

Guidelines and Procedures for Clergy Who Are Retiring

After the clergy person has notified the bishop of his or her intentions to retire, he or she should then set a plan for disclosing his or her intentions to the parish. Generally, 4-6 months' notice is appropriate in the case of retirement. This provides the clergy and the parish ample time to “say goodbye” and for the parish leadership to begin mobilizing a thoughtful transition plan.

Tips, Guidelines and Resources

Clergy Pension Group

Call (866) 802-6333 and request your retirement application material from Church Pension **at least three months** before your planned retirement date. Areas of attention should be:

- Review your calculation summary to ensure all information has been reported correctly.
- Confirm all beneficiaries are in place and correct
- All unpaid assessments must be paid prior to retirement
- Helpful tool is the [Retirement Checklist](#) produced by CPG

Diocesan Human Resources Manager

At least two months prior to retirement, contact Nancy Signore at (516) 248-4800 x111 to confirm everything needed to acquire benefits after retirement has been completed and for additional guidance with organizing your “to-do” list.

- Review cost of coverage for you and/or your spouse, whether you are eligible for Medicare or not
- If eligible, apply for Medicare Part A & B at least 2 months prior to retirement
 - This can be accomplished online at www.medicare.gov
 - Or by contacting Social Security Administration at (800) 772-1213 or online at www.ssa.gov.

Policy and Guidelines Regarding Severance Arrangements upon Retirement (cf. terminal sabbaticals)

From time to time a cleric announces his or her retirement, sets an end-date and works out an arrangement in which the parish extends his or her salary and benefits beyond the actual retirement date. While such arrangements are permissible, it is important that vestries and clergy be aware of the rules and procedures governing such arrangements.

It should be said at the outset that the term “terminal sabbatical” is a misnomer and is not used in the diocese. A sabbatical is a time of renewal or study for an active cleric

who intends to return to the ministry of the congregation having been restored. The term “sabbatical” should not be applied to a priest who is ending a ministry. When a congregation has agreed to extend salary and benefits of a cleric upon his or her retirement, they are agreeing to a friendly severance arrangement with their clergy. The relationship has ended (severed) but an arrangement for additional salary and benefits is made under friendly circumstances.

Severance arrangements are rare and generally not encouraged. A vestry considering such an arrangement must consider the following:

- 1) Clerics cannot “bank” unused sabbatical time. Sabbaticals must be taken during active ministry.
- 2) A severance arrangement has the potential of causing financial hardship, making it difficult to call an interim or even to cover the costs of supply clergy.
- 3) There can be potential for confusion regarding the end of the cleric’s ministry. “Has the priest moved on or is he lingering on behind the scenes?”
- 4) Finally, over the course of the cleric’s relationship with the church, payments of 18% of the cleric’s salary and benefits have been paid on behalf of the cleric into the Church Pension Fund. Upon retirement, the Church Pension Fund provides significant benefits including pension payments, extended health benefits, life insurance, and a 20K relocation benefit.

On the rare occasion that a vestry agrees to a friendly severance arrangement, the following diocesan guidelines must be abided.

- 1) The cleric, the vestry and the parish must be clear that a severance arrangement does not extend the tenure of the rector. A rector retires, turns in keys, and severs canonical and fiduciary obligations and no longer associates with the parish prior to receiving severance benefits.
- 2) The arrangement is not to exceed three (3) months.
- 3) Vestries must be able to show evidence that providing severance benefits will not adversely affect the ability of the congregation to move forward in mission.

The Church Pension Fund considers severance to be pensionable and therefore requires that an employer provide the severance agreement in writing to them and that the amount of the severance be noted in one lump sum and not spread out beyond the cleric’s retirement date. How the employer wants to payout the severance is their choice but for pension purposes it must be provided in writing and in one lump sum. Severance, as assessable compensation, is specifically mentioned on page 5 of [The Guide to Clergy Benefits](#).