



ADMINISTRATIVE PROCEDURE	
<i>Approval Date</i> 2016	<i>Replacing</i> All previous procedures
<i>Review Date</i> 2020	<i>Page</i> 1 of 8
<i>Contact Person/Department</i> Human Resources Administrator	<i>Identification</i> HR-4505

SELF-FUNDED LEAVE PLAN

1.0 PURPOSE

Trillium Lakelands District School Board provides an opportunity for eligible employees to enter into a Self-Funded Leave Plan to finance a leave of absence with compensation by deferring portions of his/her regular salary.

2.0 REFERENCES/ RELATED DOCUMENTS

- 2.1 Collective Agreements, Terms and Conditions of Employment and Personal Services Contracts.
- 2.2 Advance Tax Ruling 39 – Income Tax Act, Deferred Salary Leave Plan.

3.0 TERMS AND DEFINITIONS

- 3.1 Eligibility to enter the Self-Funded Leave Plan: A permanent employee who has been employed by the Board for a minimum of one year. Commencement of leave must be in alignment with Revenue Canada requirements (an eligible employee must be employed by the Board for a minimum of five (5) years).

4.0 ADMINISTRATIVE PROCEDURE

4.1 QUALIFICATIONS

- 4.1.1 Employees who are contemplating retirement within five years are advised to carefully review the implications on their pensions before participating in the Self-Funded Leave Plan.
- 4.1.2 Approval of individual requests to participate in the Self-Funded Leave Plan shall be solely at the Board's discretion.
- 4.1.3 If an employee's application for Self-Funded Leave is approved, the employee must sign the Self-Funded Leave Plan Agreement acknowledging that they have read and agreed to all terms and conditions of said agreement (see Appendix 5.2).

4.2 APPLICATION

- 4.2.1 Trillium Lakelands District School Board Human Resources Department will receive the “Application for Self-Funded Leave Plan” (see Appendix 5.1) from interested employees as per the terms, conditions and application timelines of their employee group applicable collective agreement or terms of employment.
- 4.2.2 A letter of approval or denial will be forwarded by the Human Resources Department to the applicant. If approved, a copy of the approval letter and application will be forwarded to the Finance Department.
- 4.2.3 The Finance Department will ensure that the Self-Funded Leave Plan Agreement (see Appendix 5.2) is complete.
- 4.2.4 The Self-Funded Leave Plan Account will be administered by the Finance Department.

4.3 PAYMENT FORMULA AND BENEFITS

- 4.3.1 The payment of salary and employee benefits and the timing of the Self-Funded Leave absence shall be as follows:
- a) In all years or semesters of the Self-Funded Leave Plan prior to the leave time, an employee shall be paid an agreed-upon portion of his/her annual salary and applicable allowances. The remaining agreed-upon portion of the employee’s annual salary will be accumulated and this amount shall be retained by the Board to finance the Self-Funded Leave. All interest accrued during the taxation year shall be paid to the employee at the end of the taxation year in which it accrued.
- b) The Self-Funded Leave Plans are available as follows:
- i) Yearly Plans
- Two over Three Plan: Defer approximately 33% of salary
 - Three over Four Plan: Defer approximately 25% of salary
 - Four over Five Plan: Defer approximately 20% of salary
 - Five over Six Plan: Defer approximately 17% of salary
 - Six over Seven Plan: Defer approximately 14% of salary
- ii) Semester (6 month) Plans
- Two over Three Plan: Defer approximately 33% of salary
 - Three over Four Plan: Defer approximately 25% of salary
 - Four over Five Plan: Defer approximately 20% of salary
 - Five over Six Plan: Defer approximately 17% of salary
 - Six over Seven Plan: Defer approximately 14% of salary
 - Seven over Eight Plan: Defer approximately 13% of salary
 - Eight over Nine Plan: Defer approximately 11% of salary

