnel matters, as follows:

FULL-TIME EMPLOYEE: Employees who regularly are scheduled to work at least __ hours per week are considered full-time employees. An employee's eligibility for certain benefits may depend on his or her classification as a full-time employee.³

³ Generally an employee who regularly is scheduled to work 40 hours per week or 8 hours each day, including a paid or unpaid lunch period, is considered a full-time employee, and an employee who regularly is scheduled to work less than 40 hours per week is considered a part-time employee. However, some employers may define full-time employment for benefit purposes (e.g., vacation, holidays, personal days, sick leave, health insurance, etc.) based on a lesser number of hours. For example, under the policies applicable to lay staff of the Diocese, an employee who regularly is scheduled to work 30 or more hours per week is considered a full-time employee for benefit purposes; a part-time employee who regularly is scheduled to work between 20 and 29 hours per week is eligible for prorated benefits; and a part-time employee who work less than 20 hours is not eligible for benefits.

PART-TIME EMPLOYEE: Employees who regularly are scheduled to work less than __ hours per week are considered part-time employees. Part-time employees may be eligible for some, but not all employee benefits. Employees who regularly are scheduled to work less than ___ hours per week are not eligible for benefits.

TEMPORARY EMPLOYEE: Employees engaged for a limited period of time, not to exceed ____, or for a special project regardless of the number of hours worked are temporary employees. Temporary employees are not eligible for benefits, except for paid holidays if normally scheduled to work on the holiday.

ON-CALL EMPLOYEE: Employees who work as needs arise and as his or her own schedule permits are considered on-call employees. On-call employees are not eligible for benefits.

Exempt and Non-exempt

In accordance with federal and state wage and hour laws, all positions at **XYZ Parish** are EXEMPT or NON-EXEMPT.

EXEMPT employees include professional, executive and administrative employees as defined by federal and state law who are paid a salary for all hours worked. Exempt employees are not eligible to receive overtime pay for work performed beyond their normal work schedule.

NON-EXEMPT employees are those who meet the criteria of the minimum wage and overtime provisions as defined by federal and state law. A non-exempt employee will receive overtime pay at the rate of time and one-half the employee's regular straight-time rate for all hours worked in excess of 40 hours in the employee's workweek.⁴

Compensatory time in lieu of overtime is only acceptable for a non-exempt employee if the employee takes time off during the same workweek in which the overtime hours accrues.⁵

Regardless of an employee's classification, all employees at **XYZ Parish** are employed at-will. Either you or the **XYZ Parish** may terminate your employment at any time and for any reason.

⁴ Under federal and state law, a non-exempt employee must be paid time and one-half the employee's regular straight-time hourly rate for all hours worked in excess of 40 hours in a work week. However, some employers choose, but are not required, to include paid time off (e.g., holiday pay, sick leave pay, vacation pay, etc.) in the calculation of hours worked for overtime purposes. Also some employers, including the Diocese, choose to pay overtime pay for all hours worked in excess of the employee's normal work schedule if less than 40 hours.

⁵ Compensatory time-off in another work week in lieu of overtime pay is prohibited under federal and state law. For example, an employee who works two extra hours on Monday may be permitted to take two hours off later that week (with supervisory approval), but may not be granted two hours of compensatory time off in lieu of overtime pay during the week following the week in which the overtime hours are worked.

E. Work Schedules

The **XYZ Parish's** office normally is open [*designate days and hours*]. The employee's supervisor will determine the individual schedule based on the needs of the Parish.

F. Introductory Period

The first __ days of employment at **XYZ Parish** are considered an introductory period during which the employee and **XYZ Parish** have the opportunity to consider and evaluate the suitability of the placement and the adequacy of the job performance. The introductory period may be extended if it is determined additional time is justified to evaluate an employee's suitability and job performance.⁶

G. Performance Evaluations

An employee's performance will be reviewed at the conclusion of the employee's introductory period and annually thereafter upon the employee's anniversary date of employment. Performance reviews may be held more frequently if an employee's job classification or performance changes significantly or if it is determined that more frequent reviews may be necessary or helpful. In addition, the employee's supervisor may informally discuss his/her performance with the employee at any other time. The employee should also feel free to discuss his/her performance with his/her supervisor at any time.⁷

[Optional Language: Ordinarily, the employee and his/her supervisor each will prepare notes evaluating the employee's performance during the period to be evaluated and meet to discuss and address any issues raised by either the employee or supervisor. The supervisor will then prepare a written evaluation, which for review and signature by the employee and his/her supervisor, and placed in the employee's personnel file. The employee will receive a copy of the final signed evaluation for his/her own records.

