

## ¶880 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 15<sup>th</sup> 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.

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:**

- |  |  |   |
|--|--|---|
| 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](mailto: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 1<sup>st</sup> day of the month for 3 months (if the last date of employment is on or before the 15<sup>th</sup>)
- OR**
- dated the 16<sup>th</sup> day of the month for 3 months (if the last date of employment is on or after the 16<sup>th</sup>)

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 \_\_\_\_\_

\_\_\_\_\_  
Bd. Chair or Secretary - Print Name & Telephone Number

If the 8 week notice period is waived:

\_\_\_\_\_, Director of Personnel 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**