

Guidelines for Dissolution and Severance Agreements for Installed Pastoral Relationships

(Rev. June 6, 2022)

Preamble

In recognition that there is a need for an orderly transition that is compassionate and equitable for the teaching elder and to the church when pastoral relationships end, the following guidelines are to be utilized. Regardless of the nature of the dissolution, the chair of the Commission on Ministry and the General Presbyter shall be contacted as soon as possible to offer advice, guidance, and assistance.

Types of Dissolution of Pastoral Relationships

Ordinary Resignations

An ordinary separation is when a teaching elder accepts another call to ministry, decides to leave the ministry, or retires. Such resignations require a written notice to the session, an affirmative vote of the Committee on Ministry, and an affirmative vote of the congregation. The teaching elder will be paid the cash equivalent of their unused earned vacation (but not study leave) at the date of dissolution.

Resignation Not Ordinary

Such resignations can become necessary when conflicts arise within the congregation that are focused on the teaching elder even though the teaching elder may have served the congregation honorably and in good faith. If the teaching elder has had insufficient time to seek a new call and will be unemployed when the pastoral relationship ends, the following guidelines for severance shall be considered: **one (1) month of severance per full year of service; however, regardless of years of service, a minimum of four (4) months to a maximum of ten (10) months of severance is recommended. In no case shall severance exceed one (1) year.** The teaching elder will also be compensated for any unused vacation time but no other unused allowances. A formal Severance Agreement will be entered into following the guidelines below.

Resignation and Transfer to Another Denomination

When a teaching elder who is pastoring a church considers leaving the Presbyterian Church (U.S.A.) for another denomination, it is expected that they will be in conversation with the General Presbyter and the chair of Commission on Ministry as they are going through the discernment process. This can be a time of great confusion for the church and warrants handling with grace and dignity. When a final decision is reached, the teaching elder should notify the General Presbyter and the chair of COM prior to notification to the session and church so that a representative of the presbytery can be present. The pastor's resignation is effective when the session is notified of their decision. The teaching elder will be entitled to compensation for any unused vacation time, but not study leave, and is not entitled to any severance. The COM will help the session obtain pulpit supply by providing names of qualified individuals and will appoint

a temporary moderator for the session until more permanent arrangements, i.e. an interim, etc., can be made. If the teaching elder is occupying a manse, arrangements should be made to move as soon as possible; but no later than a month after the resignation.

Death or Disability of a Teaching Elder

It is recognized that the Board of Pensions has benefits which will become effective at the death or disability of a teaching elder. Should the teaching elder be utilizing a manse at the time of death or disability, that benefit should be continued by the church for a minimum of three months.

Elimination of a Pastoral Position

The elimination of an installed pastoral position can come about for several reasons (examples: budget retrenchment or dissolution of a congregation).

This type of separation is at the discretion of the session and the congregation with the approval of the Presbytery through the Commission on Ministry. The session must notify the Commission on Ministry in writing after first consulting with the teaching elder. Recognizing that the teaching elder may have had insufficient time to seek a new call, it is appropriate for a congregation to enter into a Severance Agreement with the teaching elder, and the following guidelines for severance shall be considered: **one (1) month of severance per full year of service; however, regardless of years of service, a minimum of four (4) months to a maximum of six (6) months of severance is recommended. In no case shall severance exceed one (1) year.** The teaching elder will also be compensated for any unused vacation time but no other unused allowances. A formal Severance Agreement will be entered into following the guidelines below.

Separation for Cause

This type of separation can come about for abuse or misconduct, insubordination to proper church authority, neglect in the care and use of church property or funds, or conduct inconsistent with Presbytery standards. Such cause must be clearly documented and thoroughly substantiated beyond a reasonable doubt. Under such circumstances, a teaching elder will be paid for any unused vacation but will not receive a Severance Agreement nor compensation.

Severance Agreements

Utilizing these guidelines of the Presbytery, and in conformity with the same, the teaching elder and session will negotiate a dissolution and severance agreement for the installed pastoral relationship. Before becoming final, the agreement must be reduced to writing, approved by the teaching elder and session, approved by the Committee on Ministry, approved by the congregation (members of which must be furnished copies of the dissolution agreement no later than the date of first call for the congregational meeting at which the dissolution of call and the written agreement is to be considered),

and the dissolution and written severance agreement must be approved by Presbytery through the Committee on Ministry.

Minimum Severance Agreement Provisions

The dissolution of pastoral relationship agreement shall contain the following information:

1. The reason for the dissolution.
2. All financial agreements including but not limited to: salary continuation, benefits continuation, loan repayment or shared equity arrangement (where applicable), compensation for unused earned annual leave provision, use of office, equipment, etc., and terms and time limits on physical presence.
3. The agreement shall specify that if a teaching elder finds full-time employment prior to the end of the term of the agreement, that the church's financial obligations may end as of the date said full-time employment begins. Part-time employment will result in appropriate prorated adjustments in financial payments.

In cases where an agreement for the dissolution of the installed pastoral relationship agreement is not reached, an Administrative Commission may be elected and empowered to establish the terms of separation.

The Presbytery will not assume financial liability for such agreements. However, financial arrangements may be conducted through the Presbytery Office after the teaching elder's departure from the church. The church will make the agreed payments to the Presbytery at least seven days prior to the respective due dates for said payments to the former teaching elder, and the Presbytery will make the respective payment to the former teaching elder after receipt of payments from the church. This is intended to prevent unnecessary contact between the former teaching elder and the church.

The following provides sample wording for a severance agreement:

Severance Agreement

1. Reason for dissolution of pastoral relationship: _____

_____.

2. _____ Presbyterian Church will pay _____, at their current compensation rate (salary continuation and benefits continuation cash equivalent), for a term of _____ months.

Unused Benefits Pay-Out

___ Weeks of Vacation for a total of \$ _____

Dissolution Severance (*salary, SECA, housing, pension/medical/death and disability*)

___ Months for a total of \$ _____

The Dissolution Severance represents a continuation of the Pastor salary and benefits, payable in monthly installments in the amount of \$ _____, less any legally required withholdings, distributed in the following manner:

Salary/SECA	\$ _____	(through payroll)
Housing	\$ _____	(direct to Pastor)
Pension/Medical/Death and Disability	\$ _____	

3. If _____ finds full-time employment at less than their current terms of call prior to the end of the term of the agreement stated in the preceding sentence, then the financial obligations may end as of the date said full-time employment begins. Part-time employment may result in an appropriate prorated adjustment in financial payments effective with the commencement of the part-time service.