



Episcopal Diocese of Maryland Compensation and Benefits Guide

Adopted 2013

This Guide has been prepared for distribution to parishes so it will be available to all clergy, congregational leadership, and prospective candidates for clergy and lay positions.

The Compensation and Benefits Committee appreciates the Dioceses of New Hampshire and Washington whose compensation and benefits guidelines served as valuable references.

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Introduction
Goals of this Manual

1. To bring clarity, consistency and conformity to cash and non-cash compensation practices for clergy and lay personnel employed by congregations within the Diocese of Maryland.
2. To provide definitions and examples of practices, policies, or procedures applicable to full-time, part-time, temporary and/or supply staff.
3. To suggest practices applicable to the operational aspect of administering effective compensation and reimbursement programs.

Chapter 1 Implementation

A full understanding of this Compensation Guide is essential for all involved in determining levels of compensation and benefits for the clergy and lay employees of congregations. Therefore members of the vestry, advisory boards, personnel/compensation committees, finance committees, treasurers and clergy should periodically review this document (an annual review is highly recommended). In addition, the parish Compensation Review Committee should set and follow a regular schedule of reviewing compensation of all clergy and lay employees and Letters of Agreement of all clergy.

Those responsible for compensation review of clergy should keep in mind the following expectations:

- The Bishop won't allow calling of clergy to new positions in the diocese if these guidelines are not met, *including* the assignment of the appropriate salary according to all the provisions of the annual Resolution passed by Diocesan Convention.
- Wardens for congregations whose current clergy compensation and benefits (including salary consistent with the provisions of the annual Resolution) do not meet these guidelines, will make an appointment with the Bishop to develop a plan and timetable for reaching compliance.
- Clergy being called to a support position (curate, assistant, associate) may be called *only* if the senior cleric in the congregation is being compensated at a level that fulfills these guidelines.
- The annual Resolution passed by Diocesan Convention each year embodies the principle that the cleric's Total Assessable Compensation (TAC) should be commensurate with his/her background, experience, responsibility, and capability, and the TAC should, at least, enable the cleric to maintain a moderate standard of living in the community.
- Each congregation must have a written Letter of Agreement with each cleric, on file with the diocese.
- Each congregation should submit annually to the diocesan Human Resources office an amended Letter of Agreement showing any change in compensation, benefits, or other provisions of the agreement for the current year.
- Part-time clergy should be compensated on a pro-rated basis, using hours stipulated in their Letter of Agreement. Part-time as well as full-time clerics often have work weeks of variable length. However, for the pro-rata calculation, 40 hours is to be used as the basis (e.g., 20 hours of work is half-time, 30 hours is $\frac{3}{4}$ time, etc.).

Chapter 2

Clergy Work and Clergy Wellness: Principles for Clergy and Vestries

All members of the clergy are expected to maintain a healthy lifestyle, to be people of prayer, and to engage in continuing theological education. Therefore, the vestry and the cleric should together ensure the priest is able to:

- engage in appropriate regular physical exercise
- engage in spiritual direction or a similar regimen of self-examination and prayer
- maintain a healthy prayer life, not confined to praying for the intentions of the congregation being served
- have one continuous 24-hour period per week as a day off, for personal and family use
- take a one-day retreat at least quarterly and a one-week retreat at least annually
- attend at least one continuing education experience of two days or more each year, with the registration fee paid by the vestry or equivalent authorizing group
- take (not merely be entitled to “on the books”) holidays, vacation, professional development leave, and sabbatical leave

The work of parish clergy involves many different kinds of activities. While the emphasis and proportions of various kinds of activity will vary in different parishes and at different times of year, full-time clerics tend to work 40-55 hours a week: the liturgical season and particular pastoral situations make the workload heavier some weeks than others.

The activities of the priest include most, if not all, of the following (proportions will vary according to circumstances in different parishes; in multi-cleric parishes, some of the clergy may have no duties in some of these categories, and heavier duties in others):

- worship leadership
 - work with music director and other personnel to plan services and service bulletins (whether or not as a formalized Worship Committee)
 - schedule and oversee the work of acolytes, lectors, chalicists, and Eucharistic visitors (probably including periodic training)
 - celebrate masses; officiate at other services
- sermon preparation
 - Bible study (individually and/or with clergy peer group)
 - read commentaries on the lessons
 - other study in preparation
 - write the sermon
- teaching
 - teach and/or supervise adult Christian education
 - teach and/or supervise Confirmation classes

- pastoral care
 - hospital and nursing home visits
 - counseling
 - “check-in” phone calls to parishioners
 - pre-marital counseling
 - baptism planning/counseling
 - funeral planning
 - companionship at the funeral home
- parish leadership and planning
 - leading overall visioning for the parish
 - lay leadership development
 - modeling and fostering mutuality of ministry in the parish
 - exercising oversight, leadership, and supervision
- administration
 - reports, correspondence, newsletters
 - communication with diocese
 - oversee Christian formation/education (interact with director of religious education)
 - (with vestry) oversee stewardship, outreach, and events
- meetings at many levels
 - parish (vestry, committees)
 - diocese (regional council, various committees, clergy conference, diocesan convention, etc.)
 - neighborhood/town (civic association, town council, local ministerium, board of food pantry or shelter, etc.)
- events
 - local events such as fund raisers, neighborhood or town festivals
 - diocesan events such as ordinations, annual clergy renewal of vows

Chapter 3 Compensation

The Diocesan Canon 4-140, Section 1

The Compensation and Benefits Committee is charged with presenting a Clergy Compensation Resolution to the annual Diocesan Convention for approval. That resolution is governed by Canon 4-140, Section 1, of the Canons of the Diocese of Maryland. The Canon states:

- “The Convention, at each annual meeting, will by Resolution, set the minimum full-time annual compensation which will be payable to all parochial clergy during the next calendar year.” The resolution presented by Compensation and Benefits meets this provision by providing salary ranges based on the size (average Sunday attendance, known as ASA) of the congregation.
- “In addition, the Compensation and Benefits Committee reviews diocesan staff needs and compensation, provides input into the diocesan budget, and recommends health benefits for the diocese.” Because of changes in national canons concerning benefits, the Compensation and Benefits Committee now also makes recommendations for health benefits for all eligible employees, both clerical and lay.
- “Each parish in the diocese will establish a Compensation Review Committee, appointed by the Vestry. This committee will be responsible for an annual review of the elements of compensation for lay and clergy employees for the coming year.”

Other Applicable Guidelines

- Sample Letters of Agreement may be found on the diocesan website and downloaded for parish use.
- Current salary charts and diocesan resolution, as passed by Convention, are available on the diocesan website.

Definitions

Total Assessable Compensation (TAC) is the assessable compensation reported to the Church Pension Fund and includes cash salary, utilities, payments made for Social Security, equity allowances, other miscellaneous allowances, and housing, either in the form of a housing allowance or, if a rectory is provided, as 30% of salary. Compensation also includes such items as contributions to individual retirement accounts, cash gifts to clergy, and the payment of school fees for clergy children. This compensation amount does *not* include the pension payments made to the Church Pension Fund; any of the standard employee benefits such as health, life, and dental insurance; or reimbursed employee expenses as long as the reimbursement is based on actual expense.

Supplementary Income. The clergy won't charge fees for performing rites of the Church (including but not limited to baptisms, marriages, funerals) for members in good standing of the congregation. Any honoraria from active and non-active members of the congregation will be deposited to the cleric's discretionary fund.

The clergy may, however, receive income from other sources: for the performance of sacramental services on behalf of people not in any way related to the congregation; for professional services performed on personal time for groups unrelated to the congregation (example: giving a lecture, leading a retreat); or for sermons, books or articles published outside the congregation. Clerics who are on the diocesan staff won't charge fees or honoraria for serving as one-time supply priest in a congregation; however, if a diocesan staff member is to serve as long-term supply or interim in a congregation, the congregation and the diocese will come to an agreement regarding compensation and duties.

All such supplementary income is to be reported on Schedule C of the cleric's Federal tax return. Should a cleric desire to contribute any such income to the congregation, to the clergy discretionary fund, or to any other charitable organization, he/she should accept the personal income, then contribute via personal check, reporting the income on Form 1040, Schedule C, and the charitable deduction on Form 1040, Schedule A.

