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**DEFERRED SALARY LEAVE PLAN**

**FOR EMPLOYEES OF**

**THE GOVERNMENT OF SASKATCHEWAN,**  
**PARTICIPATING AGENCIES AND**  
**CROWN CORPORATIONS**

Approved: June 27, 2011

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**ARTICLE I  
DEFINITIONS**

- 1.1 For the purposes of this Plan, including this Article I, the following words or phrases shall, unless the context clearly requires otherwise, have the meanings set forth below:
- a) **“Administrator”** means the Minister of Finance, who in turn delegates this role to the Public Employees Benefits Agency.
  - b) **“Assistant Deputy Minister”** means an individual, reporting to the Committee, who is responsible for communicating Committee decisions, negotiating and executing agreements on behalf of the Committee, recommending Committee policies and changes thereto, and apprising the Committee regarding the activities of any party with whom the Committee has entered into an agreement.
  - c) **“Basic Monthly Salary”** means an Employee’s regular monthly salary including any retroactive pay adjustments, but does not include overtime or any other special payments.
  - d) **“Benefit Entitlement Date”** means a date upon which an Employee is entitled to have his Leave benefits commence.
  - e) **“Calendar Year”** means a period of time commencing on January 1 and ending on December 31 each year.
  - f) **“Committee”** means the Deferred Salary Leave Plan Committee.
  - g) **“Deferral Period”** means the period of time during which an Employee’s Basic Monthly Salary is being deferred under the terms of the Plan.
  - h) **“Designated Representative”** means a person designated in writing by the Employer as having the authority to approve an employee’s leave.
  - i) **“Employee”** means any employee who meets such qualifications as the Employer shall decide upon from time to time.
  - j) **“Employer”** means any employer in the Public Service or Crown Corporation sectors of the Province of Saskatchewan or any other employer (eg. any Board, Commission or Agency) who has elected to enroll its employees in the Deferred Salary Leave Plan and whose election has been approved by the Lieutenant Governor in Council.

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- k) **“Fund”** means the Deferred Salary Leave Fund, which is used to account for the transactions in the Plan.
- l) **“Leave”** means the period of time during which an Employee will be or is receiving income benefits from the Plan which are as a result of his election to defer, but in no case shall the Leave be for less than six months nor more than 12 months.
- m) **“Participating Employee”** means any Employee of the Employer who has satisfied the provisions of Article III of the Plan.
- n) **“PEBA”** means the Saskatchewan Public Employees Benefits Agency.
- o) **“Plan”** means the Deferred Salary Leave Plan for Employees of any Employer in the Public Service or Crown Corporation sectors of the Province of Saskatchewan or any other Employer (eg. any Board, Commission or Agency) who has elected to enroll his employees in the Deferred Salary Leave Plan and whose election has been approved by the Lieutenant Governor in Council.
- p) **“Related Group”** includes any employer in the Public Service or Crown Corporation sectors of the Province of Saskatchewan or any other Employer (eg. Any Board, Commission or Agency) who has elected to enroll its employees in the Deferred Salary Leave Plan and whose election has been approved by the Lieutenant Governor in Council.

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**ARTICLE II**  
**ESTABLISHMENT OF THE PLAN**

- 2.1 The Employer hereby acknowledges the establishment of the Plan effective September 1, 1988, for the purpose of enabling Employees to take Leave from the Employer.

**ARTICLE III**  
**PARTICIPATION IN THE PLAN**

- 3.1 In order to become a Participating Employee, an Employee must deliver to the Human Resources Branch of his Employer a signed application for participation on a form or forms approved by the Public Employees Benefits Agency and provided by the Employer. In addition, his application must be approved by the Designated Representative of his Employer. If approved, an Employee's application shall constitute an agreement by him to be bound by all terms of the Plan.
  
- 3.2 Each Employee shall be advised of the terms and conditions of the Plan and of any amendments thereto which apply to him, together with the rights and duties with respect to benefits available to him through the Plan.

