

DEFERRED SALARY LEAVE PLAN

Background

The Deferred Salary Leave Plan has been developed to afford an eligible full time teacher the opportunity to finance a one (1) year leave of absence without compensation by deferring portions of his/her regular salary to finance the year of the leave. It is the intent that this plan will be of no cost to the Division.

Procedures

1. The term of a leave of absence under the Deferred Salary Leave Plan shall normally be a twelve (12) month school year period from September 1 to the following August 31. Under no circumstances shall any leave under the plan exceed one (1) school year.
2. Eligibility
 - 2.1 A full time teacher with continuous contract status who has performed a minimum of one (1) year of active teaching service with the Division may be eligible to enrol in the plan, provided such teacher has fulfilled all the conditions for any previously granted form of leave.
3. Application and Notification
 - 3.1 An application by an eligible teacher for the Deferred Salary Leave Plan shall be made in writing and must be submitted to the Superintendent or designate on or before January 15 of the school year, preceding the school year in which the eligible teacher wishes to enter the plan. The eligible teacher shall indicate the period over which the deductions are to be made.
 - 3.2 The approval of the application by an eligible teacher rests solely with the Superintendent.
 - 3.3 The Superintendent or designate shall, by April 15 of the school year preceding the school year in which the eligible teacher wishes to enter the plan, advise such teacher in writing of the approval or disapproval of his/her application.
 - 3.4 If the Superintendent gives his approval, the participation of the eligible teacher in the plan will become effective on the date mutually agreed to by the Superintendent and the teacher.
 - 3.5 Before final approval for participation is granted by the Superintendent, the eligible teacher must complete and sign an agreement wherein are set the terms and conditions of participation in the plan.
 - 3.6 The agreement must be signed by the eligible teacher and returned to the Superintendent or his/her designate by May 15 of the school year preceding the school year in which the eligible teacher has been given approval to enter the plan, or such teacher shall be deemed to have withdrawn his/her application to participate.

4. Deferred Salary Formula

- 4.1 During each school year prior to the leave of absence year, the participating teacher will receive his/her regular annual salary less the percentage of salary the eligible teacher and the Division have agreed to defer in an executed agreement. This accumulated percentage of salary plus any interest earned less any deductions shall be retained for the teacher by the Division to finance the year of leave.
- 4.2 The percentage of regular annual salary to be deferred in each year shall not exceed the percentage when 100 percent is divided by the total number of years the eligible teacher and the Division have agreed to participate in the plan, including the year of leave.

5. Income Tax

- 5.1 The amount of income tax to be deducted is dependent upon the Division receiving a ruling to the satisfaction of its solicitor from Revenue Canada that the Deferred Salary Leave Plan contemplated hereby is not unlawful and is acceptable to Revenue Canada, and that the amount of income tax to be deducted may be computed on the actual salary received by the participating teacher during each of the calendar years s/he is enrolled.

6. Administering The Deferred Salary

- 6.1 The deferred annual salary amounts shall be placed in trust in an approved financial institution in the Division's name and shall be administered by the Division.
- 6.2 In consideration of the administrative services performed by the Division, the participating teacher shall indemnify and save the Division harmless against any expenses, claim, or liability arising out of or resulting from such services.
- 6.3 The Division, if necessary, shall deduct from the deferred annual salary amount of a participating teacher any expenses incurred in the administration of this plan.
- 6.4 The Secretary-Treasurer or designate shall make an annual report to a participating teacher under the plan as to the amount of deferred annual salary, together with interest earned, less any deductions to that date. The annual report shall be made no later than September 15 of any given year under the plan.

7. Payment of Deferred Salary During Year of Leave

- 7.1 The monies to be paid during a participating teacher's year of leave shall become due and be paid in equal instalments on the Division's regular payroll dates and will be mailed to such address as requested in writing by the participating teacher. In no event shall payments be more frequent than monthly.

8. Status of Teacher During Year of Leave

- 8.1 A participating teacher, during the year of leave under the plan, shall not accumulate nor be entitled to the following:
 - 8.1.1 Teacher experience for salary increments;
 - 8.1.2 Statutory holidays; maternity, sick or any other leave.

- 8.2 A participating teacher, throughout the period of the leave of absence, shall not work as a substitute teacher or receive any salary or wages from the employer, other than the deferred salary, or from any other person or partnership with whom the employer does not deal at arm's length.
9. Health and Welfare Benefits
- 9.1 While a participating teacher is enrolled in the plan, any applicable health and welfare benefits computed with reference to salary shall be structured according to actual salary paid.
- 9.2 The Division will continue paying its share of applicable health and welfare benefits for a participating teacher during the non-leave school years of the plan.
- 9.3 The Division will maintain applicable health and welfare benefit coverage for a participating teacher during the year of leave under the plan, provided such teacher assumes the full responsibility of paying the total costs for said benefits save those required to be paid by the Division by law.
10. Withdrawal
- 10.1 A participating teacher who ceases to be employed with the Division at any time during his/her enrolment in the plan must withdraw from the plan.
- 10.2 In the event a suitable replacement cannot be hired by May 15 in the school year preceding the school year in which the leave is scheduled to be taken, the Superintendent may delay or defer the year of the leave. Under no circumstances shall such delay or deferral of the year of the leave exceed one (1) school year, and the participating teacher must take his/her leave at the end of such time or withdraw from the plan at that time.
- 10.3 A participating teacher may not withdraw from the plan without obtaining the written approval of the Superintendent. Such approval shall not be given after March 15 in the school year preceding the school year in which the leave is scheduled to be taken, and such approval may only be given where there are exceptional circumstances.
- 10.4 In the event that any one or more of items 10.1, 10.2 or 10.3 are invoked, a participating teacher will be paid a lump sum adjustment equal to his/her deferred salary amount.
- 10.5 Should a participating teacher die, the Division shall, within ninety (90) days of written notification of such death to the Division, pay the deferred salary amount to the participating teacher's estate, subject to the Division receiving any necessary clearance and proofs normally required for payment to an estate.
11. Terms of Reference
- 11.1 A participating teacher shall, on or before April 15 in the school year of the leave, notify the Division in writing of his/her intention to return to duty with the Division. Having failed to do so, the teacher shall be deemed to have abandoned both the position and his/her contract of employment with the Division.

- 11.2 The Division will make every endeavour to place the participant, upon return from his/her leave, into a position no less favourable than that held prior to this leave.
- 11.3 A participating teacher, on return to teaching following the leave, shall be entitled to the salary and benefits as set out in the agreement then in force between the Board and the Association governing such matters.

Reference: Sections 60, 61, 111, 113, School Act;
Section 248L, Canada Tax Act
Canada Income Tax Regulation 6801