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**MANITOBA TEACHERS  
SOCIETY**

**DEFERRED SALARY LEAVE  
PLAN**

**JUNE 1989**

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## PLAN AGREEMENT

THIS AGREEMENT made the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_.

BETWEEN:

THE \_\_\_\_\_ SCHOOL DIVISION /  
DISTRICