

Prepaid Leave Plan – Deferred Salary Leave Program: Information for Employees



FLEMING

This guide provides important information to help you plan for prepaid leave. The Prepaid Leave Plan offers eligible full-time employees the opportunity to take an extended paid leave by deferring a portion of their salary over time. The program supports personal growth, education, travel, or other pursuits while maintaining employment security and benefits during the leave period.

What is the Prepaid Leave Plan?

The Prepaid Leave Plan was developed to provide full-time employees of Fleming College with the opportunity to defer up to one-half of their gross salary to finance a future leave of absence. During the leave, employees may pursue personal or professional interests, provided they remain in compliance with the College's Conflict of Interest Policy.

Deferred funds are placed in an interest-bearing account, and employees access these funds during their leave period. The plan allows for a minimum leave of six consecutive calendar months and a maximum of twelve. To participate, employees must have at least three years of full-time service with the College.

The Plan operates in accordance with the regulations set by the [Canada Revenue Agency \(CRA\)](#), which define the rules for salary deferrals, leave duration, employment continuation, and taxation. Related provisions can also be found in the [Support Staff](#) and [Academic Employees](#) Collective Agreements, as well as in the [Administrative Terms and Conditions](#).

Eligibility

Full-time employees who have completed a minimum of three years of continuous full-time service at the College are eligible to participate in the Prepaid Leave Plan.

How to Enroll

To enroll, employees must complete an [Application Form](#) and arrange a meeting with their Leader to discuss the proposed leave. Final approval for participation is granted by the College President or their designate, using the [Memo for Approval](#) process.

Important Information When Applying

- You must select the total number of months over which your salary will be deferred at the time of application. The deferral period must be a minimum of one year and cannot exceed six years.
- Your leave must begin immediately following the completion of the deferral period.
- Any tax implications are your personal responsibility. It is recommended that you seek independent financial or tax advice before enrolling in the Plan.
- Deductions are made on your gross salary. You will receive your regular salary less the percentage you have chosen to defer.

Prepaid Leave Plan – Deferred Salary Leave Program: Information for Employees



- During the deferral period, the Canada Revenue Agency requires that income tax and Canada Pension Plan (CPP) contributions be deducted based on your reduced salary. However, CAAT Pension contributions, Employment Insurance (EI) contributions, and Sun Life benefits will continue to be based on your full (deemed) salary.
 - Contributions must remain continuous throughout the deferral period. Any interruption in contributions will result in termination from the Plan, cancellation of your planned leave, and repayment of accumulated contributions.
 - You may apply once per calendar year to change the bi-weekly deferred salary amount by completing a Change/Cancellation Form and forwarding it to Payroll.
 - In cases of financial hardship, and with approval from the President or designate, you may request a change to your contribution amount at any time. However, the deferred amount cannot be reduced to less than 10% of your gross salary.
 - During your self-funded leave, you will withdraw the total amount contributed to your interest-bearing account during the deferral period.
 - The amounts withdrawn from your deferral account are subject to income tax and CPP deductions at the time of payment.
-

Leave Period

Your leave must begin immediately following the completion of your salary deferral period. Employees are required to notify their [HR Consultant](#) of the planned leave at least four months before it begins and to submit a [Notification of Leave](#) form to Payroll and [Total Rewards](#).

In exceptional cases, the College or the employee may request to postpone the leave. Any postponement must not exceed twelve consecutive months or extend beyond the maximum total participation period of seventy-two months, whichever is less. Contributions must continue throughout any approved extension. All leaves must be completed by the end of the seventh year following the start of participation in the Plan.

Cancelling Participation

Employees may cancel their participation in the Plan by completing and submitting a [Change/Cancellation Form](#) to their HR Consultant. Cancellations are typically limited to specific situations such as financial hardship, total and permanent disability, or termination of employment with the College where continuation in the Plan is not possible through a new employer.

For additional information or help with any of the above, please contact your [HR Consultant](#) or [Total Rewards](#).