 <p style="text-align: center;">LEAVE</p>	<p style="text-align: center;">Human Resource Manual</p>
<p style="text-align: center;">Deferred Salary Leave</p>	<p style="text-align: center;">Section 1316</p>

DEFERRED SALARY LEAVE

PURPOSE


1. The deferred salary leave plan has been developed to afford employees the opportunity to take leave from the public service and to finance this leave through a deferral of salary in previous years.

APPLICATION

2. These guidelines and procedures apply to all indeterminate employees.
3. Employees, except teachers who must have a minimum of four (4) years continuous service with the GN, are eligible to apply at any time.

PROVISIONS


4. Participating employees agree to defer a portion of their salary for four (4) consecutive years, and the employer agrees to grant the employee leave in the fifth (5th) year and use the amounts deferred in the previous four(4) years to pay the employee's salary in the year of the leave.
5. Only employees of the NEU and excluded employees can choose to have a portion of their salary deferred over a period of four and one half (4½) years, followed by six (6) months leave.
6. Participation in the plan is subject to operational requirements.
7. During the period of leave, employees may engage in whatever activities they wish, other than taking employment in the public service of the Government. Such employment effectively terminates the leave, voids the self-funded leave plan and has income tax implications.
8. The individual plan for each participating employee is a six (6) year period consisting of the following:
 - The first four (4) consecutive years during which the employee draws 80% of salary earned in each of the four (4) years and defers the remaining 20%.
 - The fifth (5th)consecutive year in which the employee takes the leave, and is paid from the amounts deferred above.

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- The sixth (6th) consecutive year in which the employee returns to employment with the public service of Nunavut for a minimum of one (1) year. Teachers return to the Education Region they are employed with and teach for a minimum of one (1) year.

Or, employees of the NEU and excluded employees only can choose:

- The first four and one half (4½) consecutive years during which the employee draws 90% of salary and defers the remaining 10%.
 - The remaining six (6) months of the fifth (5th) consecutive year in which the employee takes the leave, and is paid from the amounts deferred above.
 - The first six (6) months of the sixth (6th) consecutive year in which the employee returns to employment with the public service of Nunavut for a minimum of six (6) months.
9. Participation can begin at any time during the year for senior managers, employees of the NEU or excluded employees. Participation for teachers begins only at the beginning of a school year.
 10. There is no maximum number of senior managers, employees of the NEU or excluded employees allowed to enter the plan. The number of teachers entering the plan each year is determined by the Executive Director of Regional School Operations with consideration given to operational requirements.
 11. Deputy Heads must ensure that approved leave does not impair the future operation of their department, board or agency.
 12. Employees must make written application to their Deputy Head. Applications should state the proposed start of the salary deferral and the proposed period of leave. In the case of teachers the application must be made by January 15th to enter the plan in the upcoming school year.
 13. The Deputy Head will review the application and the requirements of the Department and notify the employee's manager/principal and the Compensation and Benefits Division of Finance at least six (6) weeks prior to the start of salary deferral.

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14. Each participant will sign an agreement covering the details of the plan. Attachment "A" is for senior managers, excluded employees and employees of the NEU requesting one (1) year leave. Attachment "B" is for teachers. Attachment "C" is for excluded employees or employees of the NEU requesting a six (6) month leave.
15. The salary deferred will be placed in a trust fund by the Government and any returns on the investment of the trust will be used to pay the participant during the period of leave.
 - The money held in trust will be pooled with other Government funds and the employee will be credited with the average rate of return on those funds.
 - Investments will be restricted to those eligible under section 57(1) of the *Financial Administration Act*.
 - A statement of the individual's account will be provided to each participant at the anniversary of the plan. Each year T-5's will be produced showing the taxable income from the funds.
16. During the period of leave no loans, subsidiaries, allowances or salary will be made to the employee, except the money that was deferred on behalf of the participant.
17. Income tax will be deducted in accordance with the provisions of the *Income Tax Act* and its Regulations.
18. During the deferral period of the Plan, the Employer shall provide employee benefits at a level equivalent to 100% of salary. Benefits and premium recoveries for the year of leave will be governed by the rules for Leave without Pay. All benefits cease except Public Service Health Care Plan, Superannuation, Supplementary and Public Service Management Insurance Plan death benefit, disability insurance, and dental coverage. Premiums for these plans are in accordance with rules of providing these benefits to an employee while on LWOP. Arrangements can be made to have deductions from pay for some of these benefits. Employees should discuss these plans with their benefits administrator.
19. Upon return from leave, the department will place the employee in either their former position or an agreed upon equivalent position.

