

**The Romanian Orthodox Archdiocese
in the Americas**

**CLERGY COMPENSATION
AND BENEFITS GUIDE**

**Approved by the Archdiocesan Congress
July 2008**

The Romanian Orthodox Archdiocese in the America Clergy Compensation and Benefits Committee

Guidelines for 2008

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The Romanian Orthodox Archdiocese in the Americas

GUIDELINES FOR SALARIES AND BENEFITS FOR PARISH PRIESTS SERVING THE PARISHES OF THE ARCHDIOCESE

1.0 Introduction

The Clergy Compensation Committee was established by a resolution of the Archdiocese Eparchial Council on March 8, 2007.

The role of the Committee is to assist the whole of the Archdiocese in developing, maintaining and implementing guidelines for the compensation of the ordained clergy serving in parishes and missions under the jurisdiction of the Archdiocese. The Committee is charged with proposing guidelines to promote uniform, fair and equitable compensation and benefits for such persons engaged by parishes within the Archdiocese.

The Committee has focused on four specific goals relative to compensation and benefits for clergy:

- Attract, retain and support clergy to realize the mission and work of the Christ's Church with our Archdiocese and parishes;
- Allow a reasonable standard of living according to local and/or regional measures;
- Encourage a policy that the initial salary in a new clergy placement takes into account differences in length and range of experience relative to the scope of the position and/or role, while also considering the size, location and financial resources of the parish;
- Promote salary advancement and benefit improvements that reflect personal growth and experience in role, expanded responsibilities and other relevant factors.

The Committee has embraced the concept of Total Parish Priests Compensation standard for Parish Priests, Assistant Parish Priests, and Interim Parish Priests. The concept of the TPPC standard is one of a minimum compensation; that is, given the circumstances of the parish, it is the minimum total compensation that should be expected. This document presents guidelines that will be useful to clergy and parishes in applying the TPPC standard concept.

2.0 Compensation

2.1 Total Parish Priests Compensation (TPPC)

Total Parish Priests Compensation (TPPC) includes the cash stipend, utilities allowance, housing, SECA (Self Employment Contribution Act) allowance, if any, and all other cash compensation that is paid to an individual clergy. TPPC does not include benefits (e.g., pension, health or dental insurance, etc.) or reimbursement for job-related expenses described in these Guidelines.

The TPPC is also used for computing the annual pension contribution. It has been designed to provide a uniform basis for assessing and selecting clergy compensation in parochial situations.

The TPPC is substantially the same as “salary” as that term is used for secular occupations.

If the priest lives in the parish house (parsonage), the total cash stipend (i.e., salary, utilities, SECA (Self Employment Contribution Act) allowance if applicable, housing equity allowance, and other must be multiplied by approximately 1.30 to obtain the actual TPPC.

If parish house is provided, the following items are paid by the parish:

- Insurance on parish house (and property taxes, if any)
- Maintenance of grounds
- Repairs outside of the house (roofing, siding, etc.)

The clergy person pays for:

- Utilities (the congregation may actually pay them, and if so, they are included in TPPC)
- Insurance on personal property
- Furnishings

Capital improvements are subject to negotiation between the parish council and priest.

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 the parish priest 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 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 TPPC, depending on mortgage interest and property value inflation. Unless the property values inflate very rapidly or very slowly, 4% of the TPPC

is a reasonable annual equity allowance. Preferably it should be placed in a tax-sheltered account. Otherwise, it must be considered income.

The above equity allowance (if applicable) allotted to a clergy person who is provided a parish house must be included in TPPC. The Committee has developed worksheets for compensation computations that are included as Appendix A.

2.2 TPPC Standard

The TPPC standard applicable to each parish is determined using two formulas. The first relates to the size and capacity of the parish. The second relates to the mutually beneficial tenure that the priest has with the parish.

