

CHURCH OF THE UNITED BRETHREN IN CHRIST, USA
Agreement of Understanding

This agreement of understanding is between the following church and pastor:

Church: _____

Pastor: _____

This agreement presents the terms of the pastoral appointment by the stationing committee. It seeks to reduce the possibility of wrong assumptions/misunderstandings on the part of the pastor or the parish. The goal is a healthy working relationship between pastor and congregation.

Starting Date

Employment will begin _____.

Salary

The annual salary is \$_____ to be paid (circle one): weekly bi-weekly monthly

Social Security

State the amount of social security the church will pay the pastor this year. \$_____.

(Typically, the total pay package includes half the cost of social security. The amount is determined by combining the salary, housing, plus utilities, and multiplying by the government rate.)

If your pastor has opted out of the social security system, state how this benefit will be paid instead of a payment into the social security system. _____

Insurance

State the health insurance coverage the church provides for the pastor and family. _____

State the disability insurance coverage. _____

Pension

The denominational pension program has two-parts: the Defined Benefit Plan and the 403(b) Tax Sheltered Annuity Plan.

1. State the amount the church will pay to the Defined Benefit Plan. \$_____

2. State the amount the church will contribute via a Salary Increase Agreement to the 403(b) TSA Plan. (The treasurer withholds the pastor's percentage via a Salary Reduction Agreement and sends it directly to the denominational treasurer each month.) \$_____

(in lieu of salary reduction)

Housing

Will the church provide a parsonage or a housing allowance that will enable the pastor to rent or purchase a home? Yes No
State the fair monthly rental value of the house, or the monthly housing allowance provided for the pastor.

Rental value: \$_____ Monthly housing allowance: \$_____

State any expectations or restrictions concerning the parsonage (if any). _____

Utilities

What utilities will the church pay as part of the housing package? _____

- How are the utility bills paid? Paid by the church treasurer
- The pastor pays the utility bills and submits an expense voucher
- Other (explain):

Vacation

State the number of weeks of vacation per year. _____
(Standard guidelines: 2 weeks for 1-5 years of service, 3 weeks for 6-10 years, 4 weeks for 11-20 years, 5 weeks for 21+ years.)

How long does the pastor need to be at the church before receiving vacation time? _____

State any expectations of the pastor regarding vacation time. _____

Continuing Education Budget

What is the annual continuing education amount budgeted for the pastor? \$ _____

Moving Expenses

State the moving arrangements (rental truck, professional mover) and who is responsible for paying the moving expenses.

Travel Expenses for the Pastor

The church will pay _____ cents per mile for a maximum of _____ miles per year for ministry travel.

How often must the pastor turn in travel expenses to the church treasurer? _____

State any special arrangements regarding travel expenses. _____

Reimbursement Plan for Church Expenses

State the policy and procedure for the reimbursement of expenses incurred in the ministry (the cost of ministry should be paid by the church). Note: the IRS states that reimbursement of expenses cannot be deducted from salary.

What professional ministry expenses will the church cover?

- Home entertainment Continuing education Book allowance Work-related meals
- Ministerial luncheons, etc. Periodicals Conference expenses Professional dues
- Civic activities Equipment Other (state)

Review of Salary and Benefits

State when salary and benefits will be reviewed by the Personnel Relations Commission or Board of Administration. _____

Special Understandings (schooling, working spouse, pets, etc.). _____

PRC/Board Chairperson _____ Date _____

Pastor _____ Date _____

Cluster Leader _____ Date _____