

**DEFERRED SALARY  
LEAVE PLAN**

**LIVINGSTONE RANGE SCHOOL DIVISION NO. 68**

**AND**

**LOCAL NO. 14  
of the  
ALBERTA TEACHERS' ASSOCIATION**

**Effective September 1, 1995**



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THIS AGREEMENT made the 13<sup>th</sup> day of October, 19 98

BETWEEN:

BOARD OF TRUSTEES OF THE LIVINGSTONE RANGE SCHOOL DIVISION NO. 68  
being a Board of Trustees duly constituted under the Alberta School Act,  
(hereinafter called the "Board")

PARTY OF THE FIRST PART

and

THE ALBERTA TEACHERS' ASSOCIATION  
(hereinafter called the "Association")

PARTY OF THE SECOND PART

WHEREAS the Board and the Association wish to establish a plan whereby teachers employed by the Board have the opportunity of taking a one-year leave of absence on a deferred compensation basis,

NOW, THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises the parties agree to institute the plan described in SCHEDULE I hereto, whereby an employee may take a leave of absence on a deferred compensation basis on the terms and conditions described in the plan.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

On behalf of the Board of Trustees of the  
Livingstone Range School Division No. 68

On behalf of the Livingstone Range Local No.  
14, the Alberta Teachers Association

[Signature]

[Signature]

Frances Amundsen

Patricia K. Andrew

[Signature]

On behalf of the Alberta Teachers' Association

[Signature]  
Co-ordinator of Teacher Welfare

1998 11 06  
Date

## SCHEDULE I

### DEFERRED SALARY LEAVE PLAN

#### 1. DEFINITIONS

"Accrued Interest" in respect of a taxation year means the amount of interest earned in accordance with clause 3.3 on the monies retained by the Board on behalf of the participant calculated from:

- a) the first date any of such monies have been so retained by the board, or
- b) the first day of the taxation year.

whichever is later.

"Association" means the party of the second part referred to in the agreement to which the plan is a schedule.

"Board" means the party of the first part referred to in the agreement to which this Plan is a schedule.

"Collective Agreement" means the agreement in force between the Association and the Board pursuant to the applicable section of the Alberta Labour Relations Code.

"Committee" means a committee as defined by agreement between the Association and the Board.

"Current Compensation Amount" means the total compensation payable by the board to the participant for the school year, including his/her proper grid salary and all allowances, per the Collective Agreement.

"Deferral Period" shall be the number of years for which compensation is deferred in accordance with clause 3.1, including the years referred to in clauses 4.4 and 4.5, if applicable.

"Deferred Compensation Amount" means the portion of the current compensation amount which is retained by the board for a participant in each year in accordance with clause 3.1 and augmented from time to time by interest thereon calculated in accordance with clause 3.3 but less all interest paid to the participant in accordance with clause 3.4.

"Eligible Investor" means any Canadian chartered bank, or trust company authorized to carry on business in the province of Alberta and who maintains Canada Deposit Insurance, and any credit union authorized to carry on business in the province of Alberta or the Treasury Branches of Alberta.

"Eligible Teacher" means a teacher as defined by agreement between the Association and the Board.

"Leave of Absence" means the period of time described in clause 4.1.

"Memorandum of Agreement" means the agreement described in SCHEDULE II.

"Participant" means an eligible teacher who has completed a Memorandum of Agreement (SCHEDULE II) and whose application for participation in the plan has been approved by the Board in accordance with clause 2.3.

"Plan" means the plan set out in this schedule, and includes all amendments thereto.

"Regulations" means the regulations under the Income Tax Act (Canada).

"Taxation Year" means the calendar year.

## 2. APPLICATION

- FORMAL APPLICATION 2.1 In order to participate in the plan, an eligible teacher must make written application by way of SCHEDULE II to the Superintendent of schools on or before March 31, or at a date otherwise agreed between the Board and the Association, stating the date when the eligible teacher wishes to participate in the plan and the school year in which the leave of absence is to be taken.
- APPROVAL 2.2 The approval of each application made under clause 2.1 shall rest solely with the Board. The superintendent of schools shall, by May 15 of that year, or at a date otherwise agreed between the Board and the Association, advise each applicant of the Board's approval or disapproval of his/her application, and if the latter, an explanation therefore.
- DATE OF PARTICIPATION 2.3 If the Board gives its approval in accordance with clause 2.2, the participation of the eligible teacher in the plan will become effective on the date requested by the eligible teacher, or if such date is not agreed to by the Board, then on a date which is agreed to by the Board and the eligible teacher.

