

7880 TERMINATION OF EMPLOYMENT AGREEMENT

FREE METHODIST CHURCH

[An agreement this _____ day of _____, _____ between the Official Board of the _____ Free Methodist Church and Pastor _____ with respect to the conclusion of Pastor _____'s appointment to the _____ Free Methodist Church]

THE PARTIES HAVE AGREED TO THE FOLLOWING:

1. Request for Transition:

In a written request to Bishop _____, on _____ 20____.

Options (Choose one to complete the sentence.)

- a) Lead Pastor _____ and the Official Board mutually agreed that his/her appointment obligations will have been fulfilled _____, 20____ and asked that _____ Free Methodist Church be placed in transition effective _____, 20____.
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- b) Lead Pastor _____ requested to be released from his/her appointment effective _____, 20____ thus placing the church in transition.
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- c) Assistant/Associate Pastor _____ requested to be released from his/her appointment effective _____, 20____.
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- d) The chair of the official board and delegate indicated that a strong majority of the official board has expressed in a recorded vote that they have lost confidence in the pastor's capacity to lead the congregation.
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- e) The Official Board completed a performance appraisal (see ¶335) and the overall average score was below 5.5. These results were referred to the bishop and the ministerial education, guidance and placement committee (MEGaP) and, after consultation, resulted in a decision by MEGaP that Lead Pastor _____ be released from his/her appointment effective _____, 20____ and that the _____ church be placed in transition.

2. Notice or Salary Continuance:

Options (Choose one)

- a) The Official Board and Pastor _____ agree that the standard 60 day notice period is sufficient notice and agree that the employment relationship will end on _____, 20____.
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- b) The period of time from _____, 20____ to _____, 20____ is considered to be a ____ week notification period, based on Pastor _____'s ____ years of service at the church.
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- c) The Official Board, Pastor _____, and the Director of Personnel mutually agree in writing to waive a portion of the standard 60 day notice and to allow Pastor _____ to conclude his/her schedule of activities at the church effective _____, 20____.

- d) In lieu of notice, the church has agreed to pay salary continuance to Pastor _____ at the rate of his/her regular salary through to (date) _____, 20____, (a total of ____ weeks). His/her regular monthly Housing Allowance and current group benefit coverage will continue to be paid for the same period. If there is a parsonage and it is vacated before the end of the salary continuance, the _____ FMC church will increase the monthly amount of the salary continuance by the monthly amount of the fair rental value of the residence plus the cost of utilities as stated in the previous year's Clergy Housing Allowance certificate provided by the church. See Par. 878.1.3

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- NOTE: If the effective date is beyond the 15th of the month, the full amount for benefit coverage will still be paid as per the insurance company policy.

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3. Vacation Entitlements:

Based on _____ months of service within the current year, Pastor _____ would be entitled to _____ days of vacation. _____ days of vacation time have already been taken and there are _____ days owing.

Based on _____ months of service within the previous year, Pastor _____ would be entitled to _____ days of vacation. _____ days of vacation time have already been taken and there are _____ days owing.

*Options (Choose **one** to complete this paragraph if there is time owed.)*

- a) This owed vacation time will be taken prior to the last day of employment at a time chosen by Pastor _____ and agreed to by the Chair of the Official Board.

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- b) This owed vacation time will be compensated based upon _____ days owing, as per above.

4. Travel Allowance:

Regarding car/mileage allowance and expenses, all activity will cease effective _____, 20____.

5. Personal and Church Property:

All personal property is to be removed from the church building and all church property (including but not limited to books, credit card, files, videos, electronic equipment and keys to the building) will be returned to the church office by _____, 20____.

If there is a parsonage, it will be vacated by _____, 20____.