*Performance reviews are an evaluation of how well an employee has performed his/her work. Performance reviews provide the employee and supervisor with an opportunity to review what the employee has accomplished and to identify areas for growth. Among the factors that may be addressed in the performance review are the employee's quality and quantity of work; job knowledge and skill; attitude about his/her job, **XYZ Parish** and other employees; ability to work cooperatively; compliance with **XYZ Parish** standards and policies; and dependability, enthusiasm and attendance.*

⁶ *Generally the length of an introductory period will vary depending upon the level of skills required and the complexity of the duties and responsibilities of the position. Typically the introductory period for a position involving few or minimal skills will range from 30 - 90 days, and up to 6 months if the position involves extensive skills and complexity. However, in determining the appropriate length of an introductory period, it must be taken into account that fully evaluating an employee's dependability, including punctuality and attendance, is as important and may require more time to evaluate than the skills and ability to perform the job alone will require to evaluate.*

⁷ *Generally employers will review an employees' performance at the conclusion of an introductory period following the employee's initial employment (see F. Introductory Period, above) and annually thereafter. The annual evaluation may occur on the employee's anniversary date or at a fixed time for all employees such as at the end of the calendar year or mid-year.*

If an evaluation should lead to dismissal, the Rector, the Personnel Committee, or other appropriate parties will review the evaluation. A memorandum documenting the review will be part of the evaluation and placed in the employee's file. The supervisor and the employee will receive a copy of the memo.]

H. Termination

An employee may elect voluntarily to terminate his/her employment with **XYZ Parish**. In the event of a voluntary termination, policy is for the employee to submit a written letter of resignation at least two weeks prior to the effective date of the employee's resignation.

In some circumstances, **XYZ Parish** may decide to terminate involuntarily an employee's employment (i) due to performance or disciplinary reasons; or (ii) due to lack of work or elimination of the employee's position; or (iii) a change in the position description. In the event of involuntary termination, **XYZ Parish** will endeavor to provide reasonable notice except that in the event of involuntary termination due to performance or disciplinary reasons, the termination may be effective immediately.

I. Job Openings

Open positions will be posted internally and advertised in external publications as appropriate for the position. Postings will include a description of the essential duties and responsibilities and the qualifications considered necessary for the position. Positions will be filled on the basis of qualifications such as education, training, experience, ability, skills and other relevant qualifications. The hiring manager will consider current employees who apply for the position within the specified time. All candidates will receive notification on the decision.

J. Personnel Records

XYZ Parish maintains personnel records for each of its employees and makes every effort to ensure that the information contained in these records is accurate and up-to-date. An employee must inform **XYZ Parish** of any changes in address, telephone number, marital/domestic partner status or number of dependents. Failure to receive mailings from **XYZ Parish**, tax information, and insurance benefit information may be the result of inaccurate information.

An employee who wishes to change his/her benefit coverage or beneficiary must contact the Rector or designee so that proper forms can be completed.

K. Job Descriptions

A written job description is prepared for each position and reviewed periodically as a guide in selecting personnel, assigning and evaluating responsibilities, assessing performance and salary scales, and determining reasonable accommodations.

L. Hiring of Relatives

Employees may not make or be involved in decisions to hire relatives (such as spouses, parents, siblings, grandparents, children, nephews, nieces and/or another who is in any way related to the employee or who makes their home with the employee) to work directly with them for pay. Relatives may be recommended to other supervisors for hire.

M. Volunteering

Employees may volunteer at any **XYZ Parish** event by contacting the Rector or the appropriate person involved in an particular event. It should be understood that any and all volunteer time is for the employee's personal benefit and satisfaction and that he/she will not be compensated. The employee's employment with **XYZ Parish** will not be affected in any way, either positively or negatively, by the employee's decision whether or not to volunteer his/her time.

N. Open Door Policy

XYZ Parish encourages open and frank discussion between staff, the Rector and lay leadership to avoid or resolve problems and complaints. It is **XYZ Parish's** policy to provide open communication necessary for better understanding and for action, when appropriate.