The **first formula** is as follows:

$$\text{TPPC standard} = \$20,000 + [(100 + \text{CPI}) \times \text{Points}]$$

CPI represents Consumer Price Index as published by Bureau of Labor Statistics in US or by Statistics Canada in Canada.

Points are determined as the sum of three factors, calculated from data taken from the most recent financial parish report:

- Total Current Operating Revenues (000's) X 0.30
 - Number of Current Members in Good Standing X 0.40
 - Average Current Sunday Attendance X 0.30
- = Total Points

No parish may use fewer than 30 points. Accordingly, for this component the minimum TPPC standard for full-time clergy employed as of October 1, 2007 is \$23,105 in US parishes (CPI =3.5%) and \$23,072 in Canada parishes (CPI =2.4%).

The **second formula** is as follows:

$$\text{Increments to TPPC Standard} = \$100 \times n, \text{ (where } n = \text{ years as priest in this parish)}$$

The TPPC standard is the sum of the values determined for the two formulas.

For example, if a parish reports an annual operating budget of \$100,000 and an average Sunday attendance of 100, and 100 members; and the priest has 10 years of service in the parish, then, as an example, the congregation's TPPC standard would be calculated as follows:

100 X .30 = 30 (where 100 is the annual operating revenues in 000's)

100 X .40 = 40 (where 100 is the current number of members)

100 X .30 = 30 (where 100 is the average Sunday attendance)

Total Points =100

TPPC standard for US clergy employed as of October 1, 2007 = \$20,000 + [(100 + 3.5) X 100] + \$100 X 10 = \$20,000 + \$10,350 + \$1,000 = \$31,350

TPPC standard for Canada clergy employed as of October 1, 2007 = \$20,000 + [(100 + 2.4) X 100] + \$100 X 10 = \$20,000 + \$10,240 + \$1,000 = \$31,240

2.3 Standard for Parish Priest, and Interim Priest

The TPPC standard applicable to a parish priest or interim priest shall be 100% of the TPPC standard for the parish.

2.4 Standard for Assisting Clergy

The TPPC standard applicable to a full-time transitional deacon or priest with three years or less service since ordination shall be 60% of the TPPC standard applicable to the parish priest. For example, the TPPC standard for a full-time transitional deacon or priest at a congregation with 100 points is 60% of the standard applicable to the parish priest or \$18,960.

For the purpose of these guidelines, a transitional deacon or priest 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.

3.0 Application

3.1 Determining the TPPC – Standard and Actual

A clergy person's TPPC is determined after reviewing the applicable TPPC standard and should be commensurate with his background, studies and degrees, experience, responsibility, capability and the salaries of others in comparable fields. The Committee emphasizes that the TPPC standard is meant to be a minimum TPPC for clergy in the positions and in the parish sizes identified. It is not meant to be either an average or a maximum.

The determination of TPPC Standard should consist of the following steps:

- First determine the component of the TPPC Standard in the first formula from Section 2.2. The factors in the formula are adjusted annually to reflect changes in

- the Consumer Price Index of the particular geographic area.
- Second, determine the component of the TPPC Standard in the second formula from Section 2.2. This \$100 component is meant as a real salary growth measure, which assumes that there is added value to a priest's ministry and that there has been mutually beneficial service and personal growth.
- Next, the sum of these two factors becomes the TPPC Standard for the particular parish and clergy for this year.
- Finally Compensation exceeding the TPPC standard follows from an assessment of each individual situation. The parish priest and the parish's lay 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 parish lay leadership in moving from the TPPC Standard, which is meant to be a minimum TPPC, to a TPPC which reflects the priest's and parish's understanding of their mutual growth above the minimum.

