

SECTION 5

TERMS AND CONDITIONS OF EMPLOYMENT

5.04 FLEXIBLE WORK ARRANGEMENTS

AUTHORITY: CIVIL SERVICE SUPERANNUATION ACT
PUBLIC SERVICE GROUP INSURANCE PLAN

ADMINISTRATION: PEI PUBLIC SERVICE COMMISSION
GOVERNMENT DEPARTMENTS / AGENCIES

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1. PURPOSE

1.01 The purpose of this policy is to provide flexibility in work arrangements to employees to enable them to balance work and home responsibilities. The policy provides guidelines to facilitate consistency in the application of the following options:

- Leave of Absence
- Deferred Salary Plan
- Income Averaging
- Voluntary Reduction in Hours
- Job Share Arrangement

This policy provides clarity to ensure that approved leaves comply with the Income Tax Act and meet the requirements for insurance coverage.

2. APPLICATION

2.01 This policy applies to all departments and agencies of government covered by the Civil Service Act.

3. POLICY

3. 01 Leave of Absence¹

- (i) If you are on an approved leave of absence with pay, all benefits may be continued for a maximum of 24 months following the month in which leave commences. The cost sharing premium remains the same as when an active employee.
- (ii) If you are on an approved leave of absence without pay, all benefits with the exception of Long Term Disability Insurance, may be continued for a maximum of 24 months and Long Term Disability Insurance for a maximum of 3 months following the month in which the leave commences. The cost sharing of premium remains the same as when an active employee except the cost sharing provisions shall not apply to employees who while on leave are employed with another employer or self-employed.
- (iii) In the case of a period of approved educational leave, benefits are based upon

¹Taken from Johnson's handbook.

actual salary. During a period of Deferred Salary Leave, your Group Insurance benefits are based upon your actual salary earned during both the year of the leave and the years prior to the leave.

- (iv) For an employee on maternity leave, all benefits may continue for six months following the month in which the leave commences. The cost sharing of premium remains the same as with an active employee.
- (v) If an employee is terminated and files a grievance and the employer wishes to have coverage continued, Life AD&D, Health, Dental and Travel coverage's can continue. Long Term Disability cannot continue through the grievance period, however, if the matter is settled in favor of the employee, the LTD would be reinstated retroactively. If an employee suffers a disability during the grievance period, coverage will be provided by the underwriter as if no interruption of coverage had taken place.

3.02 Deferred Salary Leave Plan

a) Administration Issues:

- (i) An employee can only receive five years maximum of deemed service for pensionable years under all deferred salary, Leave of Absence plans.
- (ii) Part-time and full-time employees can participate in this plan.
- (iii) Participants in this deferral plan will not receive credit for the year that the Leave of Absence was taken in that the employee will not receive any step increases during that year nor accrue hours for purposes of sick/vacation leave or severance/retirement pay.
- (iv) An employee participating in the Plan shall be eligible upon return to duty for any increase in salary and benefits that would have been received had the one (1) year leave of absence not been taken.
- (v) The Participant must sign an Application and Agreement for the Deferred Salary Plan, which will be copied to the Pensions & Benefits office of the Department of Finance.

b) The following stipulations are taken from Schedule B of the Collective Agreement for the PEI Union of Public Sector Employees:

- (i) An employee must make a written application to his/her Deputy Head on or before January 31 requesting permission to participate in the Plan;

however, the deadline of January 31 may be waived under special conditions. (See Attachment 4.01)

- (ii) Written acceptance or denial of the employee's request, with explanation, will be forwarded to the employee by April 1 in the fiscal year the original request is made.
- (iii) Approval of individual requests to participate in the Plan shall rest solely with the Employing Authority.
- (iv) With the approval of the Employing Authority, an employee may select some alternative method of deferring other than that specified in Schedule B of the Collective Agreement.
- (v) For an employee on leave when there is a mass salary increase the deferred salary override amount is wiped out and the new salary is re-established. These need to be checked so that the override is reinstated.

c) Pension Issues:

- (i) Superannuation deductions are to be continued at the rates prescribed by the Civil Service Superannuation Act.
- (ii) Deductions will be based on the salary paid to the employee during the period of the Deferred Salary Plan under Section 1 (of the Schedule B of the Collective Agreement for the PEI Union of Public Sector Employees). CSSF members who are full-time employees may opt to pay on 100% salary.

d) Definitions

- (i) "**Eligible Employee**" means all permanent employees and temporary employees appointed pursuant to section 17 of the Civil Service Act who have one year of continuous service and whose term of employment could continue for the period of deferment are eligible to participate in the plan.
- (ii) "**Leave of Absence**" means the twelve month period taken in accordance with the provisions of (f) below. At no time shall the Leave of Absence be less than six consecutive months.
- (iii) "**Deferred Compensation Amount**" means the portion of the Current Compensation Amount which is retained by the Province for the Participant in each year in accordance with (e)(i) below.