Lay Employee. A lay employee is any employee other than ordained clergy employed by a parish, congregation, or the diocese. An employee is not an independent contractor, nor is an independent contractor an employee. A lay employee is entitled to an offer letter describing the work to be done and the compensation to be received; this letter is not a contract. An employee may be designated as full-time, part-time, or temporary. Parishes must designate each lay employee as exempt or non-exempt. Questions concerning such classification should be reviewed with the diocesan Human Resources office. Lay employees may include, but are not limited to:

- choir and music directors
- education directors
- youth directors administrators
- child care providers
- bookkeepers
- secretaries
- sextons
- custodians

Compensation for church employees should be fair, equitable, and in line with the regional wages and salaries paid for comparable positions. Canon 4-140 of the Diocese of Maryland requires the Parish Compensation Review Committee annually review with the rector or vicar the compensation paid to all lay employees. The annual salary resolution passed by Convention includes information on the Living Wage for regions within the diocese.

Clergy Compensation

Every congregation in the Diocese of Maryland will provide its clergy with annual compensation which meets the criteria of the Resolution passed at each Annual Convention (note each resolution, usually passed in late spring, becomes effective at the beginning of the next calendar year). The provisions of this policy apply to all clerics serving as rector, vicar, priest-in-charge, interim rector, assistant, associate, or curate, and to those who may be employed by the diocese and its institutions as clergy in non-parochial or extra-parochial settings (example: chaplain). Clerics serving as direct staff of the diocese (canons and missionaries) are covered by this policy and by the policies in the *Diocesan Employee Handbook*.

The employment of a member of the clergy will be set forth in a Letter of Agreement (see samples on the diocesan website). The Letter of Agreement will detail the compensation, work expectations, and benefits provided to the cleric. The Letter of Agreement must be approved by the Bishop before employment may begin. The congregation will annually submit to the diocesan Human Resources office an amended Letter of Agreement for each cleric, detailing any and all changes in compensation, work expectations, and benefits.

Full- and Part-Time Clergy Compensation

The full- or part-time work is defined in the Letter of Agreement, which is subject to the approval of the Bishop or the Bishop's appointee. Church leaders must avoid the temptation to seek more work for less pay by designating clergy as part-time but expecting full-time attention. Such adjustment is particularly difficult for parishes scaling to a part-time priest. The vestry and priest may want to work with the diocesan Canon for Congregational Development to educate the congregation about that transition.

Vestries negotiating a part-time contract are urged to consult the diocesan Human Resources officer particularly on the matter of housing allowance or the imputed value of housing, since these calculations are complex.

Supply Clergy Compensation

Supply clergy fill in when the rector/vicar is on vacation, on sabbatical, or on approved leave. Standards for paying supply clergy form part of the annual Resolution passed by Convention. Vestries are urged not to use "long-term supply" as a means of saving on clergy salaries.

Self-Employment Contributions Act (SECA) Reimbursement

Although clergy are considered employees for federal income tax purposes, they are considered to be self-employed for social security tax purposes. As self-employed people, clergy are required to pay 15.3% of gross income from self-employment under the Self-Employment Contributions Act (SECA), which covers Social Security and Medicare taxes for the self-employed. Whereas FICA taxes are paid jointly by employee and employer, individuals receiving income from self-employment have no employer to share the cost of this tax. Some churches choose to reimburse the cleric for half/ all of the SECA. If the church *does* include SECA reimbursement in the cleric's compensation, that amount is considered a part of TAC for pension contribution purposes, and it is subject to federal taxes.

Chapter 4 Housing

Two options exist for clergy housing: 1) a church-owned house in which the cleric and family live, paying no rent, and 2) outside housing owned or rented by the cleric and family. In both cases a significant portion of the TAC is involved. Consult the diocesan Human Resources office for appropriate wording of a Vestry resolution awarding a tax- exempt housing allowance. For all tax issues concerning housing and housing allowances, the clergy are encouraged to consult the annual Church Pension Fund *Tax Guide for Episcopal Ministers*, found on the CPG website.

Church-owned Housing

Church-provided housing be on a par with typical housing in the community, and must be faithfully maintained. According to Church Pension Fund norms, the value of church-owned housing, plus utilities, is usually taken to be 30% of the cash stipend.

Maintenance of the house, including major appliances, mechanical systems and fixtures, as well as utilities and upkeep of the grounds, is the responsibility of the congregation.