3.2 Additional Considerations in Calculating the TPPC

Additional Monetary Considerations:

Parish Factors – those factors that bear upon the life of the parish as developed by the priest and the leadership in mutual ministry, such as:

- Scope of Ministry
- Expanded Scope of Responsibilities
- Demonstrated Growth and Success of Mission/Parish

Professional Factors – those factors that bear upon the development of the priest as a Christian leader within the parish, such as:

- Teaching, Presentation and Communication Skills
- Extent of Archdiocesan participation
- Involvement in promoting parish partnerships
- Value Skills and Job Responsibilities such as:
 - Pastoral Experience
 - Pastoral Care and Counseling Skills
 - Significant Accomplishments
 - Ability to Coordinate and Mobilize Volunteers and Committees
 - Experience prior to ordination having a direct benefit to the parish.

Alternative Monetary Considerations: It is not required that all components of the TPPC be in form of cash compensation. Clearly, the use of the parish house (as applicable) is one form of non-cash compensation, which is part of the TPPC. Additional components might be considered on a case-by-case basis, such as:

- 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 parish and the needs of the priest lead the compensation discussion into the area of non-monetary factors. That is, the parish may be able to use certain perks and 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. (This may have monetary impact due to the costs of supply clergy while the parish priest 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 parish. (Examples might be, vacation homes of parish members, access to facilities of parish members such as exercise clubs, etc.)
- Access to certain professional services provided by parish members to the clergy at no cost to the clergy or parish. (Examples might be, legal services, financial planning, tax return preparation, etc.)

3.3 General Considerations

- Parishes are encouraged to review decisions relative to clergy compensation with a qualified professional, either an attorney or accountant, to ensure compliance with federal and state/provincial tax laws.
- Parishes are reminded that the TPPC is intended to enable the clergy person to maintain at least a moderate standard of living in the community.

3.4 Part-Time Clergy

Negotiations of the details of a compensation and benefits package for a part-time clergy person are complex. The TPPC for part-time parish priests 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 TPPC for a part-time clergy person, who may choose to receive a greater percentage of his 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.

3.5 New Clergy

The Archbishop and the Eparchial Council will question the naming of clergy to new positions if these Guidelines are not met. For clergy whose compensation and benefits package do not meet these Guidelines, a joint review by the Parish Council and Archdiocese's Eparchial Council to determine how to select the clergy's compensation and benefits equitably is required.

3.6 Letters of Agreement

Each parish should have a written compensation agreement with its parish priest. See Appendix C.

3.7 Parishes Data

Parishes and missions data should be compiled and reported annually by the Parish Council at every Deanery Assembly and Archdiocesan Congress. The report should include priests' salaries. To meet that end, the Clergy Compensation and Benefits Committee solicits and tabulates such information from the parishes in the Archdiocese. The tabulation is shown in Appendix B.

4.0 Benefits

4.1 Mandated Benefits

The following clergy benefits are required to be paid by the parish in addition to the TPPC:

US clergy:

- Full pension assessment -18% of TPPC
- Full health insurance premium - The full cost of the applicable single, two-person, or family coverage available in the area

Canada clergy:

- Canada pension plan contribution
- Employment Insurance
- Workers' Compensation Board (WCB)

Health Insurance - The Committee's guidelines mandate payment of the full cost of the applicable single, two-person, or family group health coverage for US clergy and any cost of the applicable single, two-person, or family group health coverage as required by Canada Health Act and as applicable in each province for Canada clergy.

In some cases, clergy can obtain health insurance coverage through another employer or a spouse's employer. The Committee recommends that each congregation establish a policy for the sharing of a portion of the savings with the clergy.

4.2 Optional Benefits

These include:

- (a) dental insurance,
- (b) long-term disability insurance,
- (c) term life insurance in excess of \$50,000.

These benefits, if provided, are not included in TPPC.

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

Sick Leave - Sick leave does not affect the TPPC.

4.3 Ministry-Related Reimbursements

Ministry related expenses are usually paid by the parish and might 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 TPPC.

