
NORTHWEST COAST PRESBYTERY

POLICY and INSTRUCTION FOR

CREATING A DISSOLUTION AND SEVERANCE AGREEMENT

DISSOLUTION AND SEVERANCE AGREEMENTS

The dissolution agreement determines the terms for the termination of a pastoral relationship and includes, but is not limited to, termination date, unused vacation pay, interim medical coverage, resolution of loans the pastor may have from the congregation, etc. Settling and documenting these matters creates clarity for all parties and helps avoid conflict at the time of departure. Continuation of salary and benefits for pastors not moving immediately to a new call can serve as a bridge from one call to another in a vocation where mobility is limited and access to state/federal sponsored unemployment benefits is not available.

The terms of dissolution shall be set forth in a written agreement. The terms are negotiated between three parties: the congregation, the pastor, and the presbytery (or its commission). Because this agreement is a change in the terms of call, it must be approved by the congregation and the Presbytery. In determining the specific terms of dissolution, consideration must be given to the reason(s) for dissolution, the financial ability of the congregation, and the circumstances of the pastor. The agreement shall include an effective date of dissolution.

No congregation may begin negotiations of any severance agreement without first seeking guidance and counsel from the presbytery (or its commission).

The process for approving an agreement is as follows: (except when the Pastor is placed on leave of absence at the recommendation of COM, or is terminated by the Presbytery):

1. The congregation (or its elected/appointed commissioners) and pastor consult with COM.
2. The congregation, pastor, and presbytery mutually agree upon a written severance agreement. (See *Sample Agreement* at Appendix A).
3. Copies of the agreement must be distributed with the call for the congregational meeting according to the congregation's bylaws.
4. The congregation votes on dissolution of call and the written severance agreement.
5. The presbytery votes on dissolution of call and the written severance agreement.

Note: Steps 4 and 5 are interchangeable and can happen in either order. Presbytery can consider and vote first.

The agreement should specify that if the pastor or associate pastor finds full-time employment before the agreement term concludes, the church's obligations end as of the date said full-time employment begins. Part-time employment of the Pastor may result in appropriate prorated adjustments.

Financial accounting and documentation for the continuation of salary and benefits is the same as during regular employment.

CONSIDERATIONS FOR NEGOTIATED DISSOLUTION

The negotiated dissolution of a pastoral relationship with a church is often a time of distress for both congregation and pastor. All parties are encouraged to act in a spirit of mutual forbearance, fairness and forgiveness. A measure of mutual reconciliation is possible in the midst of dissolution. Feelings often are as important as facts in these matters. Honest statements of feelings and attempts at reconciliation are necessary for the future effectiveness of the pastor and the future health of the congregation. It is the responsibility of the church leadership – presbytery, congregation and pastor – to create a climate for that to happen, relying on the Spirit of God and example of Christ for strength and guidance.

Considerations for Pastors and Sessions:

Salary, Housing Allowance, and Pension/Medical Provisions: Recognizing that clergy do not have access to unemployment security payments, COM recommends that congregations consider continuing salary and benefits for between one (1) month minimum and six (6) months maximum beyond the effective date of dissolution, or until the pastor has found full- time employment, whichever occurs first.

Salary and benefit continuation may be negotiated but shall not normally exceed one month for each year served up to a maximum of six months and the cash equivalent of all unused annual vacation leave (prorated). Unused study leave or sabbatical leave will not be granted as part of a severance agreement.

Compensatory accounts associated with study leave or sabbatical work are forfeited. Professional expense accounts (i.e. car allowances and other perquisites) shall not be paid after dissolution date.

Payments should be made at the rates negotiated by the parties as part of the dissolution process.

Payment of severance allowance will not ordinarily be provided in a lump sum. The salary will continue on the regular schedule through the severance period.

The Congregation's share of the Pastor's pension and other benefits payments will continue to be paid by the church during the severance.

Congregation-owned manse: If a manse has been provided, the agreement should specify the occupancy termination date.

Loans/Equity Sharing: Outstanding loans and equity sharing arrangements are to be settled in accordance with the loan or equity sharing agreement. Such loans are part of the terms of call of the pastor and any forgiveness of such loans, unless provided for in the loan documentation, constitutes a change in call that must be approved by the congregation and the presbytery.

