

DEFERRED SALARY LEAVE

1. With the exception of Caregiving Leave, Compassionate Leave, Court Leave, Pregnancy and Parental/Adoption Leave and Sick Leave, at least two years of full-time continuous service shall elapse between any two successive Leave periods, and a Member shall not be on Leave for more than twenty-four months in any seven-year period. These restrictions may be modified in individual cases by the Provost, on recommendation from the Dean, at the request of the Member. Approval of any such request shall not be arbitrarily withheld.
2. Deferred Salary Leave is intended to allow for a leave of absence funded by the individual Member at no cost to the Employer during the period of the Leave. Such a Leave may be granted where the Employer determines that the Leave will not interfere with the ability of the Member's Unit(s) to meet their operational requirements.
3. The provisions of this Article are subject to the relevant provisions of the *Income Tax Act* and any interpretations made by Canada Revenue Agency (CRA); any changes in the Act or its interpretation override the provisions of this Article.
4. Unpaid leaves of six months or one year may be funded through a Deferred Salary Leave arrangement as defined in Section 248(1) of the *Income Tax Act*. Deferred Salary Leaves are to begin on January 1 or July 1 and must start no later than the month following the end of the deferral period.
5. All Full-Time Members are eligible to apply for a Deferred Salary Leave.
6. Salary is deferred over a one- to five-year period, and the salary deferred is completely used up during the Leave period. The Member must return to the University for a work period at least as long as the Leave, as required under the *Income Tax Act*.
7. The percentage of nominal salary deferred will range between 5% and 25%, depending upon the income needs during the period of deferral and the period of the Leave.
8. The salary deferred is retained by the Employer to be deposited into a University interest-bearing bank account. The bank will be a registered financial institution used by the University and the interest rate will be the maximum rate available.
9. During the year(s) of salary deferral, income tax is payable on the actual salary received and also on the interest accrued on the deferred salary.

During the Leave, income tax is payable on the accumulated deferred salary as it is received and also on the interest accrued during the Leave period.

10. During the years of deferral the contributions of the Member and the Employer towards the Member's benefits will be based on the Member's total salary (i.e., the sum of the actual salary received and the deferred salary). The Member may elect to pay the cost of benefits and pension contributions during the period of the Deferred Salary Leave. During a Deferred Salary Leave the Employer will not contribute towards the costs of benefits, including pension.
11. Sabbatical Leave credit shall not be earned during a Deferred Salary Leave.
12. A Member must make application for a Deferred Salary Leave to the Dean of the Member's home Faculty. A Member shall apply in writing six months before the period of salary deferral would commence. The application shall state the periods requested for salary deferral and the Leave to follow, along with the amount of salary to be deferred.
13. Where a Member's Appointment is in a Department or School, the Dean shall consult with the Department Chair or School Director. The Employer shall then approve or deny the application. Such approval shall not be arbitrarily withheld and any decision not to approve the application shall be accompanied by written reasons.
14. Details of the Deferred Salary Leave, where approved by the Employer, will be confirmed in writing and signed by the Member and the Employer. If an application is approved, the Member's Home Unit will be committed to accommodating the Deferred Salary Leave at the approved commencement date.
15. Members on Deferred Salary Leave are not eligible for consideration for Promotion while on Leave. Any record of activity in Teaching, Research, or Service during the Leave period may be included when a participant is considered for Promotion.
16. Leave cancellation occurs on termination of employment, death or disability of the Member. The deferred salary plus interest will be paid to the Member, beneficiary or estate subject to tax regulations.
17. Withdrawal or postponement of the Deferred Salary Leave for reasons other than termination of employment, death or disability requires written application to the Employer at least six months before the scheduled Leave. The Employer shall approve or deny the application. Government

regulations require that if salary has been deferred for the maximum five-year period, the Leave cannot be postponed.