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20. In the case of returning senior managers, they will not be entitled to a merit increase based on the period of leave.
21. The Employer shall cancel participation in the plan and shall refund, within 60 days, the total of the deferred salary plus earnings from the plan, if:
 - the employee dies or has been dismissed; or
 - the employee has resigned from the Public Service of Nunavut.
22. Where operational requirements would not be met if the employee proceeded on leave, or where exceptional changes in personal circumstances make the leave unfeasible, the Employer will give the employee the choice of the following:
 - withdrawing from the Plan and taking a refund of the total in the deferred salary account; or
 - deferring the year of leave to the sixth (6th) or seventh (7th) consecutive year or some other mutually agreeable date.
23. Upon withdrawal from the plan the total in the account will be repaid to the employee within 60 days of the notification of withdrawal.

AUTHORITIES AND REFERENCES

24. Main Collective Agreement with the NEU
Article 44, Deferred Salary Leave Plan
25. Excluded Employees' Handbook
Leave
26. Senior Managers' Handbook
Deferred Salary Leave Plan

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	Deferred Salary Leave	Section 1316

CONTACTS

27. For further information or clarification, please contact:

**Director Compensation and Benefits
Department of Finance
Iqaluit, Nunavut
975-5881**



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Attachment "A"

DEFERRED SALARY LEAVE AGREEMENT – 1 year leave

Name: _____

Dept: _____ Division: _____

SIN: _____ Employee Number: _____

I have read the Terms and Conditions of the deferred salary leave plan, (Human Resource Manual Section 1316), and apply to participate on the following basis:

1. Enrolment Date
My requested enrolment in the Plan shall be _____
2. I request Deferred Salary Leave for a one year period commencing _____
These dates should be confirmed within three months of proceeding on Leave.
3. In accordance with HRM 1316, 20% of my salary will be deferred for each of four years and used to fund the Leave granted under 2. (above).
4. I understand that I cannot accept any other employment with the Public Service during the period of my leave.
5. I agree to return to the Public Service of the Government of Nunavut for a period of one year following my leave.

Date

Employee

I approve the application for Salary Deferral and Leave as applied for above, and agree to return the applicant to their current or equivalent position following leave.

Date

Deputy Minister (employing department)

Department



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Attachment "B"

DEFERRED SALARY LEAVE AGREEMENT FOR TEACHERS

Name: _____

School: _____ Region: _____

SIN: _____ Employee Number: _____

I have read the Terms and Conditions of deferred salary leave plan, (Human Resource Manual Section 1316), and apply to participate on the following basis:

1. Enrolment Date
My enrolment in the Plan shall become effective commencing the 20___/20___ school year.
2. I request Deferred Salary Leave for the _____ school year. These dates should be confirmed by April 15th in the year of the Leave.
3. In accordance with HRM 1316, 20% of my salary will be deferred for each of four years and used to fund the Leave granted under 2. (above).
4. I understand that I cannot accept any other employment with the Public Service during the period of my leave.
5. I agree to return to the _____ Region for a period of one year following my leave.

Date

Employee's signature

I approve the application for Salary Deferral and Leave as applied for above, and agree to return the applicant to their current or equivalent position following leave.

Date

Executive Director

Regional School Operations



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Attachment "C"

DEFERRED SALARY LEAVE AGREEMENT – 6 month leave

Name: _____

Dept: _____ Division: _____

SIN: _____ Employee Number: _____

I have read the Terms and Conditions of deferred salary leave plan, (Human Resource Manual Section 1316), and apply to participate on the following basis:

1. Enrolment Date
My requested enrolment in the Plan shall be _____
2. I request Deferred Salary Leave for a six-month period commencing _____
These dates should be confirmed within three months of proceeding on Leave.
3. In accordance with HRM 1316, 10% of my salary will be deferred for each of four and one half years and used to fund the Leave granted under 2. (above).
4. I understand that I cannot accept any other employment with the Public Service during the period of my leave.
5. I agree to return to the Public Service of the Government of Nunavut for a period of six months following my leave.

Date

Employee

I approve the application for Salary Deferral and Leave as applied for above, and agree to return the applicant to their current or equivalent position following leave.

Date

Deputy Minister (employing department)

Department