- Nine over Ten Plan: Defer approximately 10% of salary
 - Ten over Eleven Plan: Defer approximately 9% of salary
 - Eleven over Twelve Plan: Defer approximately 8% of salary
- c) For Example, in a four (4) over five (5) year plan, in the first four years of the plan an employee will be paid 80% of his/her annual salary and applicable allowances, while the remaining 20% of the salary shall be retained by the Board to finance the year of Self-Funded Leave.
- 4.3.2 The Superintendent of Business (or designate) will meet annually with a representative appointed by the bargaining unit to review the operational conditions of the plan as set out in some collective agreements (OSSTF, ETFO, CUPE, DECE, and PSSP upon request).
- 4.3.3 Interest will be calculated on the minimum monthly balance and will be credited to the individual employee's account by the end of the month at the interest rate prevailing on the first day of the month.
- 4.3.4 Interest earned during each calendar year will be paid annually, on the final pay in December. Interest earned during the year will be reported on a T4 for tax purposes.
- 4.3.5 The Self-Funded Leave of absence shall be taken only in the last year or semester of the Self -Funded Leave Plan.
- 4.3.6 The employee must return to his/her regular employment after the Self-Funded Leave of absence for a period that is not less than the period of the Self-Funded Leave of absence.
- 4.3.7 During the period of Self-Funded Leave, the employee is entitled to participate, at the employee's own expense, in the insured benefit coverage provided under the Collective Agreement covering the employee. Benefits, which are a condition of employment, shall be continued at the employee's expense. Submission of a "void" cheque for monthly withdrawal from the employee's bank account is required. (OSSTF to invoice secondary teachers directly).
- 4.3.8 Employees who are enrolled in the Teachers' Pension Plan will have deductions continued, based on the current pension plan regulations. For employees who contribute to an OMERS pension plan, contributions are optional during the period of the Self-Funded Leave.
- 4.4 TERMS OF REFERENCE
- 4.4.1 On return from Self-Funded Leave, an employee will be reinstated to the position which the member held prior to the Self-Funded Leave. If the position no longer exists, the employee will be governed by the appropriate terms and conditions of Collective Agreements and/or policies and procedures.

- 4.4.2 The period of Self-Funded Leave shall be considered service with the Board for seniority purposes only.
- 4.4.3 Withdrawal from the Plan:
- a) An employee may withdraw from the plan anytime not less than six months prior to the beginning of his/her Self-Funded Leave of absence. Upon withdrawal, any monies accumulated plus interest owing will be repaid to the employee within sixty (60) days of notification of his/her desire to leave the Self-Funded Leave plan. An administrative fee of \$200 will be deducted from the withdrawal payment.
 - b) In the event that a suitable replacement cannot be hired prior to the start of the Self-Funded Leave for an employee who has been granted a leave, the Board may defer the Self-Funded Leave for one year. In this instance, an employee may choose to remain in the plan or he/she may withdraw.
 - c) Withdrawal from the Plan may affect when an employee may re-apply according to the collective agreement.
- 4.4.4 Should an employee die while participating in the Self-Funded Leave plan, any monies accumulated, plus interest owing at the time of death will be paid to the employee's estate.
- 4.4.5 An employee may not work for the Board in any capacity during the year of Self-Funded Leave under Canada Revenue Agency legislation.
- 4.4.6 If the employee leaves the employ of the Board prior to taking the year of Self-Funded Leave, then the salary holdback plus any accrued interest, shall be paid to the employee within sixty (60) days of the termination of the employee's employment and the Self-Funded Leave Plan agreement (Appendix 5.2) shall be terminated at the time of payment. This will invoke clause 4.4.3(a) of this procedure.
- 4.4.7 If the employee is redundant to the Board or laid off, then the employee shall be deemed to have withdrawn from the Self - Funded Leave Plan on the effective date of the lay off and payment shall be made in accordance with clause 4.4.6.

5.0 APPENDICES

- 5.1 Application for Self-Funded Leave Plan
- 5.2 Self-Funded Leave Plan Agreement

APPLICATION FOR SELF-FUNDED LEAVE PLAN

I have read, and understand the terms and conditions of Trillium Lakelands District School Board's Self-Funded Leave Plan as outlined in the Administrative Procedure and wish to apply for the plan on the following basis:

ENROLMENT DATE: September 1, _____

PERIOD OF LEAVE: _____ to _____

FINANCIAL ARRANGEMENTS: I would like to have ___ years' salary spread over ___ years

DATE: _____

Applicant's Signature

Witness Signature

Please return application to the Human Resources Administrator – Lindsay.

