



Policy on Employee Self-Funded Leave

Office of Administration	Executive Director, Human Resources and Organizational Development
Approval Authority	Board of Governors
Approval Date	June 17, 2016
Next Review	June 2021
Review History	July 1994

1. Purpose

1.1 The Purpose of this policy is to:

- 1.1.1 Provide employees with an opportunity to self-finance a leave of absence by authorizing the University to set aside, over a limited period of time, a portion of the employees' salary prior to the leave of absence.
- 1.1.2 Set forth the conditions under which the voluntary self-funded leave will be approved by the University.
- 1.1.3 Ensure compliance with the requirements of the *Income Tax Act* and paragraph 6801 (a) of the Income Tax Regulations.

2. Scope

- 2.1 This policy applies to any full-time permanent, non-academic, Laurentian University employee having at least three (3) years' continuous service with the University.
- 2.2 For the purpose of this policy, employees can request a period of self-funded leave between a minimum of six (6) months and a maximum of twelve (12) consecutive months.

3. Definitions

- 3.1 “Deferral Period” means the period between the commencement and cessation of contributions to the Plan.
- 3.2 “Wages Deferred” means that portion of the gross annual salary which is deferred by a participant during each non-leave year of his/her enrolment in the Plan.
- 3.3 “Leave of Absence Period” means the period of time specified in the Written Agreement and will commence immediately following the deferral period.
- 3.4 “Participant” means an eligible employee whose application for participation in the Plan has been approved by the University as per the criteria set out in the Program for Employee Self-Funded Leave.
- 3.5 “Plan” means the Deferred Salary Leave Plan as described in this policy.

4. Policy Statement

- 4.1 The University and the eligible participant shall enter into a written agreement setting out the terms of the Plan agreed to, in compliance with the conditions set forth in the Program for Employee Self-Funded Leave.
- 4.2 Approval of individual requests to participate in the Plan, the duration of the leave, the deferral period, and the percentage of wages deferred shall rest solely with the University and shall be in accordance with the requirements under the *Income Tax Act* and its regulations. Such approval shall not be unreasonably withheld.
- 4.3 The University will provide for the administration and record keeping of the Plan.
- 4.4 Sick Leave benefits shall not be available during the leave, nor shall vacation be taken during the leave, nor shall vacation credits accumulate during the leave of absence period. Accumulation of seniority during this period of leave will be according to the applicable Collective Agreements or University Policy.
- 4.5 The University intends to maintain the plan in force indefinitely, but nevertheless, retains the right to amend or discontinue the plan in whole or in part at any time. However, no amendments to the plan initiated by the University will reduce the benefits accruing to the participant if he/she is enrolled in the plan at the time of amendment.