

416 - DEFERRED SALARY LEAVE PLAN

Background

A Deferred Salary Leave Plan has been developed to afford an eligible participants the opportunity to finance a one year Leave of absence without pay, by deferring portions of his/her regular salary to finance the year of Leave.

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 date any of such monies having been so retained by the Board, or
- b) the first day of the taxation year.

whichever is later.

“Board” means the party of the first part referred to in the Deferred Salary Leave Plan Memorandum of Agreement.

“Collective Agreement” means the agreement in force between the Alberta Teachers’ Association and the Board.

“Current Compensation Amount” means the total compensation payable by the Board to the Participant for the school year, including his/her proper grid salary and all allowances, as per the current Collective Agreement in force between the Alberta Teachers’ Association and Board.

“Deferral Period” shall be the number of years for which compensation is deferred in accordance with clause 3.1.

“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 Participant” means any:

- a. certificated staff member employed by the Wild Rose School Division No. 66, and
- b. who possesses a continuing teaching contract with the Board, and

- c. if the certificated staff member has previously participated in this plan the Leave period in the current application must not begin less than five years after the commencement of the previous Leave.

“Eligible Investor” means any Canadian chartered bank, any trust company authorized to carry on business in the Province of Alberta, and any Credit Union authorized to carry on business in the Province of Alberta or the Treasury Branches of Alberta.

“Leave of Absence” means the twelve-month period taken in accordance with provision of clause 4.

“Memorandum of Agreement” means the agreement in the format attached as “Administrative Procedure 416 Memorandum of Agreement”

“Participant” means an certificated staff member who has completed a Memorandum of Agreement and whose application for participation in the Plan has been approved by the Board in accordance with clause 2.2.

“Plan” means the plan set out in this Administrative Procedure, and includes all amendments thereto.

2. Application

- 2.1 In order to participate in the Plan, an Eligible Participant must make written application by way of the Administrative Procedure 416 Memorandum of Agreement delivered to the Secretary-Treasurer of the Board on or before March 31 in the year in which participation in the Plan is to commence, or such other date as the Board may approve. The Memorandum of Agreement must state the year in which the Eligible Participant wishes to participate and the School Year in which the Leave of Absence is to occur and the percentage of Current Compensation that the Eligible Participant wishes to have deferred.
- 2.2 The approval of each application made under clause 2.1 shall rest solely with the Board. The Board shall, by May 15 of that year, advise each applicant of the Board’s approval or disapproval of his/her application, and if the latter, an explanation therefore.
- 2.3 If the Board gives its approval in accordance with clause 2.2, the participation of the Eligible Participant in the Plan will become effective at the start of the School Year immediately following the date of approval.

3. Funding for Leave of Absence shall be as follows:

- 3.1 During each school year prior to the Leave of Absence, the Participant, for a maximum of six (6) school years, will receive his/her Current Compensation Amount, less the percentage amount which the Participant has specified in the Memorandum of Agreement for the school year in question which is to be

retained by the Board. Such percentage amount will be retained by the Board and be invested in accordance with clause 3.3.

- 3.2 The percentage of the Current Compensation Amount deferred by the Participant in any year cannot exceed 33 1/3% of the Current Compensation Amount.
- 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 Investor. The Board shall choose such Eligible Investor and in making such determination the Board shall not be liable to any Participant for any investments made which are authorized by the clause.

The Board shall not be liable to any Participant or Participants for any error in judgment or for any act of omission or commission in the administration or management of the monies retained, provided such monies have been invested in an institution authorized by the provisions of this clause. The Board shall not be liable to any Participant or Participants for any loss suffered in respect to any investment or investments of the monies retained, whether complete loss or partial loss, whether direct loss or indirect loss, provided the investment or investments were made in an institution authorized by the provisions of this clause.

- 3.4 So long as this Agreement is considered by Revenue Canada (Taxation) to be a "Salary Deferral Arrangement" coming within section 6801(a) of the Income Tax Regulations (Canada), or a similar provision applies, the Board shall cause the Eligible Investor to pay to the Participant the Accrued Interest on or before December 31st each year. The Participant hereby irrevocably directs the Board to cause the Eligible Investor chosen by the Board in accordance with clause 3.3 to make such payments on its behalf to the Participant.
- 3.5 The Secretary-Treasurer shall make an Annual Report to each Participant as to the amount of deferred salary retained by the Board for such Participant, including any interest earned thereon which has not been paid out in accordance with clause 3.4. The Annual Report shall be made no later than July 31 of each year.
- 3.6 The expenses of administering the provisions of this Plan in compliance with this Administrative Procedure shall be born entirely by the Board. Any expenses to be levied by the Eligible Investor for the investment of the assets of the Plan shall be charged to the Participants' accounts.

