



DEFERRED SALARY LEAVE PLAN (the Plan)

Terms and Conditions

SECTION 1. DEFINITIONS

<i>Eligible Employee</i>	Any member of faculty (excluding non-academic staff) who has accumulated seven years of full-time (or equivalent) experience at the School.
<i>Participant</i>	An eligible employee who has completed an Application for Participation in the Plan that has been approved by the Head of School.
<i>Year of Leave</i>	The twelve-month period commencing at the beginning of the School year and taken according to Section 3 below.
<i>Deferral Period</i>	The number of school years for which compensation is deferred according to Section 2, including the years of delay as set out in Section 3, but in any case, not to exceed six years.
<i>Current Salary Amount</i>	The total compensation payable by the School to the participant for the year, in accordance with the agreement in force between the School and the employee.
<i>Deferred Salary Amount</i>	The portion of the employee's current salary amount that is retained by the School for each participant. Such amount is to be agreed upon in advance in the Application for Participation and in any event may not be greater than 33 1/3%. This amount may be increased by interest and reduced by all amounts paid under the terms of the Plan.
<i>Interest</i>	The annual rate of return earned by the assets that are held in trust.

SECTION 2. FUNDING FOR YEAR OF LEAVE

- 2.1 During the deferral period, for a maximum of six years, the participant will receive his/her current salary amount, less the deferred salary amount as set out in the Application for Participation.

- 2.2 The amounts to be paid to the participant during the year of leave shall be related to monies retained by the School in accordance with 2.1 above, but less any statutory deductions.
- 2.3 The School shall pay to the participant the accrued interest on his/her deferred salary amount at the end of each calendar year of participation, including the first year of participation, which will be a part calendar year, and the last day of the leave, or at any other time when a payment is made for withdrawal or death of the participant.

SECTION 3. TAKING OF YEAR OF LEAVE

- 3.1 The year of leave shall be in accordance with the Application for Participation signed between the School and the participant and will commence immediately after the expiry of the deferral period.
- 3.2 During the year of leave, the participant may not receive any additional remuneration from the School or from persons with whom the School does not deal at arm's length, other than the usual fringe benefits.
- 3.3 Payments to the participant during the year of leave will be according to the usual schedule of payments to faculty employees. Each payment will be semi-monthly and approximately equal to one-twenty-fourth of the total deferral salary amount accumulated. All of the deferred salary amount will be paid to the participant not later than the end of the first calendar year that commences after the end of the deferral period.
- 3.4 Amounts paid by the School will be reduced by the amount of any deductions made by the School under 3.8 below, and any deductions required by law (statutory remittances).
- 3.5 While participant is enrolled in the Plan, and during the deferral period, any applicable group employee benefits computed with reference to salary will be calculated according to the current salary amount. While the participant is participating in the Plan, and during the year of leave, any applicable group employee benefits computed with reference to salary will be calculated according to the current salary amount in effect at the end of the deferral period with the exception of long term disability, which will be calculated according to the deferred salary amount. Group RRSP benefits are deducted during the deferral period.
- 3.6 The School will maintain a group employee benefit plan and continue to pay its share of premiums associated with this plan as in place at the time of leave, provided the participant also continues to pay their share of such premiums also. The benefits included within the group employee benefit plan shall be agreed upon in writing immediately prior to the year of leave.
- 3.7 During the year of leave the participant will not accumulate any credit for teaching experience, excepting in the case where the participant spends the year of leave teaching, nor will the participant accumulate any credit for any other holidays, sick or other leave.

SECTION 4. WITHDRAWAL FROM THE PLAN

- 4.1 A participant who ceases to be employed by the School must withdraw from the Plan. Within sixty days, the School shall pay to the participant the deferred salary amount.
- 4.2 The participant may withdraw from the Plan in the case of unforeseen and extenuating circumstances, and with the approval of the School, upon giving not less than six months notice of intent to do so prior to the date when the year of leave was to have begun. Within sixty days of such withdrawal, the School shall pay to the participant the deferred salary amount.
- 4.3 In the case of death of the participant, the School shall pay the deferred salary amount to the participant's estate, subject to the School receiving the necessary clearances and proofs normally required for payments to estates. Such payment is to be made within sixty days of the clearances having been received by the School.

SECTION 5. SUSPENSION FROM PARTICIPATION IN THE PLAN

- 5.1 The participant may, on one occasion, while he/she is participating in the Plan, give notice to the School stating that he/she wishes to suspend participation in the Plan for a period of twelve months as at the anniversary date of participation in the Plan which immediately follows such notice. In this case the School will pay the current salary amount to the participant as if he/she were not participating in the Plan for that year.
- 5.2 Suspension of participation under 5.1 above shall not change the year established for the year of leave, except with the permission of the School. In any case the deferral period will not exceed six years.
- 5.3 The participant's participation in the Plan will be re-instated beginning on the first of the month which immediately follows the twelve months in which his/her participation had been suspended.

SECTION 6. RETURN FOLLOWING PARTICIPATION IN THE PLAN

- 6.1 Following the year of leave, the participant must resume employment with the School for at least one full school year.

SECTION 7. GENERAL PROVISIONS

- 7.1 The deferred salary amounts will be held in trust. Any annual fees charged by a financial institution for this service will be paid by the School.

- 7.2 Responsibility for payments out of the Plan will remain with the School, who will calculate amounts and all necessary deductions therefrom.
- 7.3 Interest will be paid annually under the Plan and will be considered as employment income for the purposes of the Income Tax Act and will be reported on the participants annual T4 supplementary and shall be subject to tax withholdings.
- 7.4 No amendment will be made to the Plan that will prejudice any tax ruling that is applicable to the Plan prior to the amendment.

Updated 11/2017



St. Michael's
University School

Deferred Salary Leave Plan

Application for Participation

Name:	School Campus: Junior Middle Senior
Current Teaching Assignment including FTE:	_____, FTE: _____
Applicants years of service: _____ <i>must be over 7 to qualify</i>	
Number of full years taught at the School (e.g. two school years at 0.50 FTE equals one year)	

I have read and agree to the Terms and Conditions of the Deferred Salary Leave Plan.

I also agree to the following conditions:

- The deferral period of my enrolment in the plan shall commence: *minimum one year, max six years***
September 1, 20____ and ending August 31, 20_____.
- I agree to take my year of leave commencing:
September 1, 20____ and ending August 31, 20_____.
- I agree to fulfil my contractual obligations to the School for at least one year following my leave.
- _____% is the amount I wish to defer during the deferral period (max is 33 1/3%), which means
_____% is the salary I wish to be paid (66 2/3%) as determined by the scale in effect for each of those school years. *Note: the two rates must equal 100%*
- During my year of leave, to be paid the deferred amount remaining after the deferral period, which will be calculated in accordance with the terms and conditions of the plan.
- During my year of leave to be responsible for my share of the premium costs associated with my participation in group benefits, as in place during the year of leave. I agree that the School shall deduct such funds from each pay during my leave.

Employee Signature:	Date:
Director of School:	Date:
Head of School:	Date:
Forward completed form to the Human Resources Department for processing	

Note: To maintain LTD benefits, faculty with an 0.80 FTE or higher must defer 1/3 for 2 years, 1/4 for 3 years or 1/5 for 4 years (see Page 5, RBC LTD policy).