**ARTICLE IV  
CONTRIBUTIONS**

- 4.1 The Employer shall make contributions to the Plan upon the basis of an Employee's election to defer the receipt of a portion of his Basic Monthly Salary (hereinafter referred to as the "election to defer"). The minimum amount which can be deferred is ten per cent, unless otherwise prescribed by a Participating Employer, and the maximum is 33 per cent.
- 4.2 An Employee shall make his election to defer prior to the scheduled commencement of Employer contributions. All elections to defer shall be made in writing on a form approved by the Employer. Elections to defer may be received during such application periods as may be prescribed by the Employer.
- 4.3 For semi-annual application periods, elections to defer may be received during the following periods: April 1 to May 15; and October 1 to November 15. In such cases, if the Employee is paid monthly, the Employer contributions to the Plan shall commence immediately following the application period on July 1 or January 1, respectively. If the Employee is paid bi-weekly, the Employer contributions to the Plan shall commence on the first bi-weekly pay period immediately following the application period.
- 4.4 For those Employers providing for the receipt of applications throughout the year, the election to defer must be submitted by the Employee a minimum of 8 weeks prior to the commencement of the Employer contributions.
- 4.5 The Employer's contribution to the Plan in respect of an Employee shall be equal to the amount which he has elected to defer in respect of the Deferral Period.
- 4.6 Unless otherwise specifically provided in the Plan Document, once an employee becomes an employee in the Plan, an employee may only withdraw from the Plan in extenuating circumstances such as extreme financial hardship. The Committee shall have complete discretion in the approval or disapproval of such a request.
- 4.7 In the event of an Employee's death, contributions shall cease immediately and all previous contributions shall be refunded to his estate.
- 4.8 If an Employee becomes disabled within the meaning of the Canada Pension Plan, contributions to the Plan for his benefit shall cease upon notification to the Employer of such disability. All previous contributions shall be refunded to the Employee prior to January 31 of the calendar year following the year in which the disability commenced.

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- 4.9 In the event that an Employee becomes disabled within the meaning of an employer sponsored long-term disability income plan, or if an Employee takes an approved unpaid leave from the Employer, any contributions to the Plan shall be suspended during the period of the Employee's absence.

However, in these circumstances, an Employee may, subject to the existence of continuing income, elect to defer income while absent from employment within the limits prescribed in the Plan, but in no event shall this extend to the limitation imposed by the Deferred Salary Leave Plan.

- 4.10 Subject to the exception noted in subsection 11.5 of the Plan, when an Employee terminates employment with the Employer, contributions being made to the Plan on his behalf shall cease and contributions previously made to the Plan shall be refunded to him.
- 4.11 In the event that an Employee does not take his Leave within the time frame dictated by prescribed in the Plan, all contributions made to the Plan for his benefit shall be refunded to him prior to January 15, of the following calendar year.

**ARTICLE V**  
**INVESTMENT OF FUNDS**

- 5.1 Contributions to the Plan shall be transferred to the Administrator and shall be invested by the Administrator.
- 5.2 No guarantee is provided under the terms of this Plan in respect of the rate of investment return which will be paid to Employees on contributions to the Plan. However, it is intended that contributions will earn a rate of return which is competitive with other short term, guaranteed financial instruments, less administrative costs of the Plan. Notwithstanding the foregoing, all contributions to the Plan are guaranteed as to principal, subject to the provisions of the Canadian Deposit Insurance Corporation.

**ARTICLE VI**  
**PARTICIPATING EMPLOYEE ACCOUNTS**

- 6.1 The Administrator shall establish separate accounting records for each Employee in the Plan, by maintaining an Account for each Employee. Notwithstanding this, assets under the Plan shall not be held separately for each Employee.
- 6.2 At the time that contributions are made to the Plan, the Administrator shall allocate such contributions to the Employees' Accounts, in accordance with the instructions of the Employer.

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**ARTICLE VII**  
**BENEFIT ENTITLEMENT DATE**

- 7.1 At the time that an Employee elects to join the Plan, he shall, pursuant to subsection 3.1, designate the intended dates upon which his Leave commences and ends.
- 7.2 Subject to the approval of the Designated Representative, he may change his Leave dates at any time, but in no event shall the commencement of his Leave be extended to a period beyond six years from the date Employer contributions to the Plan commenced.
- 7.3 The Employer shall have the right to postpone an Employee's Leave for up to one year, except that in no event shall such postponement delay commencement of an Employee's Leave beyond six years from the date Employer contributions to the Plan commenced. In addition, the Employer shall be required, when postponing an Employee's Leave, to provide the Employee with a minimum of three months written notice of such postponement.

**ARTICLE VIII**  
**BENEFITS TO PARTICIPATING EMPLOYEES**

- 8.1 Prior to the end of each calendar year, the Plan shall pay to each Employee an amount equal to his proportionate share of the estimated investment earnings of the Plan for the year. For this purpose, any person in respect of whom contributions have been made to the Plan for a period of at least one month during a calendar year shall be entitled to his proportionate share of the Plan's investment earnings for the year.
- 8.2 When an Employee takes his Leave, his monthly income benefit shall equal the value of his Account immediately prior to his Leave, divided by the number of months which his Leave has been approved. Alternatively, the Employee may request a single lump-sum payment of his Account when he takes his Leave.
- 8.3 Various employee benefits programs and the pension plan to which an Employee belongs shall be materially affected by the Plan both during the Deferral Period and the Leave period. An Employee acknowledges this in joining the Plan. However, the Employer agrees to communicate any additional changes which materially affect an Employee's interest in the pension plan and employee benefits programs.