- (iv) "**Deferral Period**" means the number of years for which compensation is deferred in accordance with (e)(i) below, including the years referred to in (f)(v) below, if applicable.
- (v) "**Participant**" means an Eligible Employee who has completed a Contract and whose application for participation in the Plan has been approved by the Province.
- (vi) "**Current Compensation Amount**" means the total compensation payable by the Province to the Participant for the year, in accordance with the current collective agreement in force between the Province and the Prince Edward Island Union of Public Sector employees.

e) Funding for Leave of Absence

- (i) During each year prior to the Leave of Absence, the Participant, for a maximum of five years, will receive his/her Current Compensation Amount, less the amount which the Participant has specified in the Contract for the year in question which is to be retained by the Province.

For example, if an employee wishes to enter into a contract where he/she works for four years and takes the fifth year off, he would receive 80% of his/her salary ($100\% - 20\% = 80\%$).

- (ii) While participating in the Plan, the amount of the Current Compensation Amount deferred by the Participant under this plan or any other such arrangement for services rendered by the employee to the employer cannot exceed 33.33% in any calendar year.
- (iii) The calculation of interest under the terms of this plan shall be the same as that in effect for Provincial Deposit Receipts or in an alternate manner approved by the parties when Provincial Deposit Receipts cease to exist.

f) Taking of Leave of Absence

- (i) The Leave of Absence shall occur according to, and be governed by, the Contract as executed by the Participant and the Province.
- (ii) The manner of payment to the Participant during the Leave of Absence shall be in instalments commencing two weeks following the start of the Leave of Absence, being approximately equal to one-twenty sixth of the monies held by the Province for the Participant in accordance with (e)(i) above as determined at the beginning of the Leave of Absence. In no

event shall payment be made more frequently than bi-weekly.

- (iii) The amounts to be paid to the Participant during the Leave of Absence shall be related to the monies retained by the Province in accordance with (e)(i) above but less any deductions made by the Province under (f)(viii) and (f)(xii) below, as well as, any monies required by law to be paid by the Province for or on behalf of the Participant.
- (iv) Interest earned on the Deferred Compensation Amount to the beginning of the leave period will be paid one month following the start of the leave period. During the leave of absence, the declining balance of the deferred salary will continue to earn interest. The interest accumulated during the leave of absence will be paid within 30 days of the completion of the leave of absence.
- (v) The Leave of Absence, may, with the consent of the Province given not less than six months prior to the scheduled date, be postponed for one year. This postponement will not move the commencement of the leave beyond six years from the date of enrollment in the Plan. The Leave of Absence and Deferral Period must be completed by the start of the seventh year. If a Participant delays their Leave of Absence in the fifth year then they must begin their Leave of Absence no later than the last day of the fifth year so to complete the Leave by the last day of the sixth year.
- (vi) Subject to the provisions of (f)(v) above, the Leave of Absence shall commence immediately following the Deferral Period.
- (vii) While the Participant is enrolled in the plan, any applicable Group Insurance benefits computed with reference to salary shall be structured according to the following: Life Insurance- the participants' salary less the deferred amount for the term of the contract. LTD Coverage- 100% of salary during deferral period, 100% during the first three months of leave period which is cost shared. After the first three months the participant has the option to pay for full coverage for the rest of the deferral period.
- (viii) The Province will continue paying its share of applicable Group Insurance benefit premiums for the Participant during the term of the contract with the exception of LTD premiums. For LTD, the Province will pay its share during the deferral period and the first three months of the leave period. If the employee elects to continue LTD coverage for the remainder of the leave period, the employee assumes the full cost of the coverage.
- (ix) During the Leave of Absence, the Participant will not accumulate nor be entitled to the following:

- (a) salary increments
 - (b) statutory holidays, maternity, sick or other leaves
 - (c) service for purpose of retire/severance pay calculations
- (x) CPP premiums are to be based on the participant's salary net of the deferred amounts during the period of deferral and on the deferred amounts when paid to the participant during the leave period.
- (xi) EI premiums are to be based on the participant's gross salary before deferrals during the period of deferral and no premiums are to be withheld from the deferred amounts when paid to the participant during the leave period.
- (xii) The Province will make pension deductions from payments to the Participant in accordance with the appropriate pension act.
- (xiv) A full-time employee who participates in the CSSF has the option to pay pension contribution on:
- (a) the full salary applicable to the employee over the contract period; or
 - (b) on actual salary during the contract period.