The cleric is responsible for personal property and personal property insurance. In some cases, a reasonable portion of the cleric's cash stipend may be declared a housing allowance (i.e., when it is used to purchase certain household furnishings, services and insurance owned by the cleric and family). This portion is excludable from taxation to the extent documentation in substantiation is available. In such cases, the Vestry or Advisory Board must pass a resolution designating the amount of the allowance before January 1 of the year for which it is granted, and the text of the resolution must be included in the minutes of the granting body.

Clergy-owned or Rented Housing

When the cleric rents or buys housing, the Vestry or Advisory Board must set a housing allowance as part of TAC, and must do so both at the time of employment and thereafter each year before January 1 of the year in which the housing allowance is to be used. Each year, the text of the resolution must be included in the minutes of the granting body. To the extent the housing allowance is actually used for housing expenses, that allowance is tax exempt. There are, however, limits to the exemption, and *a tax manual should be consulted for details*. Allowable purchases include most items pertaining to the purchase and furnishing of a home. Typically allowed are the down payment, principal plus interest on a mortgage, real estate taxes, repairs, improvements, furniture, furnishings, and appliances. All of the housing allowance must be included in TAC for pension purposes.

Equity Allowance

When the cleric opts to live in church-owned housing, it is appropriate but not required for the Vestry to provide an equity allowance. If an equity allowance is to be provided, it must be specified in the letter of

agreement. This permits the cleric to build equity, similar to those opting for home ownership. Typically this amount is put in a tax deferred escrow account and is available after a minimum number of years' service to the congregation. The allowance is, of course, part of TAC.

Chapter 5 Benefits

Benefits, whether required or optional, are available to be used as and when needed. Unused benefits do not entitle a cleric or lay employee to further benefits or to compensation in lieu of benefits not needed or not taken.

Required and Optional Benefits

Clergy Pension. To comply with Canons of General Convention, each active priest must be enrolled in the Church Pension Fund (CPF). The Fund provides a pension to the cleric and, in the event of his/her death, to the survivors. The full cost of the CPF's assessment is the responsibility of the congregation or institution. The formula used for annual assessment is 18% of the sum of the annual stipend (cash salary) + SECA reimbursement, if provided + utilities + housing + equity allowance, if provided. CPF coverage provides age-retirement benefits, some disability benefits, a death benefit, and life insurance. The pension premium is required for full-time, part-time, and interim clergy, and for supply clergy who work for the same church for at least three consecutive months and earn at least \$200 a month, not including travel expenses. The importance of keeping premiums paid up to date on a quarterly basis cannot be overstressed. It is incumbent upon the clergy to check the status of payments on a regular basis. When payments are in arrears, a report is sent to the cleric and the diocesan bishop by the Church Pension Fund.

Lay Pension. The 76th General Convention passed Resolution A 138 and its associated Canon, establishing the Church-wide Lay Employee Pension System, naming the Church Pension Fund as the administrator. Under this resolution, Episcopal employers subject to the authority of the Church are required to provide a pension to lay employees scheduled to work 1,000 or more hours annually. Both a defined benefit plan and a defined contribution plan are available, and the employer makes the decision on which plan to enroll eligible lay employees. Before signing an offer letter with a lay employee, the Vestry should consult the diocesan Human Resources officer for up-to-date information on these options.

Insurance Plans and Options. All clergy and lay employees working 1000 or more hours a year are eligible for participation in health, dental, life, and disability insurance benefits. All enrollments, changes, and terminations in these plans *must* be processed through the diocesan Human Resources office. Enrollment must be within 30 days of the hire date. Health and Dental plans, and their premiums, usually change annually: open enrollment takes place in the fall for coverage beginning in January of the following year.

Health Insurance. The diocesan health plan provides choices of coverage for all eligible clergy and lay employees. All clergy should be enrolled in a diocesan plan unless covered through a spouse/partner's plan. Congregations will pay the full health premium for the cleric at least at the level of the least expensive plan offered; the cleric may choose to pay the difference in order to enroll in a more expensive

plan; coverage for spouse/partner and children is negotiable. By resolution of the 70th General Convention, all lay employees should be provided health insurance benefits comparable to those provided to active clergy. The choice of which plan to enroll in should be left entirely to the individual employee.

