

## **EMPLOYMENT CONTRACTS: The Basics and More**

### **Why do we need written contracts**

- defines relationship
- defines expectations
- outlines compensation package
- outlines performance expectations
- outlines lifestyle expectations
- defines process for termination
- avoids uncertainty of “verbal” representations
- assists others in the future

### **The necessities:**

- at least two “parties” – persons with capacity to contract
- clarity of language
- agreement on all terms (offer and acceptance)
- contract to be dated and signed
- contract to be executed free of duress, coercion, or undue influence

### **The contents:**

- legal names of each party
- commencement date
- description of “job”
  - define scope of job duties
  - hours/days of work week
  - overtime
  - position if to have additional titles
- description of any expectations
  - lifestyle
  - performance
  - personnel policies (i.e. sexual abuse, child abuse reporting, etc)
  - full-time (ability to earn income other sources or to hold offices in other organizations)
  - ability of employer to require “assessments” of employees
- term of employment
  - open-ended
  - fixed contract (time or project)
  - options for renewal
- compensation
  - salary
  - benefits/insurance
  - pension
  - allowances for vehicle, housing, expenses, books, study leave, vacation, conferences, continuing education, mechanism for annual review

- copyright
  - property ownership (music, texts, books, articles)
  - who owns
  - whose compensation
- discipline process
  - cross reference denominational process if any
- termination of contract:
  - by who
  - how (written notice)
  - timeliness of notice
  - grounds
  - compensation provision (may be minimum provided by law)
- resolution of disputes/interpretation
  - mediation
  - arbitration
  - litigation
- indemnification/insurance(malpractice)/legal costs

### **Ministers and churches**

- effect of denominational “credentials” on termination/service

### **Recommendations**

- review needs for contract with legal counsel before outset of employment relationships
- be familiar with Church policy/requirements as the Board or employee
- ensure any actions/contract authorized by relevant authority (Board/congregation)
- consult legal counsel on drafting of contracts
- consult legal counsel & Area Minister before instituting discipline or termination process