g) Withdrawal from the Plan

- (i) A Participant who ceases to be employed by the Province must withdraw from the plan. Within sixty days the Province shall pay to the Participant the Deferred Compensation Amount.
- (ii) With the consent of the Province, the Participant may withdraw from the plan upon giving not less than six months notice of intent to do so prior to the date established for the Leave of Absence. Within sixty days of such withdrawal, the Province shall pay to the Participant the Deferred Compensation Amount.
- (iii) In the event of the participant's death, the Province shall, within sixty days of notification of such death to the Province, pay the Deferred Compensation Amount to the Participant's estate, subject to the Province receiving the necessary clearances and proofs normally required for payment to estates.

h) Suspension from Participation in the Plan

- (i) The Participant may on one occasion while he/she is participating in the

plan give notice to the Province stating that he/she wishes to suspend participation in the plan for a period of twelve months as at the anniversary date of enrolment in the plan which immediately follows such notice, in which case the Province shall pay the Current Compensation Amount to the Participant as if he/she were not participating in the plan for such year. The Deferred Compensation shall continue to be held by the Province until the Participant withdraws from the plan or takes the Leave of Absence.

- (ii) Suspension of participation under (h)(i) above shall postpone the year established for the Leave of Absence by the length of suspension subject to the restrictions in (f)(v).
- (iii) If the Participant has given notice in accordance with (h)(i) above, the Participant's participation in the plan shall be re-instated commencing on the first of the month which immediately follows the twelve months in which his/her participation had been suspended.

i) Return Following Participation in the Plan

Following the Leave of Absence, the Participant must resume employment with the Province or with a Public Sector employer that participates in the same or similar arrangement for a period of time not less than the duration of the Leave of Absence.

j) General Provisions

- (i) No amendment shall be made to the plan which will prejudice any tax ruling which is applicable to the plan prior to the amendment.
- (ii) Interest paid to the Participant under provisions of the Deferred Salary Leave Plan will be considered as income for the purposes of the Income Tax Act and will be reported on the Participant's T4 and shall be subject to tax withholdings.
- (iii) Interest is to be accrued as of December 31 each year. Interest will be paid per (f)(iv).

3.03 Income Averaging

- a) **Definition:** A plan where a permanent employee works for part of the year and takes a paid leave of absence for the other part of the year that is funded by spreading the salary for the period worked over the entire year (e.g. work 10 months and take 2 months off with the 10 months salary spread out over 12 months).

b) Administration:

- (i) The application will be subject to the approval of the employing authority.
(See Attachment 4.02)
- (ii) An application should cover a maximum period of one year. The responsibility rests with the departments to ensure that the leave of absence is not advanced before sufficient funding of the leave exists.
- (iii) No interest will be given on the salary deferred to fund the leave of absence.
- (iv) An employee can only accumulate a maximum of five years of deemed service from any salary deferral/leave of absence plan or eligible Leave of Absence purchases.
- (v) All forms and contracts must be signed. A copy is to be forwarded to Pensions & Benefits.
- (vi) Full-time employees wishing to work less than 100% will be allowed to do so for a maximum of three consecutive one year periods. Once the employee has returned to 100% for at least two years the employer may approve a maximum of three additional years at less than 100%.

Benefits will be based on the actual hours worked with the exception of pension where the employee will have the option of topping up to 100%.

The duty to accommodate principle will ensure flexibility for employees with special circumstances.

c) Definitions

- (i) "**Eligible Employee**" means all permanent full-time and part-time employees appointed pursuant to section 17 of the Civil Service Act who have three years of continuous service with the Government of PEI and whose term of employment shall continue for the period of deferment are eligible to participate in the plan.
- (ii) "**Leave of Absence**" means a period taken in accordance with the provisions of (d) below. At no time shall the Leave of Absence be less than 2 consecutive weeks or more than three consecutive months.
- (iii) "**Deferred Compensation Amount**" means the portion of the Current Compensation Amount which is retained by the Province for the

Participant in the year in accordance with (c)(i) below.

- (iv) "**Deferral Period**" means the period of time for which compensation is deferred in accordance with (c)(i) below. At no time shall the Deferral Period be more than nine months.
- (v) "**Participant**" means an Eligible Employee who has completed a Contract and whose application for participation in the Plan has been approved by the Province.
- (vi) "**Current Compensation Amount**" means the total compensation payable by the Province to the Participant for the year, in accordance with the current Collective Agreement in force between the Province and the Prince Edward Island Union of Public Sector employees. For excluded employees, means the total compensation payable as per the Terms and Conditions of Employment for Excluded Supervisory and Confidential Employees.

d) Funding for Leave of Absence

- (i) During the Deferral Period, the Participant will receive his/her Current Compensation Amount, less the amount which the Participant has specified in the Contract that is to be retained by the Province for the year in question.
- (ii) While participating in the Plan, the amount of the Current Compensation Amount deferred by the Participant under this plan or any other such arrangement for services rendered by the employee to the employer cannot exceed 25%.

e) Taking of Leave of Absence

- (i) The Leave of Absence shall occur according to, and be governed by, the Contract as executed by the Participant and the Province, but under no circumstances will the Leave of Absence occur before it is fully funded as per the Contract arrangements.
- (ii) The manner of payment to the Participant during the Leave of Absence shall be in bi-weekly instalments commencing two weeks following the start of the Leave of Absence and the amount paid shall be in accordance with the executed contract.
- (iii) The amounts to be paid to the Participant during the Leave of Absence shall be related to the monies retained by the Province in accordance with (c)(i) above but less any deductions made by the Province under(d)(vi)

and (d)(x) below, as well as , any monies required by law to be paid by the Province for or on behalf of the Participant.