Dental Insurance. All clergy and lay employees are eligible for dental insurance coverage through the diocesan dental plan.

Life Insurance. Clergy, through the Church Pension Fund, and lay employees in the defined benefit plan. The clergy benefit equals four times the cleric's TAC, to a maximum of \$100,000. A group policy is also provided by the diocese and Church Life, in the amount of \$50,000 for clergy and \$25,000 for lay employees. *Those with more than \$50,000 life insurance provided by the employer will have an imputed income tax liability each year.* The IRS provides a table, available through the diocese, which must be used to determine the value of this benefit. Supplemental group term life is also available through Church Life Insurance Corporation.

Disability Insurance. The Church Pension Group offers a short-term (from 30 days up to 52 weeks) disability plan, underwritten by First Unum Life Insurance Co., for clergy and lay employees. Premiums for active clergy are paid by CPG; congregations are urged to budget for short-term disability for lay staff.

Long-term disability insurance is also available; enrollment must take place within 60 days of hire. The purchase of long-term disability insurance is highly recommended, for all employees but particularly for clergy; the letter of agreement (clergy) or letter of appointment (lay employee) should specify who will pay for it (cleric, congregation, or a shared arrangement).

Long Term Care. The Church Pension Group has in the past made long term care insurance available through Prudential Insurance Company of America. However, Prudential has ceased to underwrite new policies.

Tax-sheltered Annuity. Tax-sheltered annuities (403b), offered through CPF, provide an opportunity for the employer to reduce an employee's taxable salary by a specified amount, and pay that amount into an annuity for retirement. The plan, known as "The Episcopal Church Retirement Savings Plan 403(b) (RSVP)," is available only to clergy and lay employees enrolled in a defined benefit plan. Lay employees pay Social Security taxes on the amount going into the annuity; clergy, because they are self-employed for purposes of Social Security, do not pay taxes on the amount going into the annuity. Both clergy and lay employees should consult a financial advisor about the long-term tax implications of such annuities.

Worker's Compensation. By law, all congregations must pay Worker's Compensation premiums for their employees. This law assures compensation for medical care and loss of wages due to an accidental injury or personal or occupational illness that arises out of and in the course of employment. An injury must be reported immediately to one's supervisor. Coverage is readily obtained through the property and liability insurance carrier.

Unemployment Compensation. The Episcopal Church, being a non-profit organization, is exempt from federal and state unemployment taxes. If a church elects not to participate in unemployment compensation payments, the affected employees must be so notified in writing at the time of hire.

Clergy Weekly Time Off. Every cleric should have at least one continuous 24- hour period of time off each week for rest and refreshment. Letters of Agreement should reflect this necessity with absolute clarity. The congregation should be informed of the designated day on a regular basis. In case of an emergency causing the cleric to work on a designated day off, he/she has the right to take another day off within a reasonable time period. Wardens and other leaders are urged to keep both congregation and cleric faithful to this requirement.

Clergy Sabbatical. Cleric and congregation should plan well in advance for sabbatical time, which may be used for continuing education, travel, and refreshment. Typically, clergy receive three months of sabbatical time after five years served. Years of service toward sabbatical may *not* be carried from one parish to another.

Vestries should budget for sabbaticals on an ongoing basis. The Letter of Agreement should address such issues as timing of sabbatical for the mutual convenience of the cleric and congregation.

No more than three months of sabbatical time should be taken in any given year. The diocese expects the cleric will return to the congregation for a minimum of one year following the sabbatical leave. A terminal sabbatical (sabbatical taken at the end of the cleric's service to that parish) is not permitted, and unused sabbatical time may not be "cashed out."

In the case of a priest-in-charge becoming rector, sabbatical time should be counted from the time the original Letter of Agreement was signed.

Types and Amounts of Leave

Each Letter of Agreement or offer letter should list the types and amounts of leave available to that cleric or lay employee. While each parish may adopt its own policies on types and amounts of leave, such policies should be clear, equitable and consistent. Each type of leave offered should be defined in the Letter of Agreement or letter of appointment.

