POLICY 8.27 – Deferred Salary Leave

Policy Category: Personnel – Select Administrative Group Employees (SAGE)
Effective Date: September 10, 1999
Revised: (NEW)

POLICY

1.00 Unpaid leaves of absence of six (6) months to one year which have been approved in accordance with Policy 8.17 may be funded through a deferred salary leave agreement signed with UWO. Employees interested in funding their approved unpaid leaves through such an agreement should contact Human Resources. Application of the provisions of this Policy is subject in every case to the requirements of the department concerned and UWO.

2.00 An employee's salary may be deferred over a one to five-year period. The percentage of nominal salary deferred will range between 5% and 25%. The salary deferred is retained by UWO to be deposited into an interest-bearing account with a bank, trust company, or investment group. The interest rate will be the maximum rate available.

3.00 The deferred salary will be completely paid to the employee during the leave period on a mutually agreeable schedule. During the leave, income tax is payable on the accumulated deferred salary as it is received. At the request of an employee, but no more than once per year, an accounting shall be provided to the employee of the amount deferred and the interest accrued.

4.00 During the years of salary deferral, income tax is payable on the actual salary received and also on the interest accrued on the deferred salary. Any interest earned by the deferral of salary will be paid to the employee at the end of each calendar year.

5.00 The employee must return to UWO for a work period at least as long as the leave.

6.00 Leave cancellation occurs on termination of employment, death or LTD or WSIB beyond (105) days. The deferred salary plus interest will be paid to the individual, beneficiary or estate subject to tax regulations.

7.00 Withdrawal or postponement for reasons other than termination of employment, death or disability requires UWO approval in writing at least six months before the scheduled leave whether the change is initiated by UWO or the individual.
8.00 Benefits coverage on the applicable cost-sharing basis will be continued as follows:

a) During years of salary deferral:

- OHIP, Supplementary Health Insurance, Dental - as normal
- Life Insurance - based on nominal salary
- Sick Leave - based on actual salary
- Long Term Disability Insurance - based on nominal salary
- Paid Holidays & Vacation - based on actual salary
- Canada Pension Plan, Unemployment Insurance, Worker's Compensation – subject to government regulations
- Pension - contributions based on nominal salary

b) During the leave:

- OHIP, Supplementary Health Insurance, Dental - as normal
- Life Insurance - based on nominal salary
- Sick Leave - no accrual or payment
- Long Term Disability Insurance - based on nominal salary
- Paid Holidays & Vacation - based on actual salary
- Canada Pension Plan, Unemployment Insurance, Worker's Compensation – subject to government regulations
- Pension - contributions based on nominal salary

9.00 All aspects of this Deferred Salary Leave shall be subject to the Income Tax Act and Revenue Canada rules and regulations.