



Policy for Payment of Severance upon Dissolution of the Pastoral Relationship

There are many circumstances that lead to the dissolution of the relationship between the pastor and the congregation. This appendix covers compensation for the dissolution of the pastoral relationship. It does not apply to other church employees.

1. If a pastor voluntarily resigns because s/he has received another call, severance is neither customary nor expected.
2. Severance may be appropriate because pastors are not covered by state unemployment insurance.
3. Severance is required in instances where the pastoral call is involuntarily dissolved.
4. The Severance Package for a pastor shall be negotiated by the Session, the pastor, and representatives from the Committee on Ministry. A pastor's length of service to a congregation is a consideration when negotiating terms of severance. The formula for calculating severance is a minimum of 6 months of severance with 1 to 5 years service and 1 additional month per year of service to a maximum of 9 months of severance. The congregation approves the severance agreement as recommended by the Session.
5. Severance should be cash salary, housing (or use of manse, if applicable), utilities, and social security offset. Any pastor who is terminated (and is unemployed) has medical insurance coverage for thirty days from the date of termination, which is provided by the Board of Pensions at no charge. The church is responsible for continuing coverage only if it is part of the severance agreement until the end of the severance agreement.
6. Severance does not include professional expenses or allowance amounts. Study leave time and continuing education funds shall not be included in the severance package. Unused vacation time is to be added to the severance amount calculated on a basis of one week per quarter based on the month of hire.
7. Payments should usually be made according to the regular payroll schedule of the church. COM discourages the use of lump-sum payments.
8. Normally, severance ceases when the pastor obtains future employment comparable to or in excess of severance. However, if the pastor obtains employment that is not comparable to the former compensation, the church will make up the difference during the term of severance package.
9. This policy is normative and a church must prove financial hardship for this policy not to apply. Regular giving, savings, and endowments are all factored into a church's ability to pay severance.
10. In extraordinary circumstances, the COM may approve a higher severance package.