When developing leave policies, the vestry may wish to consider several types of leave, and the interaction among those types:

- vacation leave (how many days per year? in general, not more than two weeks should be permitted to carry over to the next year)
- personal leave
- sick leave
- maternity leave
- FMLA leave is not required of the diocese or its churches, unless the congregation or other entity has 50 or more employees (churches wishing to offer some form of parental/familial leave may give leave without pay or make this a specialized use of sick leave and/or vacation leave)

- public holidays (how many? which ones?)
- professional development leave
- jury duty
- military leave as required by law

Chapter 6 Business Expenses

Clergy and lay employees be reimbursed for expenses incurred for the congregation during the discharge of church responsibilities. This reimbursement is not considered compensation, but a reference to this policy may be made in a standard Letter of Agreement. Although historically clergy have been provided with an auto allowance, the negative tax implications of such an allowance make it advisable for the Vestry/Advisory Board to adopt an “accountable business expense reimbursement plan.” The IRS has issued extensive regulations regarding the guidelines for such a plan and the allowable reimbursable expenses.

The plan should include budget limitations, if any. Allowable expenses that are not reimbursed by the church may be deductible on the employee’s tax return, subject to limitations. The documentation requirements are identical for both employee expense reimbursement and for tax deductibility.

For more information on an Accountable Reimbursement Policy, as well as guidelines for reporting and record keeping, see the *Manual of Business Methods in Church Affairs*, available from the Episcopal Church website.

Standard reimbursable expenses include:

- **Transportation Expenses:** *not* commuting expenses, but trips from the church to another location (examples: pastoral visits to parishioners at home or in hospital, transportation to meetings).
- **Travel Expenses:** for business travel away from home (meeting, continuing education, convention, etc.), expenses include transportation, meals, lodging, tips. If travel is primarily personal, with some business conducted, no part of the expense is reimbursable. If travel expense is primarily business and is extended for a brief period for personal or vacation reasons, only the business-related travel and expenses are reimbursable. Spouse travel is reimbursable only if the spouse is an employee of the church, has an assigned business purpose, or is required by church policy to accompany the cleric.
- **Professional Dues and Meeting Expenses:** includes professional organizations related to work responsibilities, costs of attending Clergy Conference, Diocesan Convention, other diocesan committees and regional activities, and, for staff employees, such events as the Parish Administrators’ Workshop and diocesan workshops related to the employee’s work.
- **Educational Expenses (employer assisted):** Clergy are to receive an annual amount for educational purposes, not less than \$500. We recommend lay staff employees also be provided funds for work-related enhancement of job skills. To qualify as a reimbursable expense, the criteria are the same as for tax deductibility (i.e., the education expenses either required by the employer or it maintains or improves the employee’s job-related skills). Covered expenses may include tuition, fees, books and equipment.
- **Hospitality Expenses:** such as meals or snacks at a meeting. To be reimbursable, hospitality expenses must be directly related to the active ministry of the church, and be related to a substantial ministry/business discussion (e.g., lunch at a vestry retreat, snacks for a meeting of the

worship committee). Generally, meals with staff or co-workers are not considered to be reimbursable under the IRS guidelines.

- Subscriptions and Books: Employees may be reimbursed for these expenses within budget guidelines, if the materials are clearly work/ministry-related.
- Telephone: The vestry should pay the cost of *one* telephone, either cell or land-line, which is considered the cleric's primary telephone for communication with the congregation. The cleric should, however, reimburse the church for any charges related solely to personal use (e.g., long-distance personal calls for which the cost is billed separately).
- Discretionary Funds: In accordance with Canon III.5.b.6 of The Episcopal Church, the congregation provides money for a discretionary fund, to be used by the priest for charitable purposes. The discretionary fund is *not* an expense account and is *not* for the priest's use for personal or business purposes. Nor is it a "pass through" account for special collections. Chapter V of the *Manual of Business Methods in Church Affairs*, available from the Episcopal Church website gives detailed instruction for how transactions in a discretionary fund are to be recorded, accounted for, and audited.

Chapter 7

Mutual Ministry Review

The clergy, wardens and vestry agree to an annual discussion and mutual review of the total ministry of the parish, in order to

- Provide the clergy, wardens and vestry opportunity to assess how well they are fulfilling their responsibilities to each other and to the ministry they share.
- Establish goals for the work of the parish for the coming year.
- Isolate areas of conflict or disappointment that have not received adequate attention and may be adversely affecting mutual ministry.
- Clarify expectations of all parties to help put any future conflicts in manageable form.