**ARTICLE IX**  
**ADMINISTRATION OF THE PLAN**

- 9.1 While the Plan remains in force, the Employer, through its designated agent, PEBA, shall have the sole responsibility for and the sole control of its operation and administration, and shall have the power and duty to take all actions and to make all decisions and interpretations which shall be necessary or appropriate in order to administer and carry out the provisions of the Plan, including the power to make and enforce such rules and regulations as it may deem necessary.
- 9.2 The Employer may, however, delegate all or a portion of its duties pursuant to the administration of the Plan to an Administrator. The Employer may remove the Administrator at any time, and in such a case, may appoint a new Administrator.
- 9.3 The Employer shall create a Committee which has equal representation from the Employer and Employees. The Committee shall be chaired by the Assistant Deputy Minister of PEBA who shall act as a non-voting member of the Committee except where his vote is needed to break a tie. The responsibility of the Committee shall be as specifically noted under the terms of this Plan as well as any other matter which it is requested to adjudicate, subject to the unanimous agreement of the parties involved.

**ARTICLE X**  
**AMENDMENT OR TERMINATION OF THE PLAN**

- 10.1 The Employer retains the right to amend, modify or terminate the Plan in whole or in part at any time or from time to time and in such manner and to such extent as it may deem advisable, but subject to the following conditions;
- (a) No amendment shall have the effect of reducing the then existing interest in the Plan of any Employee or his estate.
  - (b) If it should become necessary to terminate the Plan, the Employer shall make every reasonable effort to permit Employees to change the date and duration of their intended Leave in order to permit Employees to take some leave. Notwithstanding this, the Employer nevertheless retains the right to refuse to permit an Employee to take his Leave, but only in circumstances noted in this paragraph 10.1(b).
  - (c) If the Plan is terminated, any funds remaining in an Employee's Account after the Leave has been completed shall be paid within 90 days of the termination of the Plan or the completion of the Employee's Leave, whichever event last occurs. In addition, an Employee shall be entitled to receive his portion of any net investment earnings of the Plan.
- 10.2 Any amendment to the Plan shall be in writing and shall be approved by the Employer prior to its becoming effective.
- 10.3 If the Employer terminates the Plan, Employees shall be notified of such termination by a notice in writing from the Employer.

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**ARTICLE XI  
GENERAL CONDITIONS**

- 11.1 In becoming a member of the Plan, an Employee agrees to recommence employment with the Employer following his Leave for a period of time at least equal to the period of his Leave.
- 11.2 (a) The adoption and maintenance of the Plan shall not constitute a contract for employment between the Employer and any Employee.
- (b) Nothing contained herein shall be deemed to give an Employee the right to be retained in the service of the Employer or to interfere with the right of the Employer to terminate the employment of any Employee at any time.
- 11.3 All payments made to a person entitled to benefits, pursuant to the Plan's provisions, are for the support and maintenance of such person and may not, in any manner, or in whole or in part, be assigned, alienated, sold, transferred, pledged encumbered or charges, and, to the extent permitted by law, shall not be subject to attachment or otherwise to the claims of creditors of such persons. The Plan does not permit loan privileges to any Employee.
- 11.4 Neither the Employer nor the Administrator nor any individual or committee selected by the Employer to perform services or render advice in connection with the Plan, shall be liable to anyone in connection with the Plan except for his own gross neglect or willful misconduct.
- 11.5 If the employment of an Employee is terminated and that person is thereafter re-employed, he will for all purposes of the Plan be considered to have first commenced employment with the Employer on the date of his re-employment. Notwithstanding the foregoing, if an Employee transfers employment within the Related Group, his participation in the Plan may continue, but subject to the approval of any new Designated Representative of the Employer. However, in the event that the new Designated Representative of the Employer does not approve his continued participation in the Plan, he shall be required to terminate his membership in the Plan, and contributions made to the Plan for his benefits shall be refunded to him.
- 11.6 Once an Employee becomes an Employee in the Plan, partial withdrawal of funds therefrom shall not be permitted except when he can demonstrate extreme financial hardship to the Committee. The Committee shall have complete discretion in the approval or disapproval of such a request.

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- 11.7 The Committee shall review and approve the Plan's operating budget, administrative budget, financial statements and annual report. The Committee shall act as an advisor to the Employer in regard to Plan Design.
- 11.8 Article headings are for convenient references only and shall not be deemed to be a part of the substance of this instrument or in any way to enlarge or limit the contents of any Article or subsection.
- 11.9 The masculine gender shall include feminine and the singular shall include the plural, unless the context clearly indicates otherwise.
- 11.10 The Plan is to be construed according to the laws of the Province of Saskatchewan.
- 11.11 It is the employee's responsibility to make himself aware of the terms and provisions of the Plan as they affect his personal situation.