Self-Funded Leave

Policy

Queen's University has established a plan which enables employees to self-fund a leave of absence. All general staff holding a continuing appointment with the University are eligible to enroll in this plan.

The precise terms and conditions governing the plan are set out in a formal agreement which the employee will be required to sign prior to joining the plan. In the event that the self funded leave plan, as described in this document or in the formal agreement with the employee, conflicts with the Income Tax Act or any other legislation, that legislation shall take precedence.

The plan is solely a means to fund a leave of absence. The provisions of the plan do not alter existing policies set out on the Human Resources Website and/or the University Secretariat Website, or the collective agreements between the university and its bargaining units.

Procedures

1. Initial approval to participate in the Self-Funded Leave Plan must be given by the employee's department, and final approval given by the appropriate dean or vice-principal. Denial at either stage shall not be considered a violation of the agreement. However, approval will not be unreasonably denied.
2. Under this plan, a part of an employee's salary entitlement for a specified period would not be paid to the employee, but would be put into an interest bearing bank account. At the end of the specified period, the employee would go on leave of absence and be paid in monthly installments the amount set aside in the interest-bearing bank account. For example, under this plan, an employee may work full time for three years, but receive (and pay tax on) only 75% of their normal salary. The remaining 25% would be held in an interest-bearing bank account for the employee. In year four, the employee would go on leave of absence and receive the amounts which had been set aside in the previous year (The 75%/25% are used to illustrate how the program works.) The employee has many options for the deferred amount and the length of the leave.

   The tax advantage to this program is that the employee may earn income in one year but not pay tax on that income until a subsequent year. Also, by receiving 75% of full-time salary for four years instead of 100% salary for three years, the employee may possibly end up in a lower tax bracket and pay less total tax on the same total salary.
3. Deferral of salary may not exceed 33% of earned salary. The employee may defer any fraction which i

5. An employee shall assume the responsibility of making themselves aware of the implications of the plan related to its effects on pension provisions and income tax. Those wishing to participate in the last 5 years before retirement should take care to look into the implications of doing so.
6. Participation in the plan shall not enlarge or establish any rights to employment with the University which the member did not formerly possess as an employee of the University.
7. The University intends to maintain the Plan in force indefinitely, but nevertheless reserves the right to amend, or discontinue the plan in whole or in part, at any time or times. However, no amendment to the plan initiated by the University shall operate to reduce the benefits accruing to employees who are enrolled in the plan at the time of amendment.
8. This plan is administered by the Human Resources Department. Questions regarding policy and benefits should be addressed to Human Resources and questions regarding pension should be addressed to Pension services.