Whenever an employee has a question, problem or concern relating to his/her employment situation, the employee first should discuss the question or concern with the employee's immediate supervisor.

If the question, problem or concern persists, the employee may request a meeting with the Rector. A conclusion and decision should be reached at this meeting or within a reasonable period of time thereafter.

If the employee remains dissatisfied, the employee may request a review of the facts and actions by the Rector. The decision shall be final.⁸

COMPENSATION

A. Compensation

The standard for compensation for positions at **XYZ Parish** takes into consideration the duties, responsibilities and requirements of the position, including education and skills, and takes into account rates of pay for comparable positions in the local area.

B. Payroll

New employees are asked to provide information for payroll purposes, an I-9 (Employment Verification Form) and a W-4 Employee Withholding Certificate. It is important that the **XYZ Parish** office receive any changes to these documents in a timely manner (e.g. number of exemptions, address, etc.).

Weekly payroll: Paid each [*designate day of week*]. One must submit changes to payroll information to the **XYZ Parish** office by [*time of day*] every [*designate day of week*].

Monthly payroll: Paid the [*designate day and week of each month.*] One must submit changes to payroll information to the **XYZ Parish** office by [*time of day*] the preceding [*designate day of week*].

An employee may elect for direct deposit of his/her pay.

⁸ *If there is a personnel committee it may be designated as the final level of review.*

An employee who wishes to have a regular payroll check drawn prior to vacation departure, must be notify the **XYZ Parish** office by [time of day]of the [day of the week] prior to departure.

C. Payroll Deductions

XYZ Parish is required by law to make certain deductions from all paychecks. Social Security (FICA) is deducted along with federal and state taxes for all lay employees. Federal and state taxes are deducted for clergy employees if they so request. At the beginning of each year, all employees will receive a W-2 Form showing the total earnings for the previous year as well as the total amount of taxes withheld. In order to change the number of exemptions claimed, employees must complete a revised W-4 form and submit it to the **XYZ Parish** office. In addition to deductions required by law, other deductions may be taken for benefit programs in which employees choose to participate, such as dental insurance or 403(b) contributions. The **XYZ Parish** office will be able to answer questions regarding these deductions.

D. Job Expenses and Reimbursement

Employees will be reimbursed for regular and customary business expenses. If an employee has reimbursable expenses, the employee must submit monthly expense statements, along with receipts, showing the amount expended and the reason for each expense, for approval by _____ before payment is made.

BENEFITS

A. Vacation

Accrual

XYZ Parish recognizes that employees need a period for rest and relaxation. Accordingly, all full-time and eligible part-time employees may accrue paid vacation commencing with their date of hire, as follows:

Full-time employees will accrue paid vacation each pay period according to the schedule below:

<u>Years of Service</u>	<u>Accrual Per Month</u>	<u>Maximum Accrual⁹</u>
0 - 2	0.833 day	10 days
3- 4	1.25 days	15 days
5 and over	1.67 days	20 days

⁹ There are various methods of accrual of vacation, which is a matter of employer choice based on local practices in common occupations. The method shown above in which an employee accrues vacation on a monthly basis is a common method that is used by the Diocese and is relatively easy to administer. In particular, it avoids the potential for misunderstandings over entitlement because it is earned as the employee works and is available to be used as it is earned. Other methods include granting the full vacation allowance following the year in which it accrues, for example, an employee will receive two weeks vacation on January 1 for continuous service over the preceding year. Under this method, the employee will not be able to use any vacation accrued during the prior year until January 1, unless it is granted in advance.

Part-time employees who normally work ___ hours or more per week will accrue vacation on a pro-rata basis. Employees who regularly work less than ___ hours per week are not eligible for paid vacation.

Employees are encouraged to use all vacation during the calendar year in which it accrues. However, accrued, unused days may be carried over into the following year but must be used within the first quarter (January 1st – March 31st) of that following year or the carried over days will be forfeited.

Vacation Pay

One day's vacation for a full-time employee shall be equal to the number of hours in the employee's normal workday times the employee's regular hourly rate. One day's vacation for a part-time employee shall be equal to one-fifth the number of hours in the employee's normal workweek times the employee's regular hourly rate.