A mutually agreed upon third party will be engaged to facilitate this process. All the parish clergy, both priests and deacons, should participate in the mutual ministry review.

While there are certainly interrelationships between the two, a mutual ministry review and a performance review of a cleric are different processes with different objectives.

Chapter 8

Performance Review

All employees, both clerical and lay, are entitled to an annual performance review.

The performance review of the rector/vicar/priest-in-charge should be conducted by the vestry as a whole, or by a committee reporting to the vestry.

Depending on the size and complexity of the congregation, the reviews of other clergy (deacons, curates, assistants, associates) and of lay employees may be conducted by the vestry, by committees, or by each employee's immediate supervisor.

The performance review should precede and should influence the setting of compensation for the next year.

Canon 4-140 of the Diocese of Maryland requires that the Parish Compensation Review Committee annually review with the rector or vicar the compensation paid to all lay employees.

Chapter 9 Suggestions for Times of Particular Stress in the Life of the Cleric

Because the relationship of cleric and congregation is so complex, stress or crisis in the cleric's life is likely to have spillover effects in the parish. The following may all be occasions of stress or crisis: serious illness of the cleric, his/her spouse/partner, or child; death of spouse/partner or child; alcoholism or drug abuse by cleric, spouse/partner, or child; marital discord; marital infidelity; divorce; long-term separation from spouse or family for any reason.

At times of stress or crisis, all parties have responsibilities that should be recognized.

Cleric's responsibility (in case of marital issues, the spouse/partner has similar responsibilities)

- Recognizing the problems, acknowledging the stress
- Discussing the problems with spouse/partner and children
- Seeking appropriate help (counseling, medical, legal)
- Counseling with the bishop for guidance
- Recognizing the potential impact on the congregation (management of church affairs, relationships with parishioners, emotional response of the congregation)
- Discussing with the Senior Warden, as appropriate, when problems impact on the parish

Vestry/Senior Warden's responsibility

- Approaching the cleric when problems impact upon the congregation
- Deciding what role the vestry should take
- In consultation with the bishop, finding ways to minimize the damage to the congregation

Bishop's responsibility

- Be available to cleric and family
- Have counseling resources available within the diocese
- Assist wardens, vestry, and cleric to assess and handle the situation

All due respect for confidentiality, boundaries, and personal feelings should be maintained by all parties throughout the discussions and negotiations that occur in resolving such situations.

The cleric and family should utilize all available resources, including but not limited to the free counseling service that can be accessed through the Employee Assistance Program (EAP) for those who are enrolled in the health plan or enrolled separately in the EAP.

Chapter 10

Suggestions about Retirement

Retirement is a normal part of the life cycle, yet it does not always receive the careful planning and attention it should. The Church Pension Group offers valuable seminars and other resources to help clerics and lay employees prepare for retirement; all church employees are urged to take advantage of these resources.

Goals, energy, relationships – all change over the years; consequently, both clerics and lay employees should periodically take time to consider the following questions:

- Who else should be involved in my decision about retirement? Who else's life will be changed if I retire?
- Will I have sufficient income when I retire? How can I do something now to increase my retirement income in the future?
- When should I sign up for a pre-retirement workshop or seminar?
- Have I examined my insurance with a view toward coverage after retirement?
- Do I keep tabs on my Church Pension and Social Security benefits estimate statements?
- Where will I/we live after I retire?
- How will I adjust to the change of role?
- What are the Church Pension limitations if I want to do supply or interim work after I retire?
- How do I set a date for my retirement? When will I tell people?
- How do I leave my position? How will I handle the congregation's leave-taking?
- What do I hope to do after retirement?

Clerics should also remember that the diocese and vestry, not the departing priest, oversee the process of choosing the next rector/vicar – and that the retired priest is required to have *no* involvement in the parish after retirement unless specifically requested by the new rector/vicar. It is the bishop's policy that the retiree won't officiate at baptisms, weddings, or funerals of parishioners or their children, because it undermines the relationship between those parishioners and their new rector/vicar. The retiree won't, and the retiree's spouse/partner should not, attend any service at that parish for at least two years after retirement. In most cases, the retiree and spouse/partner should worship together at some church other than the one from which they have retired.