- (iv) The Leave of Absence **shall** commence immediately following the Deferral Period. Should the employee be unable to take the LOA as originally requested in the agreement, they shall be considered to have withdrawn from the plan and will be paid any amounts deferred.
- (v) While the Participant is enrolled in the plan, any applicable Group Insurance benefits computed with reference to salary shall be based on the reduced salary level. (Effective April 1, 2002)
- (vi) The Province will continue paying its share of applicable Group Insurance benefit premiums for the Participant during the term of the contract.
- (vii) During the Leave of Absence, the participant will not accumulate or be entitled to the following:
 - (a) salary increments
 - (b) statutory holidays, maternity, sick or other leaves
 - (c) service for purpose of retire/severance pay calculations
- (viii) CPP premiums are to be based on the participant's salary net of the deferred amounts during the period of deferral and on the deferred amounts when paid to the participant during the leave period.
- (ix) Premiums are to be based on the participant's gross salary before deferrals during the period of deferral and no premiums are to be withheld from the deferred amounts when paid to the participant during the leave period.
- (x) The Province will make pension deductions from payments to the Participant in accordance with the appropriate pension act.
- (xi) A full-time employee who participates in the CSSF has the option to pay pension contribution on:
 - (a) the full salary applicable to the employee over the contract period; or
 - (b) on actual salary during the contract period.

f) Withdrawal from the Plan

- (i) A Participant who ceases to be employed by the Province must withdraw from the plan. Within sixty days the Province shall pay to the Participant

the Deferred Compensation Amount.

- (ii) With the consent of the Province, the Participant may withdraw from the plan upon giving not less than sixty days notice of intent to do so prior to the date established for the Leave of Absence. Within sixty days of such withdrawal, the Province shall pay to the Participant the Deferred Compensation Amount.
- (iii) Should the Participant die, the Province shall, within sixty days of notification of such death to the Province, pay the Deferred Compensation Amount to the Participant's estate, subject to the Province receiving the necessary clearances and proofs normally required for payment to estates.

g) Return Following Participation in the Plan

Following the Leave of Absence, the Participant must resume employment with the Province for a period of time not less than the duration of the contract.

h) General Provisions

No amendment shall be made to the plan which will prejudice any tax ruling which is applicable to the plan prior to the amendment.

i) Processing Procedures:

The following are the procedures to be followed when applying for an Income Averaging Agreement:

- (i) Employee applies to the employing authority for income averaging.
- (ii) Application has to proceed to Director level for final approval.
- (iii) If approved, the employing authority ensures the original agreement is sent to appropriate divisional personnel and a copy to the Pensions & Benefits office.
- (iv) The divisional payroll staff member responsible for the employee will make the necessary changes in Peoplesoft .
- (v) The payroll staff member will advise the Pensions & Benefits office, via e-mail, when a new agreement is actioned in the payroll system. (A copy of the agreement shall also be forwarded to the Pensions & Benefits Office).

3:04 Voluntary Reduction in Hours

a) Definition: A plan where a permanent employee may voluntarily reduce his/her work hours for a temporary period of time and only be paid for hours worked. The reduction in hours may take the form of a reduced work day, a reduced work week or a reduced work year (i.e. work 10 months and take 2 months off without pay).

To allow permanent employees to voluntarily reduce their hours of work to accommodate lifestyle demands and interests.

b) Plan Rules and Administration

- (i) The application will be subject to the approval of the employing authority.
(See Attachment 4.03)
- (ii) The Voluntary Reduction in Hours Policy will allow permanent employees to voluntarily reduce their hours of work to a minimum of 50% of the regular full time hours for their position, with agreement of their Employer. The incumbent will retain permanent status and will have access to rights normally available to permanent employees and all benefits on a pro rata basis.
- (iii) Participants will only be given credit for hours that are worked, for the purpose of severance pay, retirement pay, etc.
- (iv) AD&D, Life Insurance and LTD coverage as well as CPP and EI premiums will be based on the reduced salary level.
- (v) If a full-time employee will be on leave of absence without pay and he/she chooses to pay pension on 100% salary, upon return to work payment of pension contributions relating to the leave of absence shall be made by lump sum payment or by payroll deductions over the same period as the leave.
- (vi) Vacation leave will be earned and expended on a pro rata basis. (e.g. Employees entitled to 3 weeks vacation working 50% of work hours for 12 months would receive 7.5 days paid vacation leave.)
- (vii) Sick leave will be earned and may be expended on a pro rata basis.
(Employees working 50% of work hours for 12 months would earn 7.5 days's sick leave.)
- (viii) For the purposes of calculating retiring/severance pay, only the actual hours worked will be used.