## 3. FUNDING FOR LEAVE OF ABSENCE

Funding for the leave of absence shall be as follows:

- COMPENSATION DEFERRED 3.1 During each school year prior to the leave of absence, the participant, for a maximum of five (5) school years, will receive his/her current compensation amount, less the percentage amount which the participant has specified in the Memorandum of Agreement for the school year in question which is to be retained by the Board. Such percentage amount will be retained by the Board and be invested in accordance with clause 3.3.
- MAXIMUM PERCENTAGE DEFERRED 3.2 The percentage of the current compensation amount deferred by the participant cannot exceed the percentage amount obtained when 100 percent is divided by the number of years the participant states he/she will participate in the plan, including the leave of absence year. Notwithstanding the preceding, the maximum deferred in any one taxation year shall not exceed 33 $\frac{1}{3}$  percent of the portion of the current compensation amount received by the participant in that taxation year. This formula applies even if the leave of absence is deferred under clauses 4.4 and 4.5.
- INVESTMENT OF DEFERRED COMPENSATION 3.3 The monies retained by the Board for each participant, in accordance with clause 3.1, including interest thereon (until paid out in accordance with clause 3.4) shall be pooled and shall be invested and reinvested by the Board in investments offered from time to time by an eligible investor. The committee shall choose such eligible investor and in making such determination the Board, the Association, and members of the committee shall not be liable to any participant for any investments made which are authorized by this clause.

- 3.3.1 The Board, the Association and members of the committee shall not be liable to any participant or participants for the acts or defaults of each other or for any error in judgement or for any act of omission or commission in the administration or management of the monies retained, provided such monies have been invested in an institution authorized by the provisions of this clause. The Board, the Association and members of the committee shall not be liable to any participant or participants for any loss suffered in respect to any investment or investments of the monies retained, whether complete loss or partial loss, either direct loss or indirect loss, provided the investment or investments were made in an institution authorized by the provisions of this clause.
- NON-LIABILITY OF BOARD, ASSOCIATION AND COMMITTEE
- 3.4 On December 31 of each taxation year during the deferral period, the Board shall pay to the participant the accrued interest in respect of that taxation year as specified in clause 6 of the Memorandum of Agreement. The participant hereby irrevocably directs the Board to cause the eligible investor chosen by the committee in accordance with clause 3.3 to make such payment on his/her behalf into an account of the participant with the eligible investor.
- PAYMENT OF ACCRUED INTEREST
- 3.5 The treasurer shall make an annual report to each participant as to the amount of deferred salary retained by the Board for such participant, including any interest earned thereon which has been paid out in accordance with clause 3.4. The annual report shall be made no later than July 31 of each year while the participant participates in the plan.
- REPORTING TO PARTICIPANTS
- 3.6 Issues regarding payment of administrative expenses shall be governed by a separate agreement between the Board and the Association.
- ADMIN. EXPENSES

#### 4. TAKING OF LEAVE OF ABSENCE

The taking of a leave of absence shall be governed by the following provisions:

- 4.1 The leave of absence shall occur according to, and be governed by, the collective agreement then in force between the Board and the Association. In no case shall the leave of absence be for a period of less than six (6) months and each participant shall return to employment for a period of time at least equal to the period of the leave of absence.
- QUALIFICATION TO PARTICIPATE
- 4.2 The manner of payment to the participant during the leave of absence, shall be in instalments commencing September 30, being approximately equal to one-twelfth of the monies held by the Board for the participant in accordance with clause 3.1 as determined at the beginning of the leave of absence, unless otherwise directed by the participant prior to September 1 of the leave of absence. In no event shall payment be made more frequently than monthly.
- MANNER OF PAYMENT DURING LEAVE
- 4.3 The salary to be paid to a participant during a leave of absence shall be related to the monies retained by the Board in accordance with clause 3.1 for such participant, but less any deductions made by the Board under clause 5.1 and any monies required by law to be paid by the Board for or on behalf of a participant. During the period of leave, a participant may not receive any salary or wages from the Board or any other person or partnership with whom the employer does not deal at arm's length except as provided in clause 6801(a)(iii)(A) or (B) of the regulations.
- AMOUNT OF PAYMENT DURING LEAVE

- 4.4 If the Board is unable to obtain a suitable replacement for a participant for the period of a leave of absence specified by the participant, the Board may in its discretion, defer the leave of absence on one occasion for one school year. In such case, the participant may choose to remain in the plan or he/she may withdraw from the plan, in which case the Board shall pay to the participant the deferred compensation amount in one lump sum payment within sixty (60) days of such withdrawal. In no circumstances shall a postponement extend the deferral period beyond six (6) years.
- 4.5 Notwithstanding the date shown in paragraph 2 of the Memorandum of Agreement for a requested leave of absence, a participant may, on one occasion only, with the consent of the Board given not less than six (6) months prior to the scheduled date, postpone such leave for one year. In no circumstances shall a postponement extend the deferral period beyond six (6) years.
- 4.6 The year's leave of absence shall immediately follow the deferral period.
- 4.7 On return from his/her leave of absence, the participant will be assigned to a position with the Board as required by the terms of the agreement then in force between the Board and the Association governing such matter.
- 4.8 After participation in the plan, the participant's salary and benefits will be as set out in the collective agreement then in force between the Board and the Association governing the matter.

