

## Teachers' Superannuation Fund (TSF)

<b>Policy re Purchase of Approved Leave</b>	
Legislative Reference	Teachers' Superannuation Act
Policy No.	3
Approved by the Commission	November 14, 2018
Effective Date	September 1, 2018
Pages	3

### 1. GENERAL

**Leave**, for the purposes of this policy, means leave that has been approved by the employer and excludes maternity, parental or adoption leave.

### 2. APPLICATION

This policy applies to any period of leave that begins on or after September 1, 2018.

### 3. PURPOSE

A member shall, upon purchasing a period of leave, have that period of leave recognized as pensionable service.

### 4. POLICY

#### 4.01 General

**Required contributions**, for the purpose of this policy, shall be base and/or supplementary contributions the member would be required to make under the Act as at the request date.

In order to purchase leave under this policy, a teacher must be, at the date of the request, an active contributor to the TSF or on an approved leave.

No request to purchase a period of leave shall be accepted until the leave has ended.

Contributions for the purchase of leave are in addition to the regular deductions made by a member for current service.

#### **4.02 Eligible Service**

##### Teacher is a member at start of leave

A member is eligible to purchase service up to the equivalent of the member's guaranteed hours during the period of leave. Guaranteed hours are determined as of the date the leave commenced.

##### Teacher becomes a member during the leave

A member is eligible to purchase service up to the equivalent of the member's guaranteed hours from the member's plan entry date to the end of the period of leave. Guaranteed hours are determined as of the plan entry date.

#### **4.03 Request Deadline**

A member must submit a request within twenty-four (24) months of the completion of the leave. If the request is not submitted within this time-frame the option to purchase shall lapse.

#### **4.04 Cost**

##### Two times Contributions

The member cost to purchase all or a portion of the service attributable to the leave shall be an amount equal to one year or a fraction of a year of the service being purchased, multiplied by **two times** the required contributions as at the request date.

The employer does not participate in cost sharing the purchase.

#### **4.05 Payment**

The amount payable, under this option, shall be restricted to a single lump sum payment.

Where a member has made a request to purchase leave, the member shall make payment no later than 90 days from the date of the letter informing the member of the cost.

#### **4.06 Crediting of Pensionable Service and Contributions**

Upon payment, the member shall be credited with the contributions and service that pertained to the period being purchased.

#### 4.07 Pro-ration of Service

Where the total payment is sufficient to cover the cost payable under 4.04, the entire period of leave shall be credited to the member as pensionable service.

Where the total payment is insufficient to cover the cost payable under 4.04, only that portion of the period of leave paid for shall be credited to the member as pensionable service, as determined by applying the ratio of the payment received divided by the total cost.

#### 4.08 Income Tax Act requirements

Where required under the Income Tax Act (Canada), a past service pension adjustment (PSPA) shall be filed by the Minister with the appropriate government authorities for their approval or certification.

If the PSPA is not approved, the purchase shall be reversed and the funds refunded to the member.

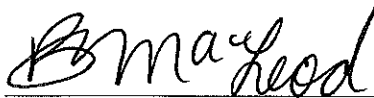
#### 4.09 Compliance

No benefits shall be paid with respect to service purchased under this policy prior to compliance with 4.08.

#### 4.10 Limits

The total period of approved leave that may be purchased under this policy is subject to the overall limits imposed by the *Income Tax Act* (Canada) and associated regulations on the crediting of service in a registered pension plan.

This Policy No. 3 was approved by the Commission for the Prince Edward Island Teachers' Superannuation Commission at a meeting of the Commission held November 14, 2018.



Bethany MacLeod, Commission Chair

June 16, 2020

Dated