

## DEFERRED SALARY LEAVE

1. With the exception of Compassionate Leave, Court Leave, Pregnancy and/or Parental/Adoption Leave and Sick Leave, at least two (2) 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 (24) months in any seven (7) year period. These restrictions may be modified in individual cases by the Provost on recommendation from the Chief Librarian or 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 to meet its 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 four (4) months, six (6) months or one (1) year may be funded through a Deferred Salary Leave arrangement as defined in Section 248(1) of the *Income Tax Act*.
5. All Continuing Appointment Members are eligible to apply for a Deferred Salary Leave.
6. Salary may be deferred over a one (1) to five (5) year period, and the deferred salary shall be completely used 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.

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11. Professional Leave credit shall not be earned during a Deferred Salary Leave.
12. A Member must make application for a Deferred Salary Leave to the Chief Librarian or Dean. A Member shall apply in writing six (6) months before the period of salary deferral is to 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. After consultation with the immediate supervisor, the Chief Librarian or Dean shall recommend to the Provost that the application be either approved or denied. The Employer shall then approve or deny the application within one (1) month after the application is made. 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 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. Activity in any area of the Member's Responsibilities, reported for the period of Deferred Salary Leave, shall be included if/when a participant is subsequently considered for Promotion.
16. Leave cancellation shall occur on termination of employment, disability or death of the Member. The deferred salary plus interest shall be paid to the Member, or to the Member's beneficiary or estate, subject to tax regulations.
17. Withdrawal or postponement of the Deferred Salary Leave for reasons other than termination of employment, disability or death requires written application to the Employer at least six (6) months before the Leave is scheduled to begin. The Employer shall approve or deny the application within one (1) month after the application is made. Government regulations require that if salary has been deferred for the maximum five (5) year period, the Leave cannot be postponed.