Scheduling

Although vacation accrues from an employee's date of hire, one may not take vacation until the employee has completed ___ months of employment. An employee terminated prior to completion of ___ months of employment will not be entitled to payment for any accrued vacation pay upon termination.¹⁰

Vacations will be scheduled in a manner that accommodates both **XYZ Parish's** need to have adequate coverage in all positions at all times and employees' vacation schedules. Vacation requests shall be granted, insofar as practical, taking into account the needs of **XYZ Parish** and the wishes of the individual employee. Such requests should be submitted to [*designate individual by title*].

B. Holidays

XYZ Parish observes the following holidays as paid holidays:¹¹

New Year's Day	Labor Day
Martin Luther King, Jr.'s Birthday	Columbus Day
President's Day	Veterans' Day
Patriot's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

¹⁰ The threshold established by many employers for entitlement to paid vacation and/or for payment of unused accrued vacation upon termination is completion of the introductory period. (See *Introductory Period*, p. F-8)

¹¹ The holidays listed in the model policy above include all holidays officially celebrated in Massachusetts with the exception of Evacuation Day (March 17) and Bunker Hill Day (June 17), which are officially celebrated only in Suffolk County. The day after Thanksgiving is not an official holiday, but often granted by employers, sometimes in exchange for working on another holiday that is not widely celebrated, for example, Patriot's Day.

When any of these holidays fall on a weekend, it will be observed either on the preceding Friday, or the following Monday, as determined by **XYZ Parish**.

Full-time employees will receive holiday pay for each of the above holidays. Holiday pay shall be equal to the number of hours in the employee's regular workday times the employee's regular straight-time hourly rate.

A holiday must fall on a part-time employee's regularly scheduled workday in order to be eligible for holiday pay. Holiday pay for part-time employees shall be equal to one-fifth the number of hours in the employee's regular work week times the employee's regular straight time hourly rate.

Part-time employees scheduled to work less than ___ hours per week and temporary employees are not eligible for paid holidays.

An employee who is required to work on a holiday will be paid his/her regular pay in addition to holiday pay or will be allowed to schedule another day off in lieu of the holiday.

C. Sick Leave

A full-time employee shall accrue sick leave at the rate of ____ days for each month actually worked, not to exceed ___ days per calendar year, for absences from work due to illness or the illness of others in the employee's care or for the employee's doctor or dentist appointments. An eligible part-time employee shall accrue sick leave on a prorated basis. [Alternative: *A part-time employee is not eligible for sick leave.*]¹²

XYZ Parish provides paid sick leave to protect the employee from incurring a loss of pay for scheduled time off due to illness or injury. Abuse of sick leave and/or excessive absenteeism may be grounds for disciplinary action, up to and including termination of employment.

The employee must inform **XYZ Parish** office prior to the opening of business he/she will be absent from work due to illness. **XYZ Parish** reserves the right to require appropriate medical documentation of illness.

Unused sick leave does not carry over to the following calendar year.¹³

¹² *The definition of a part-time employee (see Employee Definitions, p. F-6) allows for establishing a threshold for the number of hours regularly scheduled to work per week for determining eligibility for benefits. If such a threshold is established, use of "eligible part-time employee" refers to such part-time employees. However, it also may be expressed as "A part-time employee who regularly is scheduled to work ___ hours or more per week shall accrue sick leave on a prorated basis." For example, if a full-time employee accrues one day of sick leave for each month actually worked, a part-time employee regularly scheduled to work 20 hours per week would accrue a half a day per month actually worked.*

¹³ *As an incentive to conserve the use of sick leave and/or safeguard against longer term illnesses, some employers allow employees to carry over from one calendar year to the next some portion of unused sick leave, which may be expressed, as follows:" An employee may carry over to the next calendar year up to five unused sick leave days."*

Other employers allow employees to accumulate unused sick leave up to a maximum, which may be expressed, as

Employees do not receive pay for unused sick days upon termination.

D. Personal Days

Full-time employees and part-time employees who regularly are scheduled to work ___ or more hours per week will receive ___ days per calendar year to be used for personal business that cannot be attended to outside normal work hours. Personal days must be scheduled in advance.

