

Guidelines on Severance Pay for Ministers

The time when a minister's service at a church comes to an end leads to a critical transition for everyone involved. Transitions in a church's life present both unique challenges and opportunities for growth. The days ahead for the church most likely mean a search committee, months (or years) of pulpit supply, and a review of the church's philosophy of ministry.

But what about the minister? The transition for a minister is usually quite straightforward when he leaves one call to begin at another church. Stressful moments await with moving, meeting new people, and settling into a new place to live, but his financial support remains certain. However, when no new call is ready for a minister as his former call comes to an end, the session of the church he is leaving should consider providing a severance package as a final step in helping their pastor remain free of worldly care.

Ministerial calls end for many reasons. What follows are considerations for how a session and congregation can approach a potential severance package for a minister whose call is ending at their church.

What is the purpose of severance?

Severance pay is a period of continued compensation to a former employee and incorporates some or all of his former salary and benefits. Severance is offered in situations in which the employment ends either voluntarily or involuntarily. In the corporate world, severance pay is often linked to agreements by the former employee neither to sue in relation to their termination nor to disclose sensitive information about their former employer. In the church, where lawsuits and non-disclosure agreements are far less likely, different reasons emerge for considering severance to a minister who has no immediate employment prospects.

At its core, the purpose of severance for ministers is to protect the vulnerable. Ministers have a highly specialized degree that is specific to the work of ministry in the church. As a result, finding a new call or other employment can take a long time, leaving a minister in the meantime without the means to support himself and his family. Since a minister is to receive his living from the church in a way that gives him freedom from worldly care, it is only natural that the latest church that agreed to take up this responsibility would continue their obligation for his worldly care by offering severance compensation during the time of his transition to a new call or employment. Additionally, since the church itself has entered a transition time and is looking for their next pastor, they most likely have the funds on hand to provide some period of severance pay.

How do the circumstances of a minister's departure affect severance?

Many times, but not always, if a minister leaves a call abruptly with no new call before him, the circumstances are challenging, sometimes even scandalous. Calls may end because of a conflict on the session or even a church split. Regrettably, sometimes a call ends due to a moral failing on the part of the minister. When a minister's call ends poorly and emotions for all parties run high, it can be difficult for a church to commit to providing severance for a minister. While circumstances can impact how much severance a church is willing to provide, even in the

most troubling situations severance should still be considered for the sake of the minister's wife and children who almost certainly had no role and no responsibility in a difficult situation.

Does length of service affect the amount of severance?

Length of service can shed some light on the amount or duration of a severance package. A minister who has served a church faithfully for 10 or 15 or 20 years certainly deserves consideration for more severance based on their many years of service, even if the call ends in a difficult way. Even though a minister's length of service should be a consideration in determining the amount of severance pay, the main objective, regardless of years of service, should be to provide a level of severance compensation commensurate with the length of time needed for the minister to resettle or find a new call. In most cases, this would mean not less than six months of severance compensation, but a more realistic period might be one year beyond the end of the call to find another call or employment.

What if a minister finds a new call or employment prior to severance ending?

Some severance arrangements for ministers have a common understanding that should the former minister accept a new call or other full-time employment, then the severance pay would end, as the original purpose of the severance, unlike a corporate severance, is to care for the minister and his family while they are financially vulnerable. In cases when a minister has served a church for many years, the former church may opt to continue severance pay as a grateful acknowledgement for past service, even should that minister find a new call or employment.

What if a minister or his spouse have "employable skills?"

While a minister may lack additional skills or credentials to continue to support himself and his family at the same compensation level he was receiving as a minister, in some cases a minister has 'tentmaking'-type skills that can provide some level of financial support. Likewise, his spouse may have employable skills. In such cases, the family's financial vulnerability is greatly reduced. In such circumstances, a responsible church might lower their severance commitment but should still consider some level of support to help the family's finances stabilize until new employment can be established.

How does the church's budget come into play?

A final consideration when looking at severance pay for ministers has to do with the church's means in their budget. Typically, a church can afford severance because they were paying the ministers compensation already. Yet in some cases the church can no longer afford the former minister's compensation. Naturally, then, there are limits to how much severance can be provided. In response a church should do what it can while also seeking the presbytery's aid in providing diaconal support to the minister and his family.

Summary

Severance to ministers applies to the unique situation in which a minister leaves a call without a new call or employment in view. Many factors shape how much severance to offer to a minister, even when they leave in difficult circumstances. The driving factor to offer

severance is to help a financially vulnerable minister and his family, and in so doing a church can demonstrate love and mercy to their former servant, just as we all have received infinite love and mercy from our Savior, the Lord Jesus Christ. May he receive glory in the church.