5.0 Other Matters

5.1 Federal and State/Provincial Taxes

The federal and state/provincial tax regulations regarding clergy are notably different from those regarding lay persons. For guidance the following document may be helpful:

Church & Clergy Tax Guide (US parishes) Richard R. Hammer, JD, LL.M., CPA Christian Ministry Resources PO Box 2301 Matthews, NC 28106	Charities Handbook (Canada parishes) Canadian Council of Christian Charities 1-21 Howard Ave Elmira, Ontario, N3B 2C9 Phone: 519-669-5137 www.cccc.org
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In general, consider that:

Clergy IRS/CRA Taxation Status – In order to ensure that the parish and its staff meet the obligations under Federal taxation law, it is noted that pursuant to decided case law, Archdiocese guidelines and IRS/CRA guidelines clergy are treated as employees and therefore should receive form W2/T4 as record of their cash income in most circumstances.

USA

Clergy Federal Social Security Payment Status – The position of clergy under Federal Social Security laws is different than lay persons. Clergy are treated as if they were self-employed contractor 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 parish.

CANADA

Clergy Federal and Provincial Income Tax – The position of clergy under Federal and provincial laws is different than lay persons. All clergy is required to pay income tax as per Canadian income tax laws and all deductibles and allowances listed in the tax laws for clergy apply.

APPENDIX A
Worksheets for Compensation Computation

Worksheet for Determination of TPPC Standard
Compensation Computation When Housing IS Supplied
Compensation Computation When Housing IS NOT Supplied

Worksheet for Determination of TPPC Standard

First, collect the following data for this parish (latest parish report)

- Total Current Operating Revenues
- Number of Current Church Members in good standing
- Average Current Sunday Attendance
- Number of years that the clergy has served in the parish

Second, calculate the three components, A, B, C, and then add them to get the total parish points, as follows:

A = Total Current Operating Revenues (000's) X .30 = _____

B = Total of Current Members in Good Standing X .40 = _____

C = Average Current Sunday Attendance X .30 = _____

Points = A + B + C = _____

Third, calculate the value for the first formula for TPPC Standard using the following:

TPPC Standard (first formula) = \$20,000 + [(100 + CPI) X Points] =
\$ _____

Fourth, calculate the value for the second formula for the TPPC Standard using the following:

TPPC Standard (second formula) = \$100 X n = _____
n = years as priest in this parish

Finally, the TPPC Standard is the sum of the values determined from the two formulas, that is:

TPPC Standard = TPPC Standard (first formula) + TPPC Standard (second formula)
\$ _____

* No parish may use fewer than 30 points. Accordingly, for this component the minimum TPPC Standard for a new full-time clergy in the parish is 23105 considering CPI = 3.5% and n = 0.

Compensation Computation When Housing IS Supplied

TPPC standard for parish from the preceding worksheet _____

Compensation

Enter amounts the parish has established for cash compensation:

Salary _____

Utilities _____

SECA allowance (If applicable) _____

Housing equity allowance (If applicable) _____

Other compensation* _____

Total Compensation Cost (sum of above applicable entries) _____

To determine **TPPC**, multiply "Total Compensation Cost" by 1.3** _____ **(B)**

To compare to the TPPC standard, determine difference between line A and line C, and divide by line A, then multiply by 100 for per cent variation _____%

Benefits

USA

Pension payment (multiply TPPC (line B) by 0.18) _____

Health insurance premium(s) _____

Other (*specify*) _____

Total Benefits Cost (sum of above three entries) _____ **(C)**

Canada

Canada pension plan contribution _____

Employment plan contribution _____

Other (*specify*) _____

Total Benefits Cost (sum of above three entries) _____ **(C)**

Expenses

Travel reimbursement _____

Office Expense (e.g. phone) _____

Continuing education/fees, etc. _____

Supply Clergy _____

Other (e.g. Moving, Discretionary, etc.) (*specify*) _____

Total Expenses Cost (sum of above five entries) _____ (D)

Total Cost to Parish for Position (add lines (B), (C) and (D)) \$ _____

*i.e. non-professional club memberships, and any other cash that is paid to the priest in excess of (a) mandated benefits and (b) job-related reimbursements.(e.g. travel, office expense, hospitality etc) **This is the factor for determining the pension base (TPPC) in USA when a priest lives in church-owned property

