

Section:	Human Resources (HR)
Subject:	Leaves (Paid and Unpaid)
Legislation:	
Effective:	November 19, 2004
Revision:	September 1, 2016 (reformatted)

**APPROVED:** \_\_\_\_\_  
**President and CEO**

## **POLICY**

The policy of the Board of Governors is to provide SAIT employees with the opportunity to finance a future leave of absence through the deferral of a portion of their salary over a period of time. The deferred salary will be received during the leave of absence period. The funded leave program(s) is intended for the employee's personal or professional development with the additional understanding that the employee will subsequently return to work at SAIT.

## **PROCEDURE**

### **GOVERNING PRINCIPLES**

1. The Four for Five Deferred Salary leave is intended to provide an opportunity for management, APT and SAFA employees to take 12 months away from SAIT for personal development and growth.
2. The contributory period is normally a period of 48 months immediately preceding the release period ("contributory period").
3. The term of a leave under this plan ("release period") will be a twelve month period from August 1 of one academic year until July 31 of the following year for academic employees, and September 1 of one academic year until August 31 of the following year for non-academic employees. The release period may be postponed for one year for operational reasons, provided the employee is advised not later than May 1 in the calendar year the leave was to have commenced.

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## PROCEDURE

### A. Eligibility

1. Any full time permanent employee designated as management, APT or SAFA may apply to participate in the plan.
2. Employees are to submit their applications to their dean, director or designate or vice president by March 30 for academic employees, or April 30 of the year of commencement of the plan for non-academic employees. Applications will be reviewed by the employee's dean, director or designate or vice president and if approved, sent to the vice president responsible for employee services for confirmation. Employees will be notified of the decision by May 31. Complete the HR 16 Four for Five Salary Leave Application form.
3. Up to 34 leaves shall be approved each year. School/departmental operational requirements will be considered when selecting qualified applicants to be granted leave.
4. If approval of the employee's application is granted, the employee shall, without undue delay, either sign a leave agreement or withdraw the application. The signed agreement will be signed on behalf of SAIT by the vice president responsible for employee services
5. Following approval of the agreement, the employee becomes a participant ("participant") in the plan, effective August 1 or September 1.

### B. Funding

1. Monies retained by SAIT ("fund") pursuant to this procedure shall be held by SAIT and may, at SAIT's discretion, be pooled for investment purposes. The fund shall be invested and reinvested by SAIT, at SAIT's sole discretion, in accordance with appropriate legislation.
2. Investment income earned by the fund in each calendar year will be allocated to each participant as employment income on December 31, proportionate to the balance in the participant's account (as defined below).

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### C. Contributions

1. For the purposes of this section and the following section, gross monthly salary is determined from the participant's appropriate salary schedule and shall include the academic coordinator modifier where applicable.
2. Gross monthly salary shall not include acting pay, overtime pay, contract earnings, performance rewards or overload, etc.
3. During the contributory period, SAIT shall withhold each month from each participant fifteen per cent (15%) of gross monthly salary. All such contributions shall be held in the fund.
4. Each participant will be required to reinvest the interest earned on the balance as an additional annual contribution.
5. SAIT shall establish separate notional accounts ("accounts") to reflect each participant's share of the fund.

### D. Release Period Payments

1. During the release period, SAIT shall pay from the fund to each participant an amount in monthly installments, equivalent to eighty five per cent (85%) of gross monthly salary in effect on the last working day prior to the release period, less any deductions made by SAIT pursuant to this procedure and any other deductions required by law to be made on the participant's behalf.
2. During the release period, while the participant is receiving Four for Five Leave pay, the participant is prohibited from receiving any salary or wages from SAIT or a SAIT-affiliated partner.

### E. Deductions and Benefits

1. All payments from the fund shall be treated as employment income and shall be subject to income tax and CPP deductions accordingly.
2. During the release period, the participant will be entitled to apply to maintain benefit coverage as specified in the participant's employment agreement or terms and conditions of employment. The participant will continue to pay employee

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contributions to such plans in effect during the release period through payroll deduction. SAIT will maintain the payment of the corresponding employer contributions, if any, during the release period.

3. Salary related benefits shall, during all relevant times, be based on and related to normal gross salary.
4. The Local Authorities Pension Board has ruled that members participating in the Four for Five Leave Plan will have their pre-deferral plan salary be considered the salary for pension purposes.
5. During the contributory period and the release period, SAIT shall deduct and remit pension contributions from the participant's pay cheque based on gross pre-deferral salary. SAIT shall make the corresponding employer contributions. Note: LAPP allows a maximum of 12 months during LAPP participation where the employer must pay the employee's share. If the employee takes any other leave beyond this 12-month period, the employee will be responsible for both the employee and employer share.
6. During the contributory period, SAIT shall report as employment income a reduced amount determined by subtracting from total earnings the participant contributions required under paragraph C.4 of this procedure. Income tax and Canada Pension Plan ("CPP") deductions shall be based on this reduced amount.
7. During the contributory period, SAIT shall deduct and remit Employment Insurance ("EI") premiums based on gross pre-deferral salary.
8. During the release period, earnings are not insurable; therefore, SAIT will not deduct EI premiums.
9. All vacation carryover from the previous year must be used before the release period begins. Vacation is not accrued during the release period.

#### **F. Special Circumstances**

1. If a participant dies during the contributory period, SAIT shall pay to the beneficiary or the estate of the participant the total balance of the participant's account plus accrued interest to the date of distribution, within a period of 30 days following notification of death.
2. If a participant dies during the release period, a single payment shall be made to the beneficiary or estate of the participant. This payment shall be equal to the balance of

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the contributions plus interest accrued to the date of distribution remaining in the participant's account.

3. Contributions shall continue during any period of casual or general illness leave. Contributions during any period of long term disability shall be at SAIT's sole discretion.
4. A participant who ceases to be employed by SAIT is not eligible to continue in the plan. SAIT shall pay such a former participant the total of that participant's contributions plus interest within 30 days of the participant's termination of employment with SAIT. Contributions and interest received from SAIT will be included as employment income of the participant in the year the contributions and interest are received.
5. If a participant encounters financial difficulties because of circumstances beyond the participant's control, the participant may apply to SAIT for release of this agreement with SAIT under this plan. Such application shall be in writing to the vice president responsible for employee services and shall outline the circumstances. If the request is approved, participation in this plan shall be terminated forthwith and SAIT shall pay the former participant the total of that participant's contributions plus interest accrued to the date of distribution within 30 days of the participant's release from the agreement. Such amounts paid by SAIT will be included in the participant's employment income in the year the amounts are paid.

## **POLICY/PROCEDURE REFERENCE**

- HR.3.7 Employee Funded Leaves policy
- HR.3.7.2 Deferred Salary Leave procedure

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**PROCEEDURE**