## 5. FRINGE BENEFITS

The providing of fringe benefits will be as follows:

- 5.1 During a leave of absence, the responsibility for payment of premiums for fringe benefits for a participant shall be as set forth in the collective agreement then in force between the Board and the Association. Where a participant is obligated to pay the cost of any fringe benefit during the leave of absence, the Board shall pay such cost on behalf of the participant on his/her request and deduct the monies so paid from the monies otherwise payable to the participant during the leave of absence.

## 6. WITHDRAWAL

- 6.1 A participant who ceases to be employed by the board must withdraw from the plan. Within sixty (60) days the Board shall pay to the participant the deferred compensation amount as provided in clause 4.4.
- 6.2 In extenuating circumstances, such as financial hardship, and with the consent of the Board, a participant may withdraw from the plan at any time prior to March 31 in the year in which the leave of absence is scheduled to occur. Within sixty (60) days of such withdrawal the Board shall pay to the participant the deferred compensation amount as provided in clause 4.4.

- UPON DEATH 6.3 Should a participant die the Board shall within thirty (30) days of notification of such death to the Board pay the deferred compensation amount to the participant's estate, subject to the Board receiving any necessary clearances and proofs normally required for payment to estates.
- BALANCE 6.4 In any event, the Board shall pay to the participant the deferred compensation amount or any remaining balance thereof on or before December 31 of the first taxation year commencing after the end of the deferral period.

#### 7. SUSPENSION FROM PARTICIPATION IN THE PLAN

- NOTICE TO SUSPEND 7.1 A participant may on one occasion while he/she is participating in the plan give notice to the Board stating that the participant wishes to suspend his/her participation in the plan for a period of one year as at September 1 which immediately follows such notice, in which case the Board shall pay the current compensation amount to the participant as if he/she were not participating in the plan for such year, but the amounts previously retained by the Board and interest thereon in accordance with clause 3.3 (but less all interest paid to the participant in accordance with clause 3.4) shall, subject to clause 6.4, continue to be held by the Board until the participant withdraws from the plan or takes a leave of absence.
- REINSTATEMENT 7.2 If a participant has given notice in accordance with clause 7.1, the participant's participation in the plan shall be reinstated commencing on September 1 which immediately follows the year in which his/her participation has been suspended.

#### 8. TERMINATION OR AMENDMENT OF PLAN

- BY AGREEMENT 8.1 The plan may be amended or terminated by agreement between the Board and the Association. Any amendment(s) shall be binding upon all present and future participants.
- NOT TO PREJUDICE RULING 8.2 No amendment shall be made to the plan which will prejudice any tax ruling which is applicable to the plan prior to the amendment.



SCHEDULE II

DEFERRED SALARY LEAVE PLAN MEMORANDUM OF AGREEMENT

I have read the terms and conditions of the agreement between the Board of Trustees of the Livingstone Range School Division No. 68 and The Alberta Teachers' Association setting up the Deferred Salary Leave Plan (the "Plan") and understand same and I agree to participate in the plan under the following terms and conditions. All capitalized terms have the same meaning as in the Plan.

1. PURPOSE

The main purpose of my enrollment in the Plan is to permit me to fund a Leave of Absence, and not to provide me with benefits on or after retirement.

2. ENROLMENT DATE

My enrolment in the Plan shall become effective for the school year commencing \_\_\_\_\_

3. NUMBER OF YEARS OF PARTICIPATION

I shall participate in the Plan for \_ school years and my Leave of Absence shall immediately follow thereafter, subject to the provisions of paragraph 4 below.

4. YEAR OF LEAVE

In accordance with clause 4.6, I shall take my Leave of Absence during the 19 \_\_\_\_ / \_\_\_\_ school year but I shall have the right in accordance with clause 4.5 to postpone such leave for one school year and the board shall have the right to defer such leave for one school year in accordance with clause 4.4.

5. FUNDING OF LEAVE OF ABSENCE

In accordance with clause 3.1, I direct that the percentage amounts as set out in this clause be withheld from the Current Compensation Amount with respect to my participation in the Plan for the following school years:

First Year	_____ %	Fourth Year	_____ %
Second Year	_____ %	Fifth Year	_____ %
Third Year	_____ %	OR For all Years	_____ %

In accordance with clause 3.2, the maximum percentage of Current Compensation Amount deferred in any one year cannot exceed 100 percent divided by the number of years in the Plan including the Leave of Absence year, without taking into account any deferral under clauses 4.4 and 4.5.