Compensation Computation When Housing Is Not Supplied

TPPC standard for parish from the preceding worksheet _____(A)

Compensation

Enter amounts congregation has established for cash compensation:

Salary _____

SECA allowance (If applicable) _____

Housing equity allowance (If applicable) _____

Other compensation* _____

Total Compensation Cost (sum of above applicable entries)

_____ (B)

This is the TPPC

To compare to the TPPC standard, determine difference between line A and line C, and divide by line A, then multiply by 100 for per cent variation _____%

Benefits

USA:

Pension payment (multiply TPPC (line B) by 0.18) _____

Health insurance premium(s) _____

Other (*specify*) _____

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

Canada:

Canada pension plan contribution _____

Employment insurance contribution _____

Other (*specify*) _____

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

Expenses

Travel reimbursement _____

Office Expense (e.g. phone) _____

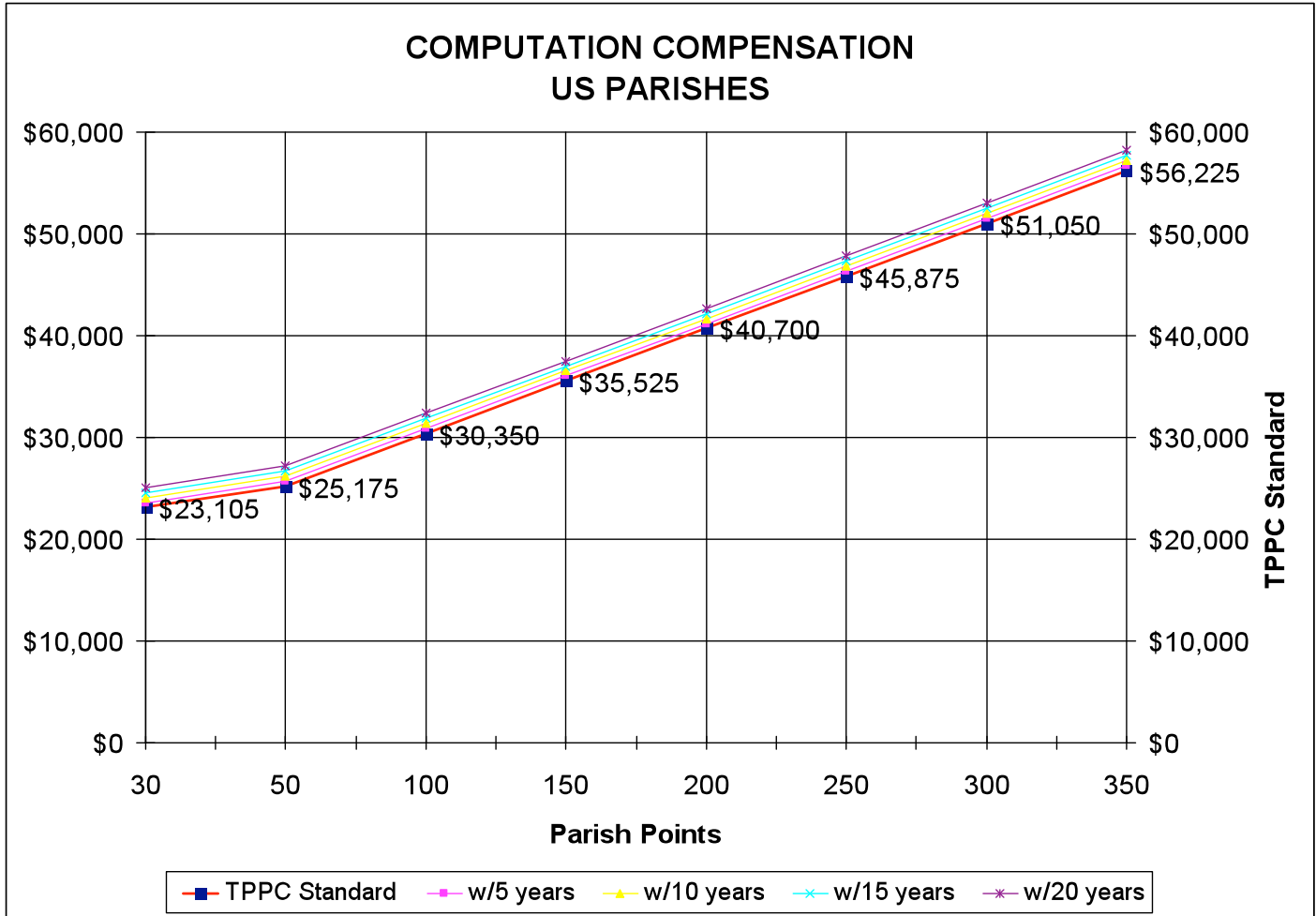
Continuing education/fees, etc. _____

Supply Clergy _____
Other (e.g. Moving, Discretionary, etc.) (*specify*) _____
Total Expenses Cost (sum of above five entries) _____ (D)

Total Cost to Parish for Position (add lines (B), (C) and (D)) \$ _____

*i.e. non-professional club memberships, and any other cash that is paid to the priest in excess of (a) mandated benefits and (b) job-related reimbursements.(e.g. travel, office expense, hospitality etc)

**APPENDIX B
Graph and Charts**



Parish Points	TPPC Standard	5 Yrs	10 Yrs	15 Yrs	20 Yrs
30	\$23,105	\$23,605	\$24,105	\$24,605	\$25,105
50	\$25,175	\$25,675	\$26,175	\$26,675	\$27,175
100	\$30,350	\$30,850	\$31,350	\$31,850	\$32,350
