

Guide to Writing Employment Contracts



Why do we need written employment contract?

A well thought out employment contract can ensure that expectations with respect to performance, compensation and termination on the part of both the employer and the employee are clear at the beginning of the employment relationship.

Employment Contract should:

- 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

What are some of the basic elements?

- details of all “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

What should be included?

- legal names of each party
- commencement date
- description of “job functions”
 - define scope of job duties
 - responsible and reporting to
 - working hours per day and 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/Intellectual Property
 - property ownership (Music, texts, books, articles)
 - who owns
 - whose compensation
- discipline process
 - cross reference denominational process
- termination of contract
 - by whom
 - how (written notice)
 - timeliness of notice
 - ground for termination
 - compensation provision (may be minimum provided by law)
- resolution of disputes/interpretation
 - mediation
 - arbitration
 - litigation
- indemnification/insurance (malpractice)/legal costs

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 & the CBOQ Director of Leadership Development before instituting discipline or termination process for pastoral staff
- understand effect of denominational “accreditation” on termination of service

DISCLAIMER: This guide is provided for information purposes only and is not intended as advice to the local church. Information is current only as of the date that the guide was prepared. Readers are advised to seek professional advice for their particular situation.

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