Two Years	.....	Maximum 33 1/3 %
Three Years	.....	Maximum 33 1/3 %
Four Years	.....	Maximum 25 %
Five Years	.....	Maximum 20 %

I may, by written notice to the board given prior to September 1 in any given year, alter the percentage amounts for that or any subsequent year. (Note: To be completed for the school year up to the school year in which the Leave of Absence specified in paragraph 4 above is to commence.)

**6. PAYMENT OF ACCRUED INTEREST**

I direct the Board to pay Accrued Interest to me on each of the following dates:

- i) the December 31 which occurs at the end of the Taxation Year in which I have become a Participant;
- ii) each December 31 occurring after the date specified in clause i; above, and
- iii) the last day of the Leave of Absence or when the Board makes a payment under clause 4.4, 6.1, 6.2, 6.3, or 6.4.

Date: \_\_\_\_\_, 19\_\_

Participant's Signature

Address

Date: \_\_\_\_\_, 19\_\_

AGREED TO BY THE BOARD

Treasurer

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In order to make the election, the Participant is to initial, and if initialed such election shall be deemed to have been made. The effect of the election is that so long as paragraph 6 applies, the Participant will receive Accrued Interest annually rather than every three years.

THIS ANCILLARY AGREEMENT made the 13<sup>th</sup> day of October, 1998.

BETWEEN:

THE BOARD OF TRUSTEES OF THE LIVINGSTONE RANGE SCHOOL DIVISION NO. 68,  
being a Board of School Trustees duly constituted under the Alberta School Act.  
(hereinafter called "the Board")  
PARTY OF THE FIRST PART

AND:

THE ALBERTA TEACHERS' ASSOCIATION  
(hereinafter called "The Association")  
PARTY OF THE SECOND PART

The Board and the Association agree that for the interpretation of the agreement on a deferred compensation plan:


- i) The word "committee" means a committee of \_\_\_\_ members comprised of \_\_\_\_ members appointed by the Board and \_\_\_\_ members appointed by the Association.
- ii) The words "administrative expenses" mean internal costs normally incurred by the Board and not external charges such as may be incurred for the administration of the investment component of the plan or for consultation, advice, or audit.
- iii) The words "Alberta School Act" means the "School Act" and all amendments or succeeding statute(s).
- iv) For the purpose of clause 3.2 investment will be made with the Bank and in accordance with clause 3.4 the treasurer will make the annual reports to each participant as soon as possible after reports have been received from the Bank.
- v) For the purpose of clause 2.2 and clause 4.4, it is understood that the total number of teachers on leave of absence in any one year under the leave of absence and Deferred Salary Leave Plan shall not exceed % of the number of full-time equivalent teachers on staff.
- vi) On return from leave (4.7 SCHEDULE I), a teacher will be assigned to a position with the Board in accordance with the following priorities:
  - a) the same position previously vacated by the teacher.
  - b) a position similar to that previously vacated by the teacher, or
  - c) a position for which the teacher is qualified in accordance with his/her training and/or experience.However, notwithstanding the above, a teacher on leave will not have any advantage or disadvantage in the event that a staff reduction or program change has become necessary in a particular school.
- vii) Sick leave credits will not be accumulated during the year spent on leave.
- viii) It is understood that no increments will be earned by a participant during the period of leave unless the leave time is used in such a manner that increments would normally be granted as determined in the Association/Board Collective Agreement.

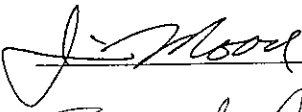
ix) A teacher's benefits will be maintained by the Board during his/her leave of absence, provided the teacher requests such in writing \_\_\_\_\_ months prior to date of leave. The teacher shall pay to the Board the full cost of any benefit premiums paid on his/her behalf unless otherwise agreed to by the Board.

In witness whereof this agreement has been executed by the parties hereto of the day and year first above written.

On behalf of the Board of Trustees of the Livingstone Range School Division No. 68

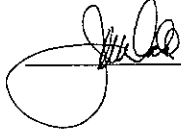
On behalf of the Livingstone Range Local No. 14, the Alberta Teachers Association

  
\_\_\_\_\_

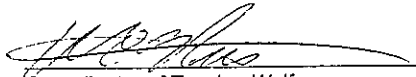
  
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*Frances Amundsen*

*Patricia E. Andrews*

  
\_\_\_\_\_

On behalf of the Alberta Teachers' Association

  
\_\_\_\_\_

Co-ordinator of Teacher Welfare

1998 11 06  
Date