Employees may not carry over personal days into the following calendar year and will not be paid for unused personal days upon termination.¹⁴

E. Bereavement Leave

In the event of a death in the immediate family of any employee, **XYZ Parish** will grant leave up to three (3) days, with pay equal to the employee's normal straight-time wages for each of these days which would be a normally scheduled workday of such employee and on which he/she would have otherwise worked, but not in excess of three (3) days' pay, to permit the employee to attend the funeral and take care of other matters in connection with the death.

For the purpose of funeral leave, immediate family shall mean father, mother, stepfather, stepmother, father-in-law, mother-in-law, sister, brother, child, stepchild, spouse, domestic partner, grandparents, grandchildren or member of the immediate household.

F. Jury Duty

If called for jury duty **XYZ Parish** will pay the difference between the employee's normal straight-time wages and the amount the employee receives from the court for all times he/she is absent for this reason during his normally scheduled workday. To be eligible for payment of jury duty pay, the employee must notify his supervisor promptly after receipt of his selection for jury duty, must give at least twenty-four (24) hours' notice of intended absence (unless a reasonable explanation is given for not complying with this requirement) and must furnish a written statement from the appropriate court official showing the date and time served and the amount of pay received.

follows: "Unused sick leave may be accumulated to a maximum of 30 days."

However, if employees are allowed to carry over or accumulate sick leave days, generally employees are not to be paid for unused days upon termination.

¹⁴ *Some employers combine sick leave and personal days or allow employees to use a limited number of sick leave days for personal reason, which may be expressed, as follows: "An employee may use two sick leave days per calendar year for personal business that cannot be attended to outside normal work hours. Use of sick leave for personal business must be scheduled in advance."*

G. Parental Leave

XYZ Parish will pay a minimum eight-week paid parental leave 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.¹⁵

H. Medical and Other Leaves of Absence

XYZ Parish will allow unpaid leaves for medical or other personal reasons for good and sufficient reasons.¹⁶

I. Health Insurance

Full-time employees and part-time employees regularly scheduled to work __ or more hours per week are eligible to participate in the **XYZ Parish** group health insurance plan. Currently, **XYZ Parish** pays the full premium for employees regularly scheduled to work __ or more hours a week. Employees who are eligible for health insurance are required to pay a portion of the premium. Employees receive coverage from the date of hire, provided they enroll within 60 days of that date.

[If applicable, include appropriate description of other benefits, e.g., Dental Insurance, Domestic Partner Benefits, Flexible Benefits Plan, Life Insurance, Short Term Disability, Long Term Disability Insurance, Lay Pension Plan, 403(b) Tax Sheltered Annuity, Educational Reimbursement, etc.]

J. Worker's Compensation

Any employee who sustains a work-related illness or injury may be eligible for workers' compensation. Eligibility for benefits will be determined by **XYZ Parish's** workers' compensation insurer and/or the Department of Industrial Accidents. All employees should immediately report a work-related injury to the **XYZ Parish** Office.

¹⁵ *It is the policy of the Diocese that a minimum eight-week paid parental leave will be granted for purposes of child birth, adoption or caring for a child following birth or adoption. However, additional paid or unpaid leave is encouraged based on individual facts and circumstances.*

If applicable, all congregations also must comply with state or federal law.

Massachusetts Law (M.G.L., c105D) requires that employers with six or more employees grant up to eight weeks leave without pay for purposes of child birth or adoption to an employee who has completed a probation period or been employed for at least three consecutive months as a full-time employee. The Federal Family and Medical Leave Act (FMLA) requires that employers with 50 or more employees grant up to 12 weeks leave without pay within a twelve-month period for purposes of child birth, adoption or caring for a child following birth or adoption or in the event of a serious illness of the employee, spouse or parent (and maintain paid health benefits for the duration of such leave) to an employee who has completed a year of employment and worked a minimum of 1250 hours over the previous 12 months.

¹⁶ *If applicable, a congregation also must comply with state or federal law relative to medical, e.g., Federal Family and Medical Leave Act (FMLA), and military leaves.*

K. Unemployment Compensation

In the event of involuntary termination by **XYZ Parish**, lay employees are **NOT ELIGIBLE** for unemployment compensation. The Diocese is a religious organization and as such is exempt from paying unemployment taxes on behalf of its employees.

MISCELLANEOUS

[In this section a XYZ Parish may wish to include miscellaneous information or policies, for example, parking, use of XYZ Parish premises, bulletin boards, telephones, computers, etc.]