



Section Three: Staff

“Together We Learn”

325 – SELF-FUNDED LEAVE PLAN

Introduction

The Board of Education endorses the participation of all staff in a *self-funded* leave. This policy outlines the process for making application for such leave.

Policy

1. Application

- 1.1 An employee interested in a self-funded salary leave for one year or more must apply to the Superintendent of Schools or designate using Form 325.1. Forms are due by May 31 in the school year before the one in which deductions in salary will begin (for deferred payments).
- 1.2 All participants shall commence their leave on the first day of July in the third, fourth or fifth year following approval. Exceptions are allowed only when a withdrawal or postponement is mutually agreed upon (see paragraphs 5 and 6 below). In all cases, leave must start no later than six years after the date on which the deferrals for the leave of absence commence.
- 1.3 The approval of each application shall be at the discretion of the Superintendent who will use the following guidelines:
 - seniority in School District No. 23;
 - seniority;
 - further formal education;
 - extenuating circumstances.
- 1.4 The Superintendent shall inform each applicant (by June 15 of the year in which the application is made) whether it is approved.
- 1.5 All successful applicants will be required to sign an agreement (Form 325.2) before commencing deductions in salary.
- 1.6 An employee who signs an agreement to defer a percentage of salary becomes a participant.



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2. Funding for Self-Funded Leave

- 2.1 During each of the school years before the of leave of absence, the Board shall deduct each month a fixed amount equal to the percentage of the salary stipulated by the participant, (but not to exceed 33 1/3% of the participant's annual salary). These amounts will be transferred monthly to the Royal Bank of Canada (main branch) in Kelowna, BC, ("the Bank") in trust, to an account established solely to fund the self-funded salary leave plans of School District No. 23.
- 2.2 A participant shall not have direct access to the funds deposited with the Bank.
- 2.3 The money deposited with the Bank may not be used by the employee as collateral for mortgages, loans or other purposes.
- 2.4 Any interest earned to the benefit of the participant to the end of a taxation year shall be paid directly to the participant monthly.

3. Payment During the Self-Funded Leave Year

- 3.1 The payment made to a participant during the leave of absence shall be the total amount of money deducted under the plan at the time the leave begins, LESS any deductions made by the Board for employee benefits requested by the participant.
- 3.2 Throughout the leave of absence, the participant shall not receive any salary or wages from the Board other than the amount of salary that was deferred.
- 3.3 A participant on self-funded leave may continue to participate in all employee benefits if necessary and possible, but the total cost of these benefits will be deducted from the participant's monthly instalment described in 3.2 above.
- 3.4 No long-term disability or salary indemnity coverage shall be carried for participants during the leave of absence unless requested by the participant.



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- 3.5 There shall be no deduction for superannuation during the leave of absence (the participant will have paid the amount due in relation to the salary during the period of deferment).
- 3.6 The year of self-funded leave will not be considered as pensionable service unless special arrangements are made with the Superannuation Commission.
- 3.7 The payment of self-funded salary shall be made by the Board in monthly instalments over the leave period.
- 3.8 The instalments shall be equal. The tenth shall be the balance owing to the participant's account with the Bank. All amounts held for the participant shall have been paid to the participant no later than the end of the first taxation year that commences after the end of the deferral period.

4. Return to Employment

A participant shall agree to return to regular employment after leave of absence for not less than the period of leave of absence.

5. Suspension

- 5.1 On giving at least thirty (30) days' notice, a participant may, *on one occasion only*, suspend contributions to the plan for a period of one school year, or for a lesser period equal to a leave without pay granted for illness or maternity. Maternity leave, while receiving supplementary employment benefit (SEB), may be considered leave with pay and deductions may be made as normal. When a participant is entitled to pay during the period of postponement of contributions, the participant will receive his/her normal pay without any deferred amounts. The amounts deferred up to the date of postponement will remain on deposit until the participant takes the leave of absence under the plan.
- 5.2 Suspension of participation shall not change the year established for the leave of absence.
- 5.3 Where a participant has given notice in accordance with 5.1 above, their deductions for deferred salary shall recommence in September of the school year following the suspension (or at the end of the month next following return to duty after a leave of absence).



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6. Withdrawal

- 6.1 A participant who ceases to be an employee of the Board is automatically withdrawn from participation in the plan.
- 6.2 With the consent of the Superintendent, a participant may withdraw from the plan at any time prior to April 30 immediately before the school year in which the leave of absence is scheduled to occur.
- 6.3 Within thirty (30) days of the effective date of withdrawal (i.e. last day of the month for which deduction in salary is made for deferment), the Board shall pay to the withdrawing participant the total amount of money credited to the trust account.
- 6.4 When the withdrawal is due to the death of an employee, the payment shall be made to the estate following the usual procedures.
- 6.5 If, for any reason, leave is not taken within the period required by this agreement, the Board shall pay, to the participant, the total amount of money credited to the participant's trust account.
- 6.6 The employee is responsible for any tax implications.

7. Postponing the Year of Leave of Absence

- 7.1 Notwithstanding the date shown in paragraph 3.1 of the Memorandum of Agreement (Form 325.2), a participant may, with prior written consent of the Superintendent, postpone the leave of absence by one school year (but not more than twice), subject to the provisions of 1.2.
- 7.2 If the Board is unable to obtain a suitable replacement for a participant for the year of absence specified by the participant, the Superintendent may, at his/her discretion, defer the leave of absence for one school year by notifying the applicant by April 30. In such cases, the participant may choose to remain in the plan or withdraw (in which case the Board shall pay to the participant the deferred compensation amount in one lump sum payment within sixty days of such withdrawal).
- 7.3 The participant may continue to defer the percentage of salary stipulated or choose to have the deductions suspended for the number of years for which the postponement has been approved.



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- 7.4 Postponement or deferral must be finalized by April 30 in any school year, unless otherwise agreed by the Superintendent.

8. Termination or Amendment of Plan

The Board may rescind or amend this plan. Any changes shall not affect the employees already on the plan, unless any statute or regulation shall deem otherwise.

9. Eligibility

Eligibility for return, placement and other privileges shall be governed by the appropriate collective agreement or employment contract.