

**PRE-PAID LEAVE PLAN APPLICATION FORM
ACADEMIC STAFF**



EMPLOYEE'S SURNAME

FIRST NAME & INITIAL

POSITION

DEPARTMENT/SECTION

MANAGER/DIRECTOR

Date of Hire: _____ (3 years seniority required for eligibility)

Leave Requested From: _____ To _____

Deferred Salary From: _____ To _____

METHOD OF PRE-PAYMENT – please check one: (Maximum amount deferred per year is 33 1/3% of your salary.)

1/3 of salary for two years (2/3) _____

1/4 of salary for three years (3/4) _____

1/5 of salary for four years (4/5) _____

1/6 of salary for five years (5/6) _____

Other – Percentage of Salary _____

BENEFITS: I wish to maintain benefits through automatic withdrawal: Yes ☐ or No ☐

******One month prior to leave taking place, please contact a Benefits Officer regarding what benefits you wish to maintain during your leave of absence.**

Signature of Applicant & Date

Signature of Manager/Director & Date

Signature of Vice-President & Date

Signature of President & Date

PRE-PAID LEAVE PLAN



I have applied for and been granted leave to participate in the above pre-paid leave plan, and acknowledge and agree, that as a condition of participation, that in the event I withdraw from the plan, as indicated under Article 23.05.C of the Collective Agreement, the funds withdrawn shall be subject to the normal income tax deductions. I further agree that I will not request withdrawal from the plan except under exceptional circumstances.

I acknowledge and agree that at the commencement of the prepaid leave period, Algonquin College is to pay all deferred monies accrued on the first regular payroll of the month. Deductions for Income Tax, CPP, E.I., etc., shall be made to include all legally required and agreed deductions necessary to the end of the leave year.

For the deferral period of this agreement, Algonquin College is to maintain all benefits related to salary at the rate that would have applied had I not participated in the plan.

Pensionable service for this period may be purchased back at the end of the leave period. The full lump sum payment for the buy back period must be made within the first 6 months of the end of the leave.

During the prepaid leave period, Algonquin College will maintain all benefits provided that I pay 100 % of the monthly premiums.

I agree that in the event that a suitable replacement cannot be obtained, the College may defer the period of leave, subject to notice being given to me six months prior to the leave period. In this instance, I may choose to remain in the plan or receive payment of all deferred salary and interest.

Signed _____

Date _____

Witness _____

Date _____

Deferral Leave Plan for Six Months

- + 2/3 16.67% of base pay deferred for 2 years 3rd year paid at 33.34%
 - 2 years deduction of 16.67% of base pay, third year off
 - Amount deferred times 2 years times 26 pays per year
- + 3/4 12.50 % of base pay deferred for 3 years 4th year paid at 37.5%
 - 3 years deduction of 12.50% of base pay, fourth year off
 - Amount deferred times 3 years times 26 pays per year
- + 4/5 10 % of base pay deferred for 4 years 5th year paid at 40.0%
 - 4 years deduction of 10.0% of base pay, fifth year off
 - Amount deferred times 4 years times 26 pays per year
- + 5/6 8.34 % of base pay deferred for 5 years 6th year paid at 41.70%
 - 4 years deduction of 8.34% of base pay, fifth year off
 - Amount deferred times 5 years times 26 pays per year

Deferral Leave Plan for One Year

- + 2/3 33.33% of base pay deferred for 2 years 3rd year paid at 66.66%
 - 2 years deduction of 33.33% of base pay, third year off
 - Amount deferred times 2 years times 26 pays per year
- + 3/4 25.0% of base pay deferred for 3 years 4th year paid at 75%
 - 3 years deduction of 25.0% of base pay, fourth year off
 - Amount deferred times 3 years times 26 pays per year
- + 4/5 20 % of base pay deferred for 4 years 5th year paid at 80.0%
 - 4 years deduction of 20.0% of base pay, fifth year off
 - Amount deferred times 4 years times 26 pays per year
- + 5/6 16.67 % of base pay deferred for 5 years 6th year paid at 83.35%
 - 5 years deduction of 16.67% of base pay, fifth year off
 - Amount deferred times 5 years times 26 pays per year

Maximum amount deferred per year is 33 1/3 % of your salary.

Deferring Salary for Prepaid Leave Academic

Academic Collective Agreement Article 23

The Prepaid Leave Plan has been developed to give full-time staff the opportunity of funding their own leave of absence by deferring salary to finance the leave period. You must have three (3) years seniority to be eligible for the plan.

Process to be followed:

- Requests and applications are completed by the employee and forwarded to Department Head, Vice President and President for approval.
- Applications should be received on or before January 31st each year
- Maximum deferral is 33.33 percent in any calendar year
- The portion of salary deferred is at the discretion of the employee in accordance with Article 23.03D
- Written acceptance, or denial of the request, with explanation, will be forwarded to the applicant by May 1st in the year the request is made
- Plan cannot have a deferral period in excess of 5 years or a leave period in excess of 12 months or less than 6 months

Considerations:

- ❖ Vacation does NOT accrue during leave of absence
- ❖ Sick leave does NOT accrue during leave of absence
- ❖ Salary adjustments i.e. economic, merit, experience are implemented
- ❖ Seniority continues to accumulate
- ❖ Pension will require purchasing upon the employee's return from leave. The employee is obligated to pay both portions, employee and employer.
- ❖ Following the leave of absence, the employee must resume employment for a period of time not less than the duration of the leave of absence period.
- ❖ Benefits can be maintained while on leave solely at the employee's expense. Benefits are not College shared during the leave period. The benefits officer or administrator will provide the amounts based on options selected by the employee.

Upon receipt of approved proposal Human Resources:

- Places the original approval form in employee's file
- Notifies Payroll when deferral begins and ends
- Notifies Payroll when employee commences unpaid leave

The employee will be paid his/her monies in lump sums (ex. June and January) in two different calendar taxable years or all at one time.

Withdrawal:

- ❖ A participant may, with the approval of the College, withdraw from the PLP in unusual or extenuating circumstances (e.g. financial hardship or serious illness). Requests for withdrawal must be submitted in writing, detailing the reason(s) for withdrawal, as soon as possible prior to the commencement of the leave. The College shall maintain the request and its approval as a part of the College records.
 - When a request for withdrawal is approved, the College shall pay to the employee a lump sum amount equal to monies deferred plus interest accrued to the date of withdrawal from the PLP. Payment shall be made as soon as possible, but must be made within 30 days of approval of withdrawal from PLP.
 - There will be tax implications in the year payment is made to the employee.