- (ix) Designated holidays will be paid for on a pro rata basis. When establishing the monthly hours to be worked, exclude designated holidays for that month then apply the appropriate percentage.
 - (x) Overtime is not payable where management, in emergency situations or unforeseen circumstances, requires employees to work beyond the reduced work hours agreed upon, but no more than the normal daily hours of the position as determined by its regular full time hours of work designation.
 - (xi) Overtime is payable to employees when authorized by management to work in excess of daily hours of work as provided by the regular full time hours of work designation of their positions (i.e. 8 hour/day). Overtime is paid at the rate of time and one-half for all the overtime that exceeds seven and one half (7.5) or eight (8) hours of continuous overtime, depending on the hours of work code.
 - (xii) Overtime at applicable rates shall be paid for hours worked on assigned days of rest, usually Saturday and/or Sunday where applicable and designated holidays.
 - (xiii) The maximum period of any agreement is one year.
 - (xiv) All forms and contracts must be signed. A copy is to be forwarded to Pensions & Benefits.
- (xv) Effective April 1, 2003 full-time employees wishing to work less than 100% will be allowed to do so for a maximum of three consecutive one year periods. Once the employee has returned to 100% for at least two years the employer may approve a maximum of three additional years at less than 100%.

Benefits will be based on the actual hours worked with the exception of pension where the employee will have the option of topping up to 100%.

The duty to accommodate principle will ensure flexibility for employees with special circumstances.

c) Processing Procedures:

The following are the procedures to be followed when applying for a Voluntary Reduction in Hours Agreement:

- (i) Employee applies to the employing authority for a Voluntary Reduction in Hours.
- (ii) Application has to proceed to Director level for final approval.
- (iii) If approved, the employing authority ensures the original agreement is sent to appropriate divisional personnel and a copy to the Pensions & Benefits office.
- (iv) The divisional payroll staff member will make the necessary changes in PeopleSoft. If the employee chooses to pay pension at 100%, create an additional pay for the pension top up hours.
- (v) The payroll staff member will advise the Pensions & Benefits office, via e-mail, when a new agreement is actioned in the payroll system. (A copy of the agreement shall also be forwarded to the Pensions & Benefits Office).

3:05 Job Share Arrangement

a) The guidelines for job sharing are as follows:

- (i) Job sharing will only be permitted when jointly requested by existing classified employees. (See Attachment 4.04)
- (ii) Except as otherwise provided herein, employees participating in job sharing arrangements will be entitled to all rights and benefits provided for in the UPSE Collective Agreement(Schedule E) or the Terms and Conditions of Employment for Excluded Supervisory and Confidential Employees, as applicable.
- (iii) Job sharing arrangements will only be authorized where operational requirements and the provision of services is not adversely affected.
- (i) Job sharing options are as follows:
 - Two full-time classified employees may request to job share one of their positions on a 50/50 basis; or
 - A full-time classified employee may request to job share a portion of his/her position with a classified part-time employee who agrees to increase his/her minimum employment guarantee. For example, the full-time employee could propose to work 80% if the part-time employee could work 60% instead of 40%.
- (v) Both employees must share the same position title and be suitably

qualified and capable of carrying out the duties and responsibilities of the positions to be job shared.

- (vi) An employee wishing to job share his/her position has the responsibility of finding an eligible employee willing to enter into the job sharing arrangement. The two employees requesting approval to implement a job sharing arrangement will submit a written request to their supervisor or manager.
- (vii) A position will be job shared for a one year period. Any extension beyond the one year period must be mutually acceptable to both employees and the Employer (and the Union where the employees are covered by the UPSE Collective Agreement). At the end of the job sharing period, the employees will resume the positions they held prior to entering into the job sharing arrangement.
- (viii) Each of the two employees in a job sharing arrangement will be required to fulfill the work schedule requirements averaged over a maximum of two bi-weekly pay periods, except where a request for a greater averaging period has the prior approval of the Employer (and the Union where the employees are covered by the UPSE Collective Agreement).
- (ix) During the period of a job sharing arrangement, the full-time classified employees will retain their status; however, for the following purposes, their benefits will be calculated on the basis outlined for part-time permanent employees:
 - (a) salary increments
 - (b) statutory holidays, maternity, sick, vacation or other leaves
 - (c) service for purpose of retire/severance pay calculations
 - (d) travel allowances
- (x) Premiums and benefits under the Group Life, Accidental Death and Dismemberment and Long Term Disability Insurance Plans shall be based on the salary level of the job sharing arrangements (eg. 50% of full-time salary level) and in accordance with policy documents.
- (xi) Classified full-time and part-time employees participating in a job sharing arrangement shall continue to be covered under the provisions of the Civil Service Superannuation Act.

