

# **Terms and Conditions of Employment for Excluded Employees/ Appointees**

## **Schedule 07 – Paid Absence Prior to Retirement**

Last updated: April 12, 2016

### **1. Policy**

The scheduling of any earned, purchased or accumulated time taken prior to retirement shall be in accordance with the following conditions.

### **2. Definition**

Paid absence prior to retirement is any earned, purchased, or accumulated benefits, as defined below, that an employee/appointee may have accrued and chooses to take as absence from work with pay immediately prior to commencement of a pension from the Public Service Pension Plan.

### **3. Procedure**

It is important that the employee begin making retirement plans at least six months ahead of their last day on the job. Paid absence prior to retirement is a paid leave of absence and therefore requires prior approval from the employee's/appointee's ministry. A request for approval to proceed on paid absence prior to retirement must be submitted to the employee's/appointee's human resources contact at least three months prior to their last day at work in order to ensure that retirement benefits are not delayed.

#### 4. Priority of Accessing Leaves

Paid absence prior to retirement must be taken in the order set out from (1) through (8), commencing from the employee's/appointee's last day at work:

Employee/Appointee Group		Types of Leave	Priority Order
OIC Category A and C, Management Salaried Physicians	OIC Category B, Schedule A		
X	X		Last Day at Work
X	X	CTO or other Unscheduled Surplus Time	1
X	X	Vacation Carryover	2
X	X	Current Year's Vacation	3
X		EBP Banks	4
X Only Salaried Physicians		Salaried Physician Pre-Retirement Leave	5
X	X	Final Vacation Entitlement	6
X	X	Accumulated Pre-1978 50% Sick Bank Entitlement	7
X Except Salaried Physicians	X	Retirement Allowance	8
X	X		Employee's / Appointee's Last Day on Payroll
X	X		Effective Date of Pension: First of the Following Month

## 5. Eligible Leaves

Paid absence prior to retirement may consist of some or all of the following and must be taken in the order set out in the preceding table:

1. **Compensatory Time Off (CTO)** or other unscheduled surplus time

This consists of any unscheduled compensatory or other types of surplus time for current or prior years that an employee/appointee has accrued, but not yet taken.

2. **Vacation Carryover**

This includes any remaining vacation entitlement carried-over from the previous vacation year (all employees/appointees) and vacation carryover bank accrued prior to January 1, 2003 (Schedule A employees/Category B appointees).

1. Current year's vacation

- a. This consists of any remaining vacation entitlement for the calendar year in which the employee/appointee is last actively at work.
- b. If the employee's/appointee's paid absence prior to retirement does not extend beyond the current calendar year, there will be no additional vacation entitlement (i.e., the employee/appointee will not receive additional "final vacation entitlement").

2. Executive Benefit Plan (EBP) credits

1. This benefit applies only to management, legal counsel, salaried physicians and category A and C appointees who purchased time or transferred vacation entitlement to a time bank as provided for under the Executive Benefit Plan provisions, and who choose to use the time bank as paid absence prior to retirement.
2. The maximum accumulation in the time bank is 250 days.

3. **Salaried physician pre-retirement leave**

1. A regular salaried physician who is scheduled to retire, is entitled to one month's paid leave after ten years of service plus one-tenth of a month more per year for each year of service in excess of ten years, to a maximum of three months paid leave (reached at 30 years of service).
2. A salaried physician who receives a notice period or severance must not be given pre-retirement leave, except when approved by the minister under a labour adjustment policy or program.

4. **Final Vacation Entitlement**

1. When an employee/appointee is on paid absence prior to retirement, and that absence carries over from the year the employee/appointee was last actively at work to the next calendar year, they shall earn and be granted a

full year's vacation entitlement in that next calendar year. When the paid absence prior to retirement extends into more than one subsequent calendar year, the employee/appointee will not earn or be granted any further vacation benefits.

Example 1: An employee/appointee has chosen to use 60 days earned entitlement as paid absence prior to retirement. The last day at work is November 30, 2005. The paid absence continues into 2006; therefore, the employee/appointee is entitled to final vacation for 2006 and may choose to take it as cash or time.

Example 2: An employee/appointee has chosen to use 260 days earned entitlement as paid absence prior to retirement. The last day at work is November 30, 2005. The paid absence continues into 2007; therefore, the employee/appointee is entitled to final vacation for 2006, but not 2007, and may choose to take the entitlement as cash or time.