150	\$35,525	\$36,025	\$36,525	\$37,025	\$37,525
200	\$40,700	\$41,200	\$41,700	\$42,200	\$42,700
250	\$45,875	\$46,375	\$46,875	\$47,375	\$47,875
300	\$51,050	\$51,550	\$52,050	\$52,550	\$53,050
350	\$56,225	\$56,725	\$57,225	\$57,725	\$58,225

The Romanian Orthodox Archdiocese in the Americas - US Parishes -

Parish Name	Parish Data from Annual Parish Report				
	Operating Revenue	Nr. Of Members	Average Sunday Attendance	Total Points	Parish Data Year
CALIFORNIA					
Elevation of the Holy Cross - Hollywood					
Holy Resurrection - Sacramento					
St Patrick Mission - Sherman Oaks					
Sts. Archangels - Torrance					
GEORGIA					
Izvorul Tămăduirii - Atlanta					
Acoperământul Maicii Domnului - Atlanta					
ILLINOIS					
Sts. Constantine and Helen - Chicago					
New St. George - Lansing					
INDIANA					
St Mary's - Fort Wayne					
MASSACHUSETTS					
St. Parascheva - Boston/Wakefield					
St. Michael - Southbridge					
St. Nicholas - Worcester/Shrewsbury					
MICHIGAN					
St. Simion - Detroit					
Holy Trinity - Troy					
MINNESOTA					
St. Stephen - South Saint Paul					
NEVADA					
St. George - Las Vegas					
NEW YORK					
Protection of the Mother of God - Ellenville					
St. Dumitru Retreat and Monastic Center - Middletown					
St. Nicholas - New York					
Sts. Peter and Paul - New York					
Annunciation Mission - New York					
Holy Trinity - Rochester					
The Three Hierarchs Basil, Gregory and John - Syracuse					
OHIO					
Buna Vestire - Cleveland/Rocky River					
PENNSYLVANIA					
Holy Trinity – Philadelphia					
St. Andrei – Reading					
TENNESSEE					
St. Andrew – Nashville					
TEXAS					
Annunciation Chapel - San Antonio					
St Mary Mission – Austin					
Holy Protection of the Mother of God Mission - Houston					