Pastoral Contact: The Pastor is subject to the Northwest Coast Presbytery Policy of Separation Ethics and the Letter of Understanding regarding professional contact with members of the former parish after the date of dissolution.

Role of Commission on Ministry:

Assist with severance agreement negotiations: Pastoral calls are established and dissolved by the presbytery. COM will represent the presbytery as a party to the negotiations. Specifically, COM will act as mediator and facilitator of negotiations.

Pastoral Counseling and Training: COM may recommend or require appropriate counseling, training or other services for the pastor. Continued receipt of severance payments during the period of the severance agreement may be contingent upon demonstration to COM of good faith effort in meeting these or other stipulated requirements.

Authority of Presbytery: The Presbytery through the Commission on Ministry will require that both the congregation and pastor fulfill obligations under the agreement, and may impose such sanctions as the Book of Order provides and as the presbytery deems appropriate. Sanctions may include, but are not limited to, withholding recommendations for future secular/ecclesiastical employment for the pastor and refusal to allow the Congregation either to begin or to continue a search process.

Role of Pastor:

Congregations that provide a severance package to pastors with whom they have dissolved a pastoral relationship are providing a benefit to a pastor in transition, often at financial hardship to the church. It is incumbent upon the Pastor covered by the severance agreement to be making every effort possible to secure a new calling or other employment.

NEGOTIATION PROCESS

When a “negotiated dissolution” has been deemed appropriate by the COM, the following sequence shall take place:

1. A presbytery representative shall meet with the session and explain the role of a dissolution agreement, severance, the negotiation process, and pertinent policy regarding dissolution.
2. The session shall elect a team to negotiate the interests of the congregation in the severance/dissolution negotiations.
3. The team shall consist of no more than three members, with at least one member being a current ruling elder and one member not currently serving on the session.
4. The pastor selects up to two individuals to accompany the pastor in the negotiations, to be approved by COM.
5. The presbytery trains the dissolution team in the process of negotiations.
6. The dissolution team selects a date for negotiations to begin.
7. The negotiations take place with members of COM acting as accompaniers and moderator.
8. Once an agreement is reached between the two parties, and approved by COM, the session may follow the next appropriate steps (see “General Steps” beginning on page 3 of *NWCP’s Policy For Dissolution Of Installed Pastoral Relationships*).

- C. Separation Ethics: All parties agree to abide by the Northwest Coast Presbytery Policy on Separation Ethics and understand violation of the policy shall result in forfeiture of financial payments under this Dissolution and Separation Agreement, in accordance with the *Northwest Coast Presbytery Policy for the Dissolution of Installed Pastoral Relationships* and/or other action deemed appropriate by COM.
- D. Release. In consideration for and as a condition of the payments and benefits provided, Rev. [NAME] and [ChurchName] PC hereby completely, unconditionally and irrevocably fully releases each other including the congregation, and its officers, trustees, staff, members, worshippers or representatives from any claims, liabilities, and obligations related to this call to ministry, compensation, or dissolution.
- E. Mutual Non-disparagement. The Session of [ChurchName] PC and Rev. [NAME] agree that both will seek the welfare of [ChurchName], its members and worshippers. As such, [ChurchName] session and Rev. [NAME] each agree not to knowingly disparage each other, the congregation's officers, staff, members, worshippers or representatives in any manner. This extends to statements made either publicly or privately, in written form or verbal, and includes email, social media, or other electronic media.

It is understood that this Dissolution and Severance Agreement is a final disposition of all matters between the Pastor and the releasees. This Dissolution and Severance Agreement contains the entire agreement between the parties hereto and any representations made before or during negotiation are hereby merged in their entirety and this agreement may not be modified.

The undersigned parties have negotiated this agreement in good faith and have every intention of being faithful in fulfilling it and further agree to the releases contained herein, representing that they understand its contents and sign it as their own free act after a full review of the contents.

APPROVED BY

This document can be executed via DocuSign (or similar document signing app) or using the wet signature of all parties.

_____	_____
Pastor	Date
_____	_____
Clerk of Session	Date
_____	_____
Commission on Ministry Moderator	Date

Copies of final, signed document to: Pastor, Clerk of Session, NWCP Stated Clerk