6. Record of Employment documents:

Record of Employment (ROE) documents will be prepared for delivery to Pastor _____ within 5 days of the last pay day. **Please provide information as soon as possible to the Central Payroll Department at the Ministry Centre indicating what reason (according to the following CRA categories) should be put on the ROE:**

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|--|--|---|
| A. <input type="checkbox"/> Shortage of Work | C. <input type="checkbox"/> Return to School | D. <input type="checkbox"/> Illness or Injury |
| E. <input type="checkbox"/> Resignation | F. <input type="checkbox"/> Pregnancy | G. <input type="checkbox"/> Retirement |
| H. <input type="checkbox"/> Work Sharing | M. <input type="checkbox"/> Dismissal | N. <input type="checkbox"/> Leave of Absence |
| P. <input type="checkbox"/> Parental leave | Z. <input type="checkbox"/> Compassionate Care | K. <input type="checkbox"/> Other _____ |

7. PENSION AND GROUP BENEFITS:

It is understood that pension contributions cease on termination of employment. If the pastor is leaving the denomination, an option form can be requested from The Free Methodist Church in Canada at termination if the pastor wishes to transfer out of the Free Methodist Pension Plan to another registered pension plan or RRSP locked-in investment. Otherwise, pension payments will commence at the normal retirement date.

Pension: Please contact Isabel Garcia (isabel.garcia@fmcic.ca) to discuss your pension options.

Group benefits cease once a pastor terminates employment with a Free Methodist Church. Under the guidelines of the contract with the insurance company, pastors going into transition can continue to participate in the group benefits plan for a period of no longer than three (3) months provided they are seeking employment within the Free Methodist denomination in Canada. The employee premiums will be billed to the pastor. In instances where the pastor is transferring to another ministry or other employment, group benefits cease on the last day of employment with a Free Methodist Church.

The pastor may have the option to convert life insurance coverage to an individual policy without evidence of insurability provided necessary forms are completed within 30 days of termination, or within such other period as outlined by the insurance carrier.

Salary Continuance Agreements note: As noted above, Group Benefits payments by the local church normally end when the pastor's appointment ends. However, in the case of salary continuance agreements, the last day of employment (end of salary continuance) is later than the last day of the pastor's appointment (transition effective date). Salary continuance agreements include group benefits and pension payments during the period of salary continuance.

Dates and Understandings:

- a. _____ [name of church] will cease benefit payments to Pastor _____'s group benefits on _____, 20____ (the last day of employment).
- b. Pastor _____ is actively seeking employment within the FMCiC and requests that group benefits continue for 3 months: Yes _____ No _____.

- If "Yes," the monthly employee portion is \$ _____. Pastor _____ agrees to immediately provide 3 post-dated cheques to The Free Methodist Church in Canada for the employee portion of group benefits for the first 3 months of the transition period:

- dated the 1st day of the month for 3 months (if the last date of employment is on or before the 15th)

OR

- dated the 16th day of the month for 3 months (if the last date of employment is on or after the 16th)

The corresponding employer portion of premiums will be paid by The Free Methodist Church in Canada.

Group benefits will cease on [date] _____, 20____ (3 months from the last day of employment) if no appointment is secured in the FMCiC.

- If "No," group benefits will cease on _____, 20____ (the last date of employment noted in section a. above).

- c. Pastor _____ agrees to notify Administrative Services immediately upon securing permanent employment outside The Free Methodist Church in Canada.

8. Complete Record:

This document is to be considered a complete record of all the termination of employment arrangements agreed upon by the parties. When signed by both parties, it shall serve as a release of the local church by the pastor from any further responsibility beyond what is agreed upon in this document.

Signed,

_____, Pastor

Date _____

_____, Delegate

Date _____

Delegate - Print Name & Telephone Number

_____, Board Chair or Secretary

Date _____

Signature

Bd. Chair or Secretary - Print Name & Telephone Number

_____, Treasurer

Date _____

Signature

Treasurer - Print Name & Telephone Number

If the 8 week notice period is waived:

_____, Director of Leadership Development

Date _____

Please send a signed copy of this agreement to the Director of Administrative Services, The Free Methodist Church in Canada, 4315 Village Centre Court, Mississauga, ON