SELF- FUNDED LEAVE PLAN AGREEMENT

THIS AGREEMENT, MADE IN DUPLICATE THIS ____ DAY OF _____, _____

BETWEEN

TRILLIUM LAKELANDS DISTRICT SCHOOL BOARD
(hereinafter called the "BOARD")

AND

OF THE _____ OF _____, IN THE PROVINCE OF ONTARIO
(hereinafter called the "EMPLOYEE")

- 1.0 This agreement entered into by the Employee and the Board to implement the Self-Funded Leave Plan provisions (which provisions are hereinafter called the "Plan"), of the Collective Agreement or terms of employment applicable to the Employee.
- 2.0 This Agreement shall, unless terminated as specified in the Agreement or by subsequent mutual agreement, apply to the period commencing the ____ day of _____, _____ and ending the ____ day of _____, _____ (which period shall be collectively referred to as "the term of this Agreement").
- 3.0 The Employee authorizes the Board to withhold and the Board agrees to withhold the following amount from the employee's salary as follows (which salary held back from time to time will be collectively referred to as the "salary holdback"):

_____% of each payment for the period commencing the ____ day of _____, _____ and ending the ____ day of _____, _____.
- 4.0 The Employee and the Board agree that the salary holdback shall be administered and invested by the Superintendent of Business.
- 5.0 Interest will be calculated on the minimum monthly balance and credited to the individual Employee's accounts monthly.

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- 6.0 Interest earned each calendar year will be paid annually, on the final pay in December. Interest earned during the year will be reported on T4s for tax purposes.
- 7.0 The salary holdback shall be paid to the Employee during the period commencing the ____ day of _____, _____ and ending the ____ day of _____, _____ (hereinafter called the “period of leave”), according to the following option, selected by the Employee:
- In accordance with the payroll schedule in effect during the period of the leave;
 - One hundred percent (100%) of the funds at the start of the leave; or
 - Fifty percent (50%) of the funds at the start of the leave and the balance of the funds at the half-way point of the leave.
- Should the Employee wish to change the option selected, notification in writing must be received by Finance no less than sixty (60) days prior to the start of the period of leave.
- 8.0 During the period of leave, the Employee is entitled to participate, at the Employee’s own expense, in the insured benefit coverage provided under the Collective Agreement or Terms of Employment covering the Employee. Note that benefits which are a condition of employment shall be continued at the Employee’s expense.
- 9.0 During the period of leave, sick credits shall be retained but shall not accumulate or be utilized by the Employee.
- 10.0 The period of the leave shall be considered service with the Board for seniority purposes only.
- 11.0 Pension Plan contributions shall be deducted and paid in accordance with the appropriate Pension Plan Act and based on the Canada Revenue Agency ruling concerning income for each year of the Plan.
- 12.0 Throughout the period of leave, the Employee may not receive any salary or wages from the Board other than the deferred amount.
- 13.0 The Employee may withdraw from the Plan and request termination of the Agreement at any time not less than six months prior to the year of leave or at any time by mutual agreement between the Employee and the Board. Upon withdrawal, the salary holdback, plus all accrued interest, shall be paid to the Employee within sixty (60) days of receipt to the Board of notification of withdrawal and termination. An administrative fee of \$200 will be charged on withdrawal of the Plan.
- 14.0 If the Employee leaves the employ of the Board prior to taking the Self-Funded leave, then the salary holdback plus any accrued interest shall be paid to the employee within sixty (60) days of the termination of the Employee’s employment and this Agreement shall be terminated at the time of payment.

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- 15.0 If the Employee should die during the term of this Agreement, then the remaining salary holdback, if any, plus any accrued interest shall, within sixty (60) days of the date of death of the Employee, be paid to the Employee's estate or designated beneficiary in accordance with the Collective Agreement or terms of employment applicable to the Employee and this agreement shall terminate at the date of such payment.
- 16.0 If the Employee is redundant to the Board or laid off, then the Employee shall be deemed to have withdrawn from the Plan on the effective date of the lay off and payment shall be made in accordance with Clause 14 of this agreement.
- 17.0 Following the leave of absence, the Employee must return to employment with the Board for a period of time not less than the duration of the leave.
- 18.0 On returning from the leave, the Employee will be assigned to a position in accordance with the provisions of the Collective Agreement or terms of employment covering the Employee.

IN WITNESS WHEREOF, the Parties hereto execute this Agreement or have caused this Agreement to be signed and the respective names by the respective representatives thereunto duly authorized.

TRILLIUM LAKELANDS DISTRICT SCHOOL BOARD

Human Resources Administrator

Employee