The Romanian Orthodox Archdiocese in the Americas - CANADA Parishes -					
Parish Name	Parish Data from Annual Parish Report				
	Operating Revenue	Nr. Of Members	Average Sunday Attendance	Total Points	Parish Data Year
ALBERTA					
St. Mary – Willingdon (Boian)					
Descent of the Holy Ghost – Hamlin					
Holy Cross – Malin					
CALGARY					
Sf. Andrei – Calgary					
EDMONTON					
Sts. Constantine and Elena - Edmonton					
BRITISH COLUMBIA					
St. Nicholas – Surrey					
St. Gheorghe – New Westminster					
Holy Trinity – Victoria					
MANITOBA					
St. Demetrios – Winnipeg					
ONTARIO					
Holy Resurrection – Hamilton					
Sts. Peter and Paul – Kitchener					
St. Apostle Andrew – Mississauga					
St. Matthew – Ottawa					
St. Mary – Timmins					
All Saints – Toronto					
Sf. Dumitru / Sf. Trei Ierarhi Mission – Toronto					
St. George – Windsor					
Descent of the Holy Ghost - Windsor					
St. John the Baptist – Montreal					
Sts. Archangels Michael and Gabriel - Montreal					
St. George Mission – Montreal					
Monastere Orthodoxe de la Protection de la Mere de Dieu - Montreal	-			-	
SASKATCHEWAN					
St. Mary and Sts. Peter and Paul - Kayville					
Holy Trinity – Saskatoon					
Holy Transfiguration – Wood Mountain					
Ascension of our Lord – Elm Spring					
ARGENTINA					
Mision Catolica Rusa y Rumana – Ciudad de Buenos Aires					
VENEZUELA					
San Constantino y Santa Elena - Caracas					

APPENDIX C
Sample Letters of Agreement

LETTER OF AGREEMENT

between

The Rev. Fr. _____ and the Parish Council of _____ Church, City _____, State/Province _____, which has accepted him to be Parish Priest with the understanding that his ministry in the parish shall continue until dissolved by mutual consent or by arbitration and decision as provided by the Statutes of the Romanian Orthodox Archdiocese in the Americas. The relationship between a Parish Priest and a Parish Council 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 Parish Priest's salary will be \$ _____ per annum commencing on or about _____

The parties agree that the Parish Priest's Total Parish Priest Compensation ("TPPC") will equal \$ _____², including the amount of the Housing Allowance, if applicable, and _____

2. Housing³

[Option A – Parish Priest will not live in a Parish House]

The Parish Council agrees to adopt annually the necessary resolution required by the Internal Revenue Service designating that portion of the TPPC shown above as a Housing Allowance within the meaning of Section 1.107 of the IRS Code in the USA and as required by the Canada Revenue Agency in Canada..⁴

¹ This Letter of Agreement is intended to be negotiated after the Archbishop has named a Priest for consideration by the Parish, in accordance with the Statutes. 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 Parish Priest, 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 Archdiocese Guidelines for Salaries and Benefits.

² Specify other compensation received by the Parish Priest that may be considered part of TPPC. Consult the current Archdiocese Guidelines for Salaries and Benefits.

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

⁴ The amount of the TCC designated as a Housing Allowance should be the lesser of (1) the fair rental value

[Option B – Parish Priest will be living in the Parish House]

The Parish Priest and his family will live in the church-owned Parish House. The Parish Council 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 Parish Priest and his family are responsible for good stewardship in regard to the care of the parish house and will remain responsible for the general care and upkeep such as [specify particular responsibilities].⁵

The Parish Priest is expected to present an annual report to the Parish Council on the condition of the Parish House, with particular attention to items requiring maintenance.

