

<p>Personnel and Employee Relations 7550</p> <hr/> <p>Deferred Salary Leave Plan (DSLPL)</p>	Administrative Application	
	Last Reviewed /Approved on:	February 12, 2019
	References:	Saskatchewan Teachers' Federation - Deferred Salary Leave Income Tax Act: 6801(a) Income Tax Regulations Policy 12 – Role of the Director
	Status:	Operational

Preamble

The Regina Catholic School Division (RCSD) shall establish a Deferred Salary Leave Plan (DSLPL) and grant approval for teachers to participate subject to the regulations outlined in the approved plan and in compliance with regulations established by Canada Revenue Agency and the Saskatchewan Teachers' Federation – Deferred Salary Leave.

Definitions

1. **Leave of Absence** means the twelve-month period commencing at the beginning of the school year (July 1st – June 30th).
2. **Deferred Compensation Amount** means the 20% of gross salary, which is deducted during the Deferral Period, held in trust at a specified financial institution and augmented from time to time by interest thereon, but less all amounts paid under the Plan. Gross salary is the salary payable to the teacher in accordance with current local and provincial agreements.
3. **Deferred Period** means the four (4) years during which compensation is deferred.

Application

1. Eligibility and Application Process

- a. To qualify to apply for entry in the DSLPL the teacher must hold a regular contract and have at least five (5) years of service with the school division, two (2) of which must have been consecutive and immediately prior to the request.
- b. Applications for the DSLPL shall be submitted to the Superintendent of Human Resource Services not later than April 1st of the school year preceding the year for which enrolment is requested.
- c. The Superintendent of Human Resource Services shall be responsible for considering applications. The Superintendent of Human Resource Services shall consider the following criteria:
 - i. total number of years of service with the school division and

- ii. impact on school division staffing requirements when making recommendations to the Director of Education
- d. The Superintendent of Human Resource Services shall notify the teacher of the decision no later than May 15th of the school year preceding the year for which enrolment is requested.
- e. The teacher must sign a DSLP Contract with the school division prior to enrolment in the DSLP.
- f. There shall be no restrictions with respect to the activities the teacher undertakes during the Leave of Absence.
- g. The school division may allow up to five (5) teachers to enrol in the plan in any year.

2. Funding for Leave of Absence

- a. During the Deferral Period prior to the Leave of Absence the teacher shall receive gross salary less 20% thereof. This Deferred Compensation shall be held in trust at a Board approved financial institution.
- b. RCSD shall pay to the teacher the accrued earned amount accumulated in the calendar year on the Deferred Compensation Amount on December 31st in each school year the teacher participates in the plan. The school division shall pay to the teacher any outstanding accrued earned income on the Deferred Compensation Amount no later than July 31st in the year the teacher completes the Leave of Absence or within sixty (60) days of the date the teacher withdraws from the Plan.

3. Year of Leave

- a. Subject to the provisions in 5d and 5e below, the Leave of Absence shall be the year stated in the DSLP Contract between the teacher and RCSD and shall commence at the beginning of the school year immediately following the Deferral Period.
- b. The teacher shall be paid in ten (10) instalments during the Leave of Absence. Payment shall begin with the month of September and continue consecutively through the month of June. Each instalment shall be based on one tenth (1/10) of the balance of the Deferred Compensation Amount less accrued earned income as at July 31st of the year of Leave of Absence.
- c. RCSD shall continue to pay during the Leave of Absence its portion of applicable employee benefits required by law.
- d. During the Leave of Absence the teacher shall not be able to:
 - i. accumulate experience for salary increments
 - ii. accumulate or access sick leave credits or
 - iii. take maternity or other leaves

- e. During the Leave of Absence the teacher cannot receive any salary from the RCSD, or any person or partnership with which the school division does not deal at arm's length, other than the Deferred Compensation Amount.

4. Return to Work

- a. Following the Leave of Absence the teacher must resume employment with RCSD, at the same permanent contract equivalency as that prior to the Leave of Absence, for a minimum of one (1) year.
- b. The teacher is to contact the school division by April 15th of the year of Leave of Absence to confirm their return to work.
- c. The teacher shall be advised of their placement prior to return to work.
- d. The teacher, upon return to service with the school division may be placed in a position similar to but not necessarily the same as that in place prior to the commencement of the Leave of Absence.

5. Adjustments to Plan

- a. In extenuating circumstances, such as financial hardship, and with the consent of the school division, the teacher may withdraw from the DSLP upon giving not less than four (4) months' notice of the intent to do so prior to the date of commencement of the Leave of Absence. Within sixty (60) days of such withdrawal RCSD shall pay to the teacher the Deferred Compensation Amount.
- b. A teacher who ceases to be employed by RCSD must withdraw from the Plan. Within sixty (60) days RCSD shall pay to the teacher the Deferred Compensation Amount.
- c. The Leave of Absence may, with the consent of both parties, be postponed for one (1) year providing that notice is given by May 15th in the school year preceding Leave of Absence. This postponement shall not move the commencement of the leave beyond six (6) years from the date of enrolment. The Deferral Period shall not be increased and the Deferred Compensation shall continue to be held in trust until the teacher takes the Leave of Absence.
- d. RCSD may postpone the year of leave. The teacher must be notified of the postponement by May 15th in the school year preceding the Leave of Absence. Under no circumstances shall such postponement exceed one (1) school year and the teacher must take the leave at the end of such time or withdraw from the plan at that time. This postponement shall not move the commencement of the leave beyond six (6) years from the date of enrolment. The Deferral Period shall not be increased and the Deferred Compensation shall continue to be held in trust until the teacher takes the Leave of Absence or withdraws from the DSLP.
- e. The teacher may on one (1) occasion, while participating in the DSLP, give two (2) months' notice to RCSD stating the wish to suspend participation in the DSLP for a period of twelve (12) months. During the period of suspension from the DSLP the teacher will not contribute the required 20% deferral of salary. The teacher shall be re-instated in the DSLP on the first of the month that immediately follows the twelve (12) months in which the teacher's participation was suspended. The Deferred Compensation Amount shall continue to be held in trust until the teacher takes the Leave of Absence or

withdraws from the DSLP. This suspension shall not move the commencement of the Leave of Absence beyond six (6) years from the date of enrolment.

- f. Upon death of the teacher, RCSD shall, within sixty (60) days of notification of said death to the school division, pay the Deferred Compensation Amount to the teacher's estate, subject to the school division receiving the necessary clearances and proofs required for payment to estates.

6. General Provisions

- a. Interest (earned income) paid to the teacher under the provisions of the DSLP shall be considered as employment income for the purposes of the *Income Tax Act* and shall be reported on the teacher's T4 supplementary and subject to tax withholdings.
- b. Any fees charged by the financial institution for administering the teacher's DSLP account shall be borne by the teacher.
- c. The requirements of Section 248(1) of the *Income Tax Act* and paragraph 6801(a) of the *Income Tax Regulations* must be fulfilled in establishing a DSLP.