
DEFERRED SALARY LEAVE PLAN (SELF-FUNDED LEAVE PLAN)

Background

The District recognizes the value of a Self-Funded Leave Plan and will administer a plan on behalf of employees.

The District's liability shall be limited to the administration of the Plan and shall not extend to any capital amount of, or interest owing on, invested funds lost due to insolvency of the eligible financial institution.

Definitions

Accrued interest means the amount of interest earned in accordance with clause 6.3 on the monies retained by the Board on behalf of the participant, calculated from:

- the first date any of such monies has been received by the eligible financial institution, or,
- the last date to which interest has been paid in accordance with clause whichever is later.

Union means the Powell River District Teachers' Association and/or CUPE Local 476.

Board means the Board of School Trustees, School District No. 47 (Powell River).

Committee means a committee as defined by Board Policy.

Contract year means the 12-month period as per the applicable collective agreement or contract of employment.

Current compensation amount means the total compensation payable by the Board to the participant for the contract year, including his/her proper salary and all allowances in accordance with applicable collective agreement or contract of employment.

Deferral Period shall be the number of years not to exceed five (5) years for which compensation is deferred in accordance with clause 6.1, including the years referred to in clauses 7.4 and 7.5, if applicable.

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 6.1 and augmented from time to time by interest thereon calculated in accordance with clause 6.3 but less all interest paid to the participant in accordance with clause 6.4.

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Eligible employee means a member of the teachers' union in continuing employment with the Board, a member of CUPE Local 476 with a permanent assignment, an Administrative Officer employed by the Board, or a senior official employed by the Board.

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 7.1.

Memorandum of agreement means the agreement described in **Form 412-1**.

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 Board in accordance with clause 5.2.

Plan means the self-funded leave plan set out herein and includes all amendments thereto.

Superintendent means Superintendent of Schools.

Procedure

1. The Self-Funded Leave Plan referred to in this Administrative Procedure shall be called the Deferred Salary Leave Plan and the terms and conditions are those as set out here.
2. The Deferred Salary Leave Plan shall be governed by a D.S.L.P. Committee composed of one member appointed by the teachers' union, one member appointed by the Support Staff Union, one member appointed by the Administrative Officers Association, one senior District official and two members appointed by the Secretary-Treasurer. The Committee shall select a chairperson from amongst its members.
3. The Committee shall select and direct an eligible financial institution for investment of the deferred compensation amounts when any change is requested by the parties.
4. All employees, who are approved as participants in the Deferred Salary Leave Plan, shall be required to sign a Memorandum of Agreement (**Form 412-1**) stating that they understand the terms and conditions of their participation and waiving the Board's liability under the plan.
5. Application
 - 5.1. To participate in the plan, an eligible employee must make written application by way of **Form 412-1** to the Secretary Treasurer on or before May 31st stating the date when the leave is being requested.
 - 5.2. The approval of each application made under clause 5.1 shall rest in the sole discretion with the Secretary Treasurer. The Secretary Treasurer shall, by June 15, advise each applicant of

their approval or disapproval of their application, and if the latter, an explanation, therefore. Under no circumstances will the total number of employees on leave of absence in any one year exceed 10% of the full-time equivalent work force.

- 5.3. If the Secretary Treasurer gives approval in accordance with clause 5.2, the participation of the eligible employee in the Plan will become effective on the date requested by the eligible employee.

6. Funding for Leave of Absence

Funding for leave of absence shall be as follows:

- 6.1. During each year of the deferral period, the participant for a maximum five (5) years will receive their current compensation amount, less the percentage amount which the participant has specified in the Memorandum of Agreement which is to be retained by the District and less statutory deductions and other withholdings. Such percentage amount may be varied, subject to clause 6.2, by giving written notice to the Secretary Treasurer at least one (1) month period to July 1 in any year for the next or subsequent period of employment.
- 6.2. The percentage of the annual current compensation amount deferred by the participant cannot exceed thirty-three and one third (33 1/3) percent.
- 6.3. The monies retained by the District for each participant, in accordance with clause 6.1, including interest thereon (until paid out in accordance with clause 6.4) shall be pooled and shall be invested and reinvested by the Committee in investments offered from time to time by an eligible financial institution. The monies retained shall be forwarded to the eligible financial institution within 15 calendar days. The Committee shall choose such eligible financial institution and in making such determination the District, the Union and members of the Committee shall not be liable to any participant for any investments made which are authorized by this clause.
- 6.4. If 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 District shall not be obliged to pay the participants any further amounts in respect to services for the deferral period.
- 6.5. The eligible financial institution shall pay the accrued interest on each December 31 to the participant.
- 6.6. The financial Institution 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.

7. Taking of Leave of Absence

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

- 7.1. The leave of absence shall be for not less than six (6) consecutive months.
- 7.2. 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.

- 7.3. The total of the payments to be made to a participant in accordance with clause 7.2 during a leave of absence shall be the deferred compensation amount retained by the District, 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. DSLP payments are non-pensionable and as such service will not be accrued for the duration of the leave.
 - 7.4. If the Superintendent 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 District, 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.
 - 7.5. 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.
 - 7.6. The leave of absence shall immediately follow the deferral period.
 - 7.7. The participant shall return to employment with the District 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.
8. Withdrawal
- 8.1. A participant who ceases to be employed by the District also terminates participation in the plan.
 - 8.2. A participant may withdraw from the Plan upon giving written notice of withdrawal not less than six (6) months prior to the date on which the leave of absence is to commence. A participant withdrawing from the Plan will not be eligible to reapply for a period of four (4) years.
 - 8.3. Upon termination of employment and/or withdrawal from the Plan, the Financial Institution shall be instructed to pay to the participant the deferred compensation amount, including any unpaid interest.
 - 8.4. Should a participant die, the committee shall within sixty (60) days of notification of such death instruct the Financial Institution to pay any deferred compensation amount retained at the time of death to the participant's estate, subject to the Financial Institution receiving any necessary clearances and proofs normally required for payment to estates.

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9. Termination or Amendment of Plan

- 9.1. The Plan shall not be amended or terminated without consultation with the representatives of the employee groups to whom the Plan is offered.

10. General

- 10.1. The District will bear the administrative expenses of the Plan.
- 10.2. The matters on the assignment on return from leave and the salary and benefits after the leave shall be dealt with in accordance with the applicable collective agreement or contract of employment.
- 10.3. Subject to the terms of the benefit plans themselves, during the period of leave, the participant shall continue to receive medical, extended health, group life insurance and the full premium costs of the plans will be borne by the participant.

Reference: Sections 22, 65, 85 *School Act*
Collective Agreement
Income Tax Act

Adopted: November 14, 1989
Reviewed: January 12, 2016
Revised: May 18, 2022