

DEFERRED COMPENSATION LEAVE PLAN

The Deferred Compensation Leave Plan (DSLPL) provides teachers, with a continuing contract, an opportunity to set aside a portion of their monthly income for the purpose of financing an extended leave of absence. Since the plan affects statutory deductions such as income tax, CPP and EI contributions, DSLPL are governed by Revenue Canada and terms are specified within a Tax Ruling.

The details of this Plan, as well as the application form, are found in the Addendum to the Local Collective Agreement. The following points relate to questions often asked about the plan and hopefully, will serve as a quick reference. For more information, you may call Human Resource Services:

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Main Points of the Plan

- The plan permits a participant to defer a percentage of Salary (up to 1/3 per year) over a period up to four years so they can take a leave as a self-funded leave of absence. During the years of deferral the withheld funds are deposited to an account in the name of the applicant at Vancouver City Savings Credit Union. The funds are not directly accessible by the participant. Due to tax implications withdrawals of these investments for any reason must be processed through the Boards payroll system.
- The maximum amount of salary deferred each year is 33 1/3%.
- The maximum amount of time allowed to complete the plan is six years. A participant may postpone the scheduled leave for one year; however, this postponement will not move the commencement of the leave beyond six years from the date of enrolment in the Plan.
- The minimum term of the leave is six months, to coincide with natural school breaks.
- A teacher must return to employment after the leave and before retirement, for at least the same term as the leave.
- A teacher can maintain Health Benefits while on leave.

- Pension contributions are based on 100% of gross salary (before deferrals) during the years of deferment. No contributions are made during the period of the leave. The teacher, by making application to the Pension Corporation may purchase Pension credit for the time of the leave.

Criteria:

- Following the leave the teacher works for a period equal to the leave;
 - The employee and the employee and employer pay their shares as calculated by the Pension Corporation.
- Canada Pension Plan premiums are based on the participant's salary net of the deferred amounts during the period of deferral and on the deferred amounts when paid to the participant during the leave.
 - Employment Insurance premiums are based on the participant's gross salary before deferrals during the period of deferral and no premiums are withheld from the deferred amounts when paid to the participant during the leave.
 - A participant may request an adjustment to the Plan, such as a change in the amount of deferral. Changes to the Plan can be accommodated no more than once per year. See Article 3.1
 - Participants may choose between two forms of payment during the leave:
 - Lump Sum - benefits may be paid by post-dated cheques.
 - Salary continuance over the period of the leave - benefits deducted on a monthly basis.
 - This plan is not to be used as a retirement or savings plan.
 - Applications for Deferred Compensation Leave Plan are to be received by Human Resource Services before **March 31st**. The Plan will commence September 1st following application.