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

Section B - PREMIUMS

- 1. The Parish Council will pay the following premiums as required by the Archdiocese:
 - (a) Pension Fund premiums based on the Parish Priest's TPPC in USA or Canada pension plan contribution in Canada;
 - (b) The cost of Health Insurance premiums [specify whether individual or family coverage] in USA or Employment insurance and Worker's Compensation Board (WCB) premiums in Canada.
- 2. The Parish council 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 Parish Priest, or in the case of the death of the Parish Priest, the following agreements apply:

(a) Regarding housing: ___ month(s) in Parish House or ___ month(s) Housing Allowance, to be negotiated by the Parish Council and the Parish Priest, or Parish Priest's spouse or other designee.

(b) Regarding compensation: ___ weeks/month(s) salary per year of service, up to a maximum of ___ weeks/month(s).

⁵

The specific responsibilities of the Parish Council and Parish Priest 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 Parish Priest while living in a church-provided Parish House will not build any equity in a home, a number of Parishes have agreed to fund an equity allowance through contributions to a tax sheltered 403(b) plan in USA or to an RRSP plan in Canada. Such other compensation is includable as TPPC.

Section C - EXPENSES

The Parish Council agrees to pay for the following expenses incurred by the Parish Priest in fulfilling his professional duties:

1. Moving: The cost of moving the Parish Priest's family and household goods when appointment has been accepted.
2. Travel: The Parish Council agrees to provide the Parish Priest with ____ .⁷
3. Communications: To provide for a telephone in the Parish Priest'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. Guests and Hospitality: The Parish Priest 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.
6. Professional Fees: Dues to professional associations, and the cost of professional periodicals, the amount to be established in the annual budget.
7. Continuing Education: The amount of \$_____ annually to support the Parish Priest's continuing education. The Parish Priest is expected to make an annual report to the Parish Council and/or parish on his continuing education work.

⁷Specify whether the Parish Priest 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 and Canadian reimbursement 2007 = \$0.50/kilometer

Section D - LEAVE TIME⁸

The Parish Council agrees that the Parish Priest shall have the following periods of leave at full pay:

1. ___ weeks 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 1 month of sabbatical leave for every 5 years of parish ministry, for the purpose of renewal, study, travel, and continued spiritual growth. *[Parishes may wish to adapt this time frame 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.]*

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

4. [Specify other leaves.]

Section E - SUPPLEMENTARY COMPENSATION

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

Section F - USE OF BUILDINGS

In addition to his use and administration of parish buildings for the discharge of his duties, the parish priest shall have the right to grant use of the buildings to individuals or groups from inside or outside the parish under general conditions to be determined in conjunction with the Parish Council.

⁸Currently, two or three weeks 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.

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

Section G - REGULAR PARISH GOAL SETTING

The Parish Priest and Parish Council will review the mutual ministry of the parish, on or about _____ (in no event more than one (1) year) from the Parish Priest's assumption of his duties on the basis of goals and expectations set at the time of his having been named as the new parish priest. Subsequently, periodic reviews (every year or two years) will be scheduled. These reviews for the purpose of goal-setting will cover the following items:

1. What are the missions and goals of the parish as presently understood?
2. What are the roles and tasks of the parish leaders (Parish Priest, Parish Council 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 Parish Priest and Parish Council, and at any rate shall be reviewed and revised no later than _____.

PARISH SIGNATURES

Date: _____ Parish Priest: _____

Approved by the Parish Council on (date) _____

Parish Council President: _____

Parish Council Secretary: _____

ARCHBISHOP'S SIGNATURE

Reviewed by the Archbishop:

Date: _____ Archbishop: _____

Appendix D
Members of the Clergy Compensation and Benefits Committee

George Popa
35-7 Davidson Blvd
Dundas ON L9H 6Y7
Canada
(905) 628-9045

Gpopa1@gmail.com

Alexandru Suba
24860 Grove Pond Way
Olmsted Falls Ohio 44138

(440) 239-9357 Home
(216) 403-7966 Mobile
@Sandu3@cox.net