A full-time employee who participates in the CSSF has the option to pay pension contribution on:

- (a) the full salary applicable to the employee over the contract period,

provided the reduction is no greater than 50%; or
 (b) on actual salary during the contract period.

A part-time employee who participates in the CSSF must pay pension contributions on the actual salary during the contract period, provided the combined service does not exceed 100%.

The job sharing arrangement application must be established prior to commencement of the job sharing arrangement.

- (xii) In the event one of the participants vacates the job shared position (eg. through termination of employment, appointment to another position or being placed on injury on duty/disability leave), the job sharing arrangement will terminate and the remaining participant will revert to his/her status in the position occupied prior to the job sharing arrangement, except where mutually acceptable alternative arrangements are approved by the Employer (and the Union where the employee is covered by the UPSE Collective Agreement).
- (xiii) If either participant or the Employer wishes to terminate or extend the job sharing arrangement prior to its expiry, a minimum of sixty calendar days written notice shall be required.

b) Processing Procedures:

The following are the procedures to be followed when applying for a Job Sharing Agreement:

- (i) Employees applies to the employing authority for a Job Sharing Arrangement.
- (ii) Application has to proceed to Director level for final approval.
- (iii) If approved, the employing authority ensures the original agreement is sent to appropriate divisional personnel and a copy to the Pensions & Benefits office. Where the employee is covered by the UPSE collective agreement, a copy is also sent to the Union.
- (iv) The divisional payroll staff member responsible for the employee will make the necessary changes in Peoplesoft (see Entering a Job Share Arrangement/Voluntary Reduction in Hours on pages 174 to 184 in the Updating Workforce Information section of the Peoplesoft Manual). If the employee chooses to pay pension at 100%, create an additional pay for the pension top up hours.

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- (vi) The payroll staff member will advise the Pensions & Benefits office, via e-mail, when a new agreement is actioned in the payroll system. (A copy of the agreement shall also be forwarded to the Pensions & Benefits Office).

4. ATTACHMENTS

- 4.01 Attachment : Application for Deferred Salary
- 4.02 Attachment: Application for Leave of Absence
Funded by Income Averaging
- 4.03 Attachment: Application for Leave of Absence
Via Voluntary Reduction in Hours
- 4.04 Attachment: Application Job Share Arrangement

4.01 Attachment

APPLICATION FOR DEFERRED SALARY PLAN

1. Application

Last Name	First Name	Initial
Address		
Postal Code		
Department	Division	Section
Classification/Working Title	Position Number	
Employee Number	Phone # (work)	

2. Deferred Salary Options (Choose one)

During the period of this agreement, which is (mm / dd / yy) / / to (mm / dd / yy) / /

the employee chooses to take:

i) one (1) year leave of absence with part pay by spreading two (2) years' salary payments over three (3) yrs, or

ii) one (1) year leave of absence with part pay by spreading three (3) years' salary payments over four (4) years, or

iii) one (1) year leave of absence with part pay by spreading four (4) years' salary payments over five (5) yrs

iv) _____ other _____

In accordance with the option selected, the Employing Authority is authorized to deduct _____ percent of my annual gross salary for a period not to exceed _____ months.

All deferred salary shall be retained by the Employing Authority and shall accumulate interest at the rate used for Provincial Deposit Receipts or in an alternate manner approved by the parties to the Collective Agreement when the Provincial Deposit Receipts cease to exist. The interest accumulated to the beginning of the leave of absence will be paid within 30 days of the commencement of the leave.

The annual salary during the leave of absence shall be determined from the total amount of deferred salary which has accumulated during the term of this agreement. During the leave of absence, the declining balance of the deferred salary will continue to earn interest. The interest accumulated during the leave of absence will be paid within 30 days of the completion of the leave of absence.

An employee may withdraw from this agreement at any time prior to ninety (90) days before the commencement of the leave of absence. Upon employee's notification of withdrawal, any monies accumulated plus interest will be repaid to the employee within 60 days of the notice.

3. Superannuation

Pursuant to section 7(2)b of the Civil Service Superannuation Act R.S.P.E.I. 1988, Cap C-9, a full-time employee participating in this program may opt to have the amount of contributions calculated by reference to the salary the employee would have received if the employee were not participating in this program.

An employee considering joining this program should be aware of the two (2) pension options available.

Option 1: Pay pension contribution on the full salary applicable to the employee over the twelve (12) month period.

Option 2: Pay pension contributions on actual salary received for the twelve (12) month period.

