



What is a Dissolution Agreement? Why is it necessary?

Years of experience has demonstrated that a dissolution agreement is necessary for clarity, for putting in writing little things that may be lost, to collate and agree upon such issues as moving from the manse or office, items that belong to pastor or church, unused funds or vacation, church cellphones or cellphone numbers, church credit cards and other things that might be appropriate. Putting all these things in writing reduces anxiety and provides clear communication for all involved.

The Dissolution agreement should contain, at a minimum, the following items:

- Identification of the parties (name of Pastor, Church/New Church Development and Presbytery)
- The specific reason(s) for dissolution /termination
- The dates by which various items listed in the agreement will be accomplished by pastor, session and, if needed, COM
- All financial agreements including unused funds, vacation, extension of BOP, church cellphones, and church credit cards need to be identified and clarified.
- Any statements of limitations on the agreement
- Date and signature of all of the parties--the session / congregation, the pastor and presbytery.

The Dissolution Statement will be added to the church's and pastor's COM files.

Please note: IRS does not allow for reimbursable/voucher items (mileage, con ed, medical etc.) to be part a dissolution/severance package for reimbursable/voucher items after date of termination. COM cannot approve any dissolution package that violates tax law (or any other law for that matter). If you have questions about severance and tax law please consult a tax specialist.

Sample Dissolution Agreement

Please adapt as appropriate to your situation

Terms of Dissolution between The Rev. (Name of Person) and
(Name of the Church), (Address/Location of the Church)

We, the members of the *name of church Session/Administrative Commission* agree to request dissolution of the pastoral relationship with the Rev. name of pastor / staff for the following reasons and on the following terms:

1. List reasons for the dissolution:

2. List the terms and conditions:

- Amount/weeks of salary to be paid
- Housing arrangements (if living in manse)/date to leave manse
- Unused vacation to be paid or taken.
- Vouchered items or reimbursements (i.e. mileage, con edu, professional expenses)
- Pension/medical reimbursements to be paid
- Repayment of loans
- Any special financial arrangements
- Provision for pastor's use of office, equipment, cell phone, credit card beyond termination date.

3. Timeline and date of separation

- ALL Ministry duties AND PASTORAL SERVICES will cease on the effective date set by the congregation and approved by the presbytery.
- Specify the date for the congregational meeting.
- Specify the date for presbytery action and completion of the dissolution agreement.
- Specify date for removal of personal property will be completed by date (ordinarily within 10 days of "a.").

4. Other terms to be spelled out

We the undersigned have negotiated this agreement in good faith and have every intention of being faithful in fulfilling it.

Approvals

Approved by the Session/Administrative Commission of name of church
location date

Signed _____

Date _____

Moderator of Session and/or Administrative Commission

Signed _____

Date _____

Clerk of Session

Signed _____

Date _____

Moderator of Committee on Ministry

Date approved by congregation _____

Copies to:

Pastor

Clerk of Session

COM liaison

Presbytery Office