4. Taking Leave of Absence

The taking of a Leave of Absence shall be governed by the following provisions;

- 4.1 The manner of payment to the Participant during the Leave of Absence, shall be in installments commencing September 30, each installment shall be approximately equal to one-twelfth of the monies excluding interest held by the Eligible Investor for the Participant in accordance with clause 3.1 as determined at the beginning of the Leave of Absence. In no event shall payment be made more frequently than monthly.
- 4.2 The amount to be paid to the Participant during a Leave of Absence shall be related to the monies retained by the Board in accordance with clause 3.1 for such Participant, but less any deductions made by the Board under clause 5.1 and any monies required by law to be paid by the Board for or on behalf of the Participant.
- 4.3 The year's Leave of Absence shall immediately follow the Deferral Period.
- 4.4 The Participant may not defer the period of Leave of Absence, therefore in the event that the Participant is unable to take Leave of Absence immediately following the Deferral Period the total of all amounts held for the Participant's credit shall be paid out to the Participant no later than the end of the first taxation year that commences after the Deferral Period.
- 4.5 Subject to clause 4.7 hereof the Participant shall return to regular employment for a period at least equal in length to the Leave of Absence immediately following the Leave of Absence.

Should a Participant fail to report for work on the first day of school following completion of the Leave of Absence, such Participant shall be deemed to have abandoned both the position and his/her contract of employment with the Board, and the board may without any further notice to said Participant, forthwith fill the position with someone other than the Participant.

- 4.6 Participant shall be reinstated to a position no less favorable than held at the commencement of the Leave. This does not imply that a Participant on leave has any advantage or disadvantage in the event that staff reduction or program changes become necessary in a particular school.
- 4.7 After participation in the Plan, the Participant's salary and benefits will be as set out in the Collective Agreement then in force between the Board and the Alberta Teachers' Association governing such matters, if applicable. The Participant on return to work following the Leave of Absence shall be reinstated at the same level of experience which existed prior to commencement of the Leave.
- 4.8 A Participant, during the year of Leave under the plan shall not accumulate nor be entitled to any of the following:
- teaching or non-teaching experience for salary increments;
 - statutory holidays; maternity, sick or any other leaves;
 - any salary or wages from the employer, or from any other person or partnership with whom the employer does not deal at arms length, other

than payments to be made under the Plan and any reasonable fringe benefits that the employer usually pays to or on behalf of its employees.

5. Fringe Benefits

The provision of fringe benefits will be as follows:

- 5.1 While a Participant is enrolled in the Plan, any applicable health and welfare benefits computed with reference to salary shall be structured according to the current compensation amount.
- 5.2 The Board will continue paying its share of applicable health and welfare benefits for a participant during the non-leave school years of the Plan.
- 5.3 The Board will maintain applicable health and welfare benefit coverage for a Participant during the year of Leave under the Plan, provided such Participant assumes the full responsibility of paying the total costs for said benefits save the employer's portion of Canada Pension Plan and Employment Insurance contributions.

6. Withdrawal

- 6.1 The Participant who ceases to be employed by the Board must withdraw from the Plan. Within sixty (60) days the Board shall pay to the Participant the Deferred Compensation Amount in one lump sum.
- 6.2 In extenuating circumstances, such as financial hardship, and with the consent of the Board, the Participant may withdraw from the Plan at any time, upon written request to the Board. Within sixty (60) days of such withdrawal the Board shall pay to the Participant the Deferred Compensation Amount in one lump sum.
- 6.3 Should the Participant die, the Board shall, within thirty (30) days of notification of such death to the Board pay the Deferred Compensation Amount to the Participant's estate, subject to the Board receiving any necessary clearances and proofs normally required for payment to estates.

