



## DEFERRED SALARY LEAVE POLICY

Policy Area:	Administrative		
Policy Number:	DFSPL_2603N_AD/VPC		
Policy Sponsor:	CFO & Vice President, Corporate Services		
Policy Contact:	Director, Financial Services		
Applies to:	Eligible Employees		
Authority:	<i>College and Institute Act</i>		
Approval Authority:	Executive Team		
Approval Date:	March 4, 2026		
Effective Date:	March 15, 2026		
Replaces:	<i>Deferred Salary Leave Plan Schedules A &amp; B (2005)</i>		
Last reviewed:	February 2026	Scheduled review date:	March 2031

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Procedures: *Procedures for Deferred Salary Leave Policy*

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### 1. Policy Statement

Okanagan College (OC) will administer a self-funded deferred salary leave plan (Plan) for Eligible Employees in accordance with the *Income Tax Act* and corresponding *Regulations*.

### 2. Purpose

The Plan provides Eligible Employees with the opportunity to take a self-funded leave of absence from their employment at OC and to finance this leave through a deferral of a portion of their biweekly salary over a defined Deferral Period in the years immediately preceding the Leave Period. The deferred salary is paid to the Eligible Employee over the Leave Period of the approved deferred salary leave of absence.

### 3. Scope and Application

- 3.1 This policy applies to continuing or regular employees who have:
- successfully completed a probationary period; and
  - been continuously employed at OC for five years effective January 1<sup>st</sup> of the first year of participation in the Plan.

#### 4. Definitions

<b>Contribution Rate</b>	Means the percentage of Current Salary deducted from each biweekly pay period during the Deferral Period.
<b>Current Salary</b>	Means the total gross compensation payable by OC to the Participant at their proper salary scale and all allowances in accordance with the relevant collective agreement or the Exempt Terms and Conditions Policy.
<b>CRA</b>	Means the Canada Revenue Agency.
<b>Deferral Period</b>	Means the time for which compensation is deferred, including the duration of the Plan and any approved Leave Deferrals. The minimum Deferral Period is two (2) years, and the maximum is five (5) years, with a potential extension of up one (1) additional year.
<b>Deferred Compensation Amount</b>	Means the accumulated portion of the Current Salary plus any unpaid earned interest during the Deferral Period which is retained by the Trustee for a Plan Participant.
<b>Eligible Employee</b>	Means an employee who has successfully completed a probationary period and has been continuously employed at OC for five years in a continuing or regular appointment as defined within the relevant collective agreement or the Exempt Terms and Conditions Policy.
<b>Exempt Manager</b>	Means the person in a department, portfolio or committee who has the authority to approve expenses as outlined in the <i>Signing Authority Policy</i> .
<b>Exempt Terms and Conditions Policy</b>	Means the policies or terms & conditions of employment in force for OC's senior managers, administrators and exempt staff.
<b>Leave Deferral</b>	Means the one-time deferral of a planned leave approved by the appropriate Vice President or President.
<b>Leave Period</b>	Means the number of months of a leave of absence taken directly after the Deferral Period.
<b>Plan Participant</b>	Means an Eligible Employee whose application for participation in the Plan has been approved by the President or their delegated authority.
<b>Plan</b>	Means, for the purpose of this Policy, the Deferred Salary Plan.
<b>Trustee</b>	Means the delegated person or organization that invests, maintains, and reports on the funds collected during the Deferral Period and issues payment to OC to pay the Plan Participant during the Leave Period. The definition of Trustee includes an agent of the Trustee that may administer the Plan on the Trustee's behalf.

## 5. Policy Principles

### *General Principles*

- 5.1 Subject to operational requirements, this policy, and related procedures, the appropriate delegated authority may grant an Eligible Employee approval to participate in a self-funded deferred salary leave plan (Plan) with a Leave Period of up to twelve consecutive months.
- 5.2 When operational circumstances permit, a Plan Participant may be approved on more than one occasion.
- 5.3 The Plan is mutually exclusive of other types of leave such as that for family-related needs or education study leaves.
- 5.4 While on leave, the Participant must not work for OC and must adhere to OC's *Code of Conduct Policy*. With those exceptions, OC would not normally restrict the Participant's activities during the leave.
- 5.5 Eligible Employees are responsible for informing themselves, and seeking advice where appropriate, on the financial, income tax implications, benefits, pension, and other requirements outlined in the Procedures that may result from their participation in the Plan.
- 5.6 In accordance with the *Income Tax Regulations*, the Participant must make a commitment to return to their regular employment at OC for not less than the Leave Period. Thus, the Plan cannot be used to transition into retirement.

### *Delegation of Authority*

- 5.7 The President delegates authority to approve Plan applications to the Vice Presidents and/or members of the OC's Executive.

### *Administrative Expenses*

- 5.8 OC will bear all expenses of administering the Plan except where they may relate to fees of the Trustee in which case the fees will become a charge to be borne by the Plan Participants in accordance with the terms agreed to with the Trustee.

### *Rights Under the Plan*

- 5.9 Neither OC nor any Plan Participant will pledge or hypothecate any rights under the Plan as security for a loan or for any other purpose.
- 5.10 OC shall have the final decision on all matters of interpretation of the Plan Participant's rights under the Plan.

### *Termination or Amendment of Plan*

- 5.11 OC has the sole right to:
  - a) Make amendments to this policy which shall be binding to all current and future Plan Participants; and
  - b) Discontinue this Plan by providing three (3) months' notice to current Plan Participants still in their Deferral Period. (Plan Participants who have commenced their Leave Period prior to the three (3) months' notice given may continue until their Leave Period has been fulfilled by virtue of the provisions of this Policy and Procedures.)

**6. Related Acts and Regulations**

*College and Institute Act*  
*Income Tax Act*  
*Income Tax Regulation 6801*

**7. Supporting References, Policies, Procedures and Forms**

*Deferred Salary Leave Plan Application Form*  
*Code of Conduct Policy*  
*Signing Authority Policy*  
*Exempt Terms and Conditions Policy*  
*Relevant Collective Agreements*

**History / Revisions**

Date	Action
2026-03-04	Approval by Executive Team: <i>Deferred Salary Leave Policy</i>
2005-04-27	Schedule "A" Okanagan College Deferred Salary Leave Plan Schedule "B" Application Form