2. An employee/appointee may opt for a cash payment for this vacation only if they are in receipt of salary during the year in which the entitlement occurs.
3. In order for an employee/appointee to take this entitlement as leave with pay, it must be taken in the calendar year in which it is earned (i.e. cannot be taken in the year prior to the year in which the vacation is earned).

**5. Accumulated pre 1978 50% sick bank entitlement**

1. This benefit is equivalent to 50% of the employee's/appointee's unused sick bank credits accumulated before 1978.
2. The maximum entitlement under this benefit is 125 days. To be eligible for the benefit, the employee/appointee must be scheduled to commence immediate receipt of pension under the Public Service Pension Plan or must reach mandatory retirement age upon completion of all periods of Paid absence prior to retirement.

**6. Retirement allowance**

1. A regular employee/appointee, other than a salaried physician, who is age 55 (age 50 for correctional centre employees) or older and scheduled to receive a pension under the provisions of the Public Service Pension Plan, is entitled to one month's salary after 20 years of service with the employer, plus one-fifth of a month more for each completed year of service in excess

of 20 years, to a maximum of three months salary (reached at 30 years service). An eligible part time employee/appointee will have their benefit pro-rated accordingly.

2. If the leave option is selected, such leave must be taken immediately prior to retirement after all other paid absence prior to retirement leaves and entitlements, if any, have been exhausted. This additional time cannot be used to increase any other paid absence prior to retirement entitlement or bank.
3. An employee/appointee who receives a notice period or severance must not be given a retirement allowance, except when approved by the minister under a labour adjustment policy or program.

## **6. Conditions**

### **1. General**

- a. Once an employee/appointee commences the use of paid absence prior to retirement leave, the normal employment relationship is considered to be modified in that the employee/appointee has no commitment to return to work and, likewise, the employer is no longer committed to provide work.
- b. Upon commencement of paid absence prior to retirement leave, no further adjustments are to be made to the length of the leave for reasons of illness or other circumstances, other than death.
- c. Where an individual dies while using such time, any remaining unused leave entitlement (except for any accumulated pre-1978 50% sick bank entitlement and salaried physician preretirement leave) will be paid to the employee's/ appointee's spouse or estate. Any remaining accumulated pre-1978 50% sick bank entitlement or salaried physician pre-retirement leave not used before time of death is forfeited.
- d. The following entitlements can be taken as paid absence prior to retirement, as a cash payout upon retirement, or as a combination of the two:
  - i. CTO or other unscheduled surplus time
  - ii. Vacation carryover
  - iii. Current year's vacation
  - iv. EBP banks
  - v. Final calendar year of service vacation entitlement
- e. The following entitlements can be taken as paid absence prior to retirement or as a cash payout upon retirement. There is no option to split the allowance between paid leave and cash:

- i. 50% of accumulated pre 1978 sick bank entitlement
  - ii. Salaried physician pre-retirement leave
  - iii. Retirement allowance
- f. All accumulated time described in this policy and taken as paid absence prior to retirement will be paid at an employee's/appointee's basic pay for the classification or position evaluation plus any add-to-pay for salary protection purposes.
- g. Leave entitlement taken as a cash payout is paid at the employee's/appointee's current basic rate unless the payout is for time purchased under the Executive Benefit Plan. This purchased time is paid at the employee's/appointee's basic rate in the year in which it was purchased.
- h. The following conditions continue to apply to an individual using accumulated time:
  - i. the individual is considered an employee/appointee solely for purposes of pensionable service and continues to contribute to the Public Service Pension Plan, if applicable;
  - ii. coverage under the Public Service Group Life Insurance, Extended Health Care, Dental and Medical Plans continues up until the individual's last day on payroll (i.e., until completion of the paid absence prior to retirement); and
  - iii. relevant provisions of the terms and conditions of employment respecting retirement continue to apply.
- i. All accumulated time is to be converted to a seven-hour day, 35-hour week.

## **2. Salary**

Salary adjustments applicable to the employee's/appointee's position that become effective while using the accumulated time period will apply, subject to the following:

- a. The salary adjustment may not exceed a maintenance of the current percentage of job level during the paid absence;
- b. If the salary is protected, any approved salary increases shall not result in a maintenance or increase in the percentage of job level; and
- c. Considerations such as the last day worked (i.e. before or after the salary adjustment date), past record of performance, past progression through the salary range, the percentage of job level paid to the individual and in the ministry as a whole, must be taken into consideration when adjusting the salary of the individual on paid absence prior to retirement.