7. Suspension From Participation in the Plan

- 7.1 The Participant may on one occasion while participating in the Plan give notice to the Board stating that the Participant wishes to suspend participation in the Plan for a period of one school year as at the start of the school year which immediately follows such notice. During the one year period the Board shall pay the Current Compensation Amount to the Participant without deducting the Deferred Compensation Amount. The amounts previously retained by the Board and interest thereon in accordance with clause 3.3 but less all interest paid to the Participant in accordance with clause 3.4 shall continue to be held by the Board until the Participant withdraws from the Plan or takes a Leave of Absence.

7.2 If the Participant has given notice in accordance with clause 7.1, the Participant's participation in the Plan shall be re-instated commencing the start of the school year which immediately follows the year in which participation has been suspended. However the Deferral Period shall include the year of suspension and will not be extended as a consequence of the suspension.

8. Termination or Amendment of Plan

8.1 The Plan may be amended or terminated in accordance with the Board's policy on Administrative Procedure development. Any amendment(s) shall be binding upon all present and future Participants.

Reference: Section 61, School Act
Administrative Procedure 416 Memorandum of Agreement
Revised: March 1, 2004



Appendix 1 – AP 416

Wild Rose Public Schools

Deferred Salary Leave plan
Memorandum Of Agreement

This agreement made in duplicate this _____ day of _____, 20__

BETWEEN:

The Board of Trustees of the Wild Rose School Division No. 66
(hereinafter referred to as the "Board")

AND:

(hereinafter referred to as the "participant")

WHEREAS pursuant to the Division's Deferred Salary Leave plan containing provisions in Administrative Procedure 416 under heading "Deferred Salary Leave plan" an eligible participant may apply prior to March 31st, provided the participant enters into an agreement to comply with the conditions and terms set out in said plan;

AND WHEREAS the participant has applied to participate in said plan on the terms and conditions set out therein and the Board has agreed to approve the participation of the participant as hereinafter set out;

IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS herein contained,

The Board and the participant covenant and agree as follows:

1. This agreement shall not be construed as a contract of employment. In the event that staff reductions become necessary in a particular school, a staff member participating in the Deferred Salary Leave plan will have no advantage or disadvantage over any other staff members.
2. Enrollment in the plan shall become effective for the school year commencing on or about September 1, _____.
3. During the _____ years from on or about September 1, _____ to on or about August 31, _____, the participant will work for the Board at the regular salary to which the participant would otherwise be entitled less the percentage amounts set out in this clause to finance the leave period, subject to the terms and conditions set out in said plan.

First Year	September 1, _____	to August 31, _____	_____	_____	_____	%
Second Year	September 1, _____	to August 31, _____	_____	_____	_____	%
Third Year	September 1, _____	to August 31, _____	_____	_____	_____	%
Fourth Year	September 1, _____	to August 31, _____	_____	_____	_____	%
Fifth Year	September 1, _____	to August 31, _____	_____	_____	_____	%
Sixth Year	September 1, _____	to August 31, _____	_____	_____	_____	%

(Note: For the purpose of calculating the maximum percentage of the current compensation Amount to be withheld from the current compensation Amount the following percentages will apply.)

Number of Years Deferred	Years in Which Leave to be Taken	Maximum Percentage Annual Deferral
2	3	33.33%
3	4	25.00%
4	5	20.00%
5	6	16.67%
6	7	14.29%

4. The Leave period shall commence on or about September 1, _____ and end on or about August 31, _____, subject to the terms and conditions set out in said plan.
5. The provisions of the Deferred Salary Leave Plan, Administrative Procedure 416, a copy of which is attached hereto, as amended from time to time, shall be deemed to be part of this agreement and is hereby incorporated by reference.
6. The participant agrees to indemnify and save the Board harmless from and against any and all liability, loss, damages, costs or expenses which it may hereafter incur, suffer, or be required to pay by reason of the participation of the Board in said plan.
7. Payment of Accrued Interest

I hereby direct that the Board shall cause the eligible investor to pay the accrued interest to me on or before December 31 each year in one lump sum during the deferral period. Upon payment of the final installment paid to me by the Board during my leave of absence the Board shall direct the eligible investor to pay to me the balance of all accrued interest, remaining to my credit in the plan, within 30 days.

8. The main purpose of my enrollment in the plan is to permit me to fund a leave of absence and not to provide me with benefits on or after retirement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

The Board of Education, Wild Rose School Division No.66

Chairperson of the Board

Date

participant

Date

Revised March 1, 2004