Implications: In Option 1, the employee will have 12 months of pension credit at the end of the 12 month period.

In Option 2, the employee will only have a pension credit equal to the percentage of salary received as compared to the gross salary (e.g. if receiving 75% of gross salary the pension credit is 9 months [12 mos* 75%])

I hereby select Option # _____ regarding superannuation benefits.

Employee's signature

4. General Provisions:

- a. During the deferment period, applicable employee contributions for Canada Pension, Union Dues and Group Life Insurance shall be deducted from the portion of my salary remaining after the deferment. Employment Insurance and Group LTD Insurance shall be deducted based on 100% of my salary during the deferment period.
- b. During the leave of absence period, applicable employee contributions for Canada Pension, Union Dues and Group Life Insurance shall be deducted from the accumulated deferred salary. Group Life insurance coverage shall be based on the accumulated deferred salary.
- c. During the leave of absence, no employment insurance shall be deducted from my accumulated deferred salary. Group LTD coverage will continue for the first three months of the leave of absence. LTD coverage will then cease unless the employee elects to continue coverage by paying 100% of the premium. Group LTD insurance coverage shall be based on 100% of my salary during the leave of absence.
- d. Superannuation contributions are to be deducted in accordance with option selected in Section 5.
- e. During the period when the applicant is not working, eligibility to earn and utilized sick leave, special leave or vacation leave provisions of the Collective Agreement are suspended.
- f. Withdrawal from the program or any revisions desired will be requested in writing to the Employing Authority.

Date _____ Employee _____

I hereby agree to this employee's application.

Date _____ Supervisor/Manager _____

Date _____ Human Resource Manager _____

Date _____ Director/Deputy Minister _____

4.02 Attachment

APPLICATION FOR LEAVE OF ABSENCE FUNDED BY INCOME AVERAGING

1. Application

Last Name	First Name	Initial
Address		
Postal Code		
Department	Division	Section
Classification/Working Title	Position Number	
Employee Number	Phone # (work)	

2. Dates

Contract Period (includes period worked and leave of absence):

FROM (mm / dd / yy) / / TO (mm / dd / yy) / /

Work Period: FROM (mm / dd / yy) / / TO (mm / dd / yy) / /

Leave Period: FROM (mm / dd / yy) / / TO (mm / dd / yy) / /

Note: Leave of Absence shall not be less than 2 consecutive weeks or more than three consecutive months.

3. Reason for request

4. Superannuation

Pursuant to section 7(2)b of the Civil Service Superannuation Act R.S.P.E.I. 1988, Cap C-9, an employee participating in this program may opt to have the amount of contributions calculated by reference to the salary the employee would have received if the employee were not participating in this program.

An employee considering joining this program should be aware of the two (2) pension options available. Option 1: Pay pension contribution on the full salary applicable to the employee over the contract period. Option 2: Pay pension contributions on actual salary received during the contract period.

Implications: In Option 1, the employee will have pension credit equivalent to the employee's normal hours for his/her position at the end of the contract period.

In Option 2, the employee will only have pension credit for the reduced time period actually worked during the contract period.

I hereby select Option # ____ regarding superannuation benefits.

Employee's signature

5. Terms of participation in this program:

- a. The Employing Authority is authorized to deduct sufficient monies from my annual gross salary to enable the income averaging to occur within the contract period.
- b. The annual salary to be paid to the applicant shall be their salary earned during the work period , averaged and paid on a bi-weekly basis over the contract period.
- c. CPP premiums are to be based on my salary net of the deferred amounts during the period of deferral and on the deferred amounts paid during the leave period.
- d. UI premiums are to be based on my gross salary before deferrals during the period of deferral and no premiums are to be withheld from the deferred amounts when paid to the participant during the leave period.

- e. Superannuation contributions are to be deducted in accordance with option selected in Section 4.
- f. Group Insurance benefits computed with reference to salary shall be based on my salary net of the deferred amounts.
- g. During the period when the applicant is not working, eligibility to earn and utilized sick leave, special leave or vacation leave provisions of the Collective Agreement are suspended.
- h. Withdrawal from the program or any revisions desired will be requested in writing to the Employing Authority.

Date _____ Employee _____

I hereby agree to this employee's application.

Date _____ Supervisor / Manager _____

Date _____ Human Resource Manager _____

Date _____ Director/Deputy Minister _____

To Be Completed by the Department:

Is this employee's position to be backfilled? Yes No

4.03 Attachment

APPLICATION FOR LEAVE OF ABSENCE VIA VOLUNTARY REDUCTION IN HOURS

1. Application

Last Name	First Name	Initial
Address		
Postal Code		
Department	Division	Section
Classification/Working Title	Position Number	
Employee Number	Phone # (work)	

2. Dates

Contract Period (includes period worked and leave of absence):

FROM mm / dd / yy / / TO mm / dd / yy / /

The employee's hours of work will be reduced from the normal hours worked. Specifically, during this period, the employee will work:

i) Part Day/Week Option

_____ percent of each pay period for the period of the agreement.

or

ii) Part Year Option

Work period(s) (ie normal work hours) _____

Leave of absence **without** pay from mm / dd / yy / / to mm / dd / yy / /

Note: Hours Worked must be a minimum of 50% of regular full-time hours for the position.

3. Reason for request

4. Superannuation

Pursuant to section 7(2)b of the Civil Service Superannuation Act R.S.P.E.I. 1988, Cap C-9, a full-time employee participating in this program may opt to have the amount of contributions calculated by reference to the salary the employee would have received if the employee were not participating in this program.

An employee considering joining this program should be aware of the two (2) pension options available.

Option 1: Pay pension contribution on the full salary applicable to the employee over the contract period.

Option 2: Pay pension contributions on actual salary received during the contract period.

Implications: In Option 1, the employee will have pension credit equivalent to the employee's normal hours for his/her position at the end of the contract period.

In Option 2, the employee will only have pension credit for the reduced time period actually worked during the contract period.

Note: If the employee will be on leave of absence without pay and he/she chooses to pay pension on 100% salary, upon return to work payment of pension contributions relating to the leave of absence shall be made by lump sum payment or by payroll deductions over the same period as the leave.

I hereby select Option # _____ regarding superannuation benefits.

Employee's signature

5. Terms of participation in this program:

- a. The salary to be paid to the applicant during the contract period shall be their salary earned during the work period.
- b. AD&D, Life Insurance and LTD coverage and premiums will be based on the actual salary received during the contract period.
- c. CPP and UI premiums are to be based on my actual salary received during the contract period.
- d. Superannuation contributions are to be deducted in accordance with option selected in Section 4.
- e. During the contract period, vacation and sick leave will be earned and expended on a pro rata basis.
- f. Withdrawal from the program or any revisions desired will be requested in writing to the Employing Authority.

Date

Employee

I hereby agree to this employee's application.

Date

Supervisor / Manager

Date

Human Resource Manager

Date

Director / Deputy Minister

To Be Completed by the Department:

Is this employee's position to be backfilled? Yes No

4.04 Attachment

APPLICATION Job Share Arrangement

1. Application

Employee #1

Last Name	First Name	Initial
Department	Division	Section
Classification/Working Title	Position Number	
Employee Number	Phone # (work)	

Employee #2

Last Name	First Name	Initial
Department	Division	Section
Classification/Working Title	Position Number	
Employee Number	Phone # (work)	

2. Job Sharing Arrangement

During the period of this agreement, which is (mm / dd / yy) _____ / _____ to (mm / dd / yy) _____ / _____
the job sharing will be as follows:

- a) ___ Two full-time employees are sharing one of their position on a 50/50 basis
or
- b) ___ Employee # 1 (ie. the full-time employee) decreases from 100% to _____ percent and Employee # 2 (ie. the part-time employee) increases from _____ percent to _____ percent.

3. Superannuation

Pursuant to section 7(2)b of the Civil Service Superannuation Act R.S.P.E.I. 1988, Cap C-9, a full-time employee participating in this program may opt to have the amount of contributions calculated by reference to the salary the employee would have received if the employee were not participating in this program.

An employee considering joining this program should be aware of the two (2) pension options available.

Option 1: Pay pension contribution on the full salary applicable to the employee over the twelve (12) month period.

Option 2: Pay pension contributions on actual salary received for the twelve (12) month period.

Implications: In Option 1, the employee will have 12 months of pension credit at the end of the 12 month period.

In Option 2, the employee will only have a pension credit equal to the percentage of salary received as compared to the gross salary (e.g. if receiving 75% of gross salary the pension credit is 9 months [12 mos * 75%])

Employee # 1 I hereby select Option # _____ regarding superannuation benefits.

Employee's signature

Employee # 2 I hereby select Option # _____ regarding superannuation benefits. (Only applicable if employee is full-time prior to start of job sharing).

Employee's signature

4. General Provisions:

a. Salary deductions for :

- Applicable employee contributions for Canada Pension, Employment Insurance, Union Dues and

Group Life and LTD Insurance shall be deducted from my reduced salary. Group Life and LTD insurance coverage shall be based on my reduced salary.

- Superannuation contributions are to be deducted in accordance with option selected in Section 3.
- b. During the contract period, vacation and sick leave will be earned and expended on a pro rata basis.
- c. Withdrawal from the program or any revisions desired will be requested in writing to the Employing Authority.

Date _____ Employee # 1

Date _____ Employee # 2

I hereby agree to this application.

Date _____ Supervisor / Manager

Date _____ Human Resource Manager

Date _____ Director