

School District #62 (Sooke)

DEFERRED SALARY LEAVE PLAN - CUPE	No.: E-342
	Effective: Oct. 26/93 Revised: Oct. 25/05

ADMINISTRATIVE REGULATIONS

DEFERRED SALARY LEAVE PLAN

- A. It is desired to establish for the benefit of employees of the Board a plan to enable them to fund leaves of absence from employment of not less than 6 consecutive months through deferral of salary on such terms as may be set out in this agreement.
- B. It is intended that such plans qualify as "prescribed plans" within the meaning of Regulation 6801 of the *Income Tax Act* (Canada).

The following sets out the terms of the Self-Funded Leave Plan for the eligible employees of the Board of School Trustees of Sooke District.

1. **DEFINITIONS**

"Accrued interest" means the amount of interest earned in accordance with Clause 3.3 on the monies retained by the Board on behalf of the participant, calculated from:

- a. the first day any of such monies has been received by the eligible financial institution, or
- b. the last date to which interest has been paid in accordance with Clause 3.5

whichever is later.

"Agreement(s)" means the agreement(s) in force from time to time between the Board and the Union.

"Union" means Local 459 of CUPE.

"Board" means the Board of School Trustees, School District No. 62 (Sooke).

"Committee" means the Labour Management Committee.

"Contract year" means the 12-month period from July 1 to June 30.

"Current compensation amount" means the total compensation payable by the Board to the participant for the contract year, including his/her proper wages in accordance with the agreement(s) in force.

"Deferral Period" shall be the number of years not to exceed six (6) years for which compensation is deferred in accordance with Clause 3.1, including the years referred to in Clauses 4.4 and 4.5, if applicable.

To allow for the possible application of these clauses, the original deferral period should not exceed five (5) years.

"Deferred compensation amount" means the portion of the current compensation amount which is retained by the Board for a participant in each year in accordance with Clause 3.1 and augmented from time to time by interest thereon calculated in accordance with Clause 3.3 but less all interest paid to the participant in accordance with Clause 3.4.

"Eligible employee" means a regular employee of the Board in continuing employment.

"Eligible financial institution" means any Canadian chartered bank, any trust company authorized to carry on business in the province of British Columbia, and any credit union authorized to carry on business in the province of British Columbia.

"Leave of absence" means the period described in Clause 4.1.

"Memorandum of agreement" means the agreement described in Schedule "A".

"Participant" means an eligible employee who has completed a memorandum of agreement and whose application for participation in the plan has been approved by the Superintendent in accordance with Clause 2.2.

"Plan" means the self-funded leave plan set out in this agreement and includes all amendments thereto.

"Superintendent" means the Superintendent of Schools.

2. **APPLICATION**

Formal Application

2.1 In order to participate in the plan, an eligible employee must make written application by way of Schedule "A" to the Superintendent by May 31st of the year in which the deferrals are to commence.

Approval

2.2 The approval of each application made under Clause 2.1 shall rest in the sole discretion with the Superintendent. The Superintendent shall, by the June 30th preceding when the deferrals are to commence, advise each applicant of his/her approval or disapproval of his/her application, and if the latter, an explanation therefore.

Date of Participation

2.3 If the Superintendent gives his/her approval in accordance with Clause 2.2, the participation of the eligible employee in the plan will become effective on September 1st of the first year of the program.

3. **FUNDING FOR LEAVE OF ABSENCE**

Funding for leave of absence shall be as follows:

Compensation Deferred

Two plans exist: a four-year deferral toward a fifth year leave, and a five-year contribution toward a sixth year leave.

- 3.1 During each year of the deferral period, the participant will receive his/her current compensation amount, less the percentage amount which the participant has specified in the Memorandum of Agreement which is to be retained by the Board and less statutory deductions and other withholdings. Such percentage amount may be varied, subject to Clause 3.2, by giving written notice to the Board at least one (1) month prior to July 1 in any year for the next or subsequent years.

Maximum Percentage Deferred

- 3.2 The percentage of the annual current compensation amount deferred by the participant cannot exceed thirty-three and one-third (33 1/3) percent.

Investment of Deferred Compensation

- 3.3 The monies retained by the Board for each participant, in accordance with Clause 3.1, including interest thereon (until paid out in accordance with Clause 3.4) shall be pooled and shall be invested and reinvested by the Board in investments offered from time to time by an eligible financial institution. The monies retained shall be forwarded to the eligible financial institution within fifteen calendar days. The Labour Management Committee shall choose such eligible financial institution and in making such determination the Board, the Union and member of the Labour Management Committee shall not be liable to any participant for any investments made which are authorized by this clause.

Insolvency

- 3.4 In the event that any of the monies retained and invested pursuant to the terms of this plan be lost by reason of insolvency of the eligible financial institution, the Board shall not be obliged to pay the participants any further amounts in respect to services for the deferral period.

Payment of Accrued Interest

- 3.5 The eligible financial institution shall pay the accrued interest of each December 31 to the participant.

Reporting to Participants

- 3.6 The Board shall make, no later than July 31 of each year, an annual report to each participant as to the deferred compensation amount held as at June 30.

Maintenance of Fringe Benefits and Superannuation

- 3.7 a. The eligible employee's fringe benefits will be maintained by the Board during his/her leave of absence; however, the premium costs of all fringe benefits shall be paid according to terms of the collective agreement. The employee will pay through payroll deduction each month or make a lump sum payment by June 30 in the year the leave will commence to cover his/her share of premiums.
- b. While on leave, any benefits tied to wages level will be structured according to the wages the employee would have received as if the employee were working in the leave year.
- c. The employee shall be responsible for the full cost of the superannuation for the length of the leave.

4. TAKING OF LEAVE OF ABSENCE

The taking of a leave of absence shall be governed by the following provisions:

Minimum Length of Leave

- 4.1 The leave of absence shall be for not less than six (6) consecutive months.

Manner of Payment During Leave

- 4.2 The time and manner of payment to the participant during the leave of absence shall be in accordance with a plan determined by the participant prior to the commencement of leave, but in any event payments shall not be more frequently than provided for the payment of regular salaries and all amounts payable shall be paid to the participant no later than the end of the first taxation year that commences after the end of the deferral period.

Amount of Payment During Leave

- 4.3 The total of the payments to be made to a participant in accordance with Clause 4.2 during a leave of absence shall be the deferred compensation amount retained by the Board, but less any monies required by law to be paid by the Board for or on behalf of a participant. The participant shall not receive any salary from the Board during the leave other than the deferred compensation amount.

Board's Right to Refuse Leave

- 4.4 If the Board is unable to obtain a suitable replacement for a participant for the period of a leave of absence specified in the Memorandum of Agreement, the Board, upon not less than six (6) months' notice prior to the scheduled date for the commencement of the leave, may in its discretion, defer the leave of absence on one occasion only for one year.

In such case, the participant may choose to remain in the plan or may withdraw from the plan.

Participant's Right to Defer Leave

- 4.5 Notwithstanding the period of leave specified in the Memorandum of Agreement, a participant may, on one occasion only, with the consent of the Superintendent given not less than six (6) months' notice prior to the scheduled date for the commencement of the leave, postpone such leave for one year.

Leave of Absence

- 4.6 The leave of absence shall immediately follow the deferral period.

Return to Employment

- 4.7 The participant shall return to employment with the Board or with an employer that participates in the same or a similar plan to fund leaves of absence for a period not less than the period of leave.

5. WITHDRAWAL

Termination of Employment

- 5.1 A participant who ceases to be employed by the Board also terminates participation in the plan.

Withdrawal from Plan

- 5.2 A participant may request withdrawal from the plan by giving written notice of withdrawal not less than six (6) months prior to the date on which the leave of absence is to commence. This request will be reviewed by the Committee.

Payment

- 5.3 Upon termination of employment and/or withdrawal from the plan, the Board shall pay to the participant the deferred compensation amount, including any unpaid interest, within sixty (60) days or, at the option of the participant, at a later date but no later than the end of the first taxation year that commences after the end of the deferral period. Reimbursement will be subject to statutory withholdings as stipulated in the *Income Tax Act*. Upon such payment being made the Board shall have no further liability to the participant.

Upon Death

- 5.4 Should a participant die, the Board shall, within sixty (60) days of notification of such death, pay any deferred compensation amount retained at the time of death to the participant's estate, subject to the Board receiving any necessary clearances and proofs normally required for payment to estates.

6. **TERMINATION OR AMENDMENT OF PLAN**

Agreement

6.1 The plan may be amended or terminated by agreement between the Board and the Union.

7. **GENERAL**

7.1 The Board will bear the administrative expenses of the plan.

7.2 The matters of the composition of the committee, the assignment on return from leave, the salary and benefits after the leave shall be dealt with by agreement between the Board and the Union.

SCHEDULE "A"
DEFERRED SALARY LEAVE PLAN MEMORANDUM OF AGREEMENT

I have read the terms and conditions of the Self-Funded Leave Plan and understand same and I agree to participate in the plan under the following terms and conditions:

1. Commencement

My deferrals shall commence _____, 20__.

2. Number of Years of Participation

I shall participate in the four-year plan _____, the five-year plan _____, and my leave of absence shall immediately follow thereafter but subject to the provisions of paragraph 3 below.

3. Period of Leave

In accordance with Clause 4.6 of the Plan, I shall take my leave of absence from _____, 20__ to _____, 20__, (not to be less than six (6) consecutive months) but I shall have the right in accordance with Clause 4.5 of the plan to postpone such leave for twelve (12) months and the Board shall have the right, in accordance with Clause 4.4 of the plan, to defer such leave for twelve (12) months.

4. Funding of Leave of Absence

In accordance with Clause 3.1 of the plan, I direct that the Board withhold _____ percent (not to exceed thirty-three and one third (33 1/3) per cent) of my current compensation amount during my participation in the plan.

I understand that I may, by written notice given to the Board one (1) month prior to July 1 in any year, alter the percentage amount for the next or subsequent years.

5. Return to Employment

I understand I must return to employment with the Board or with an employer that participates in the same or a similar plan to fund leaves of absence for a period of time not less than the period of leave.

DATED _____

AGREED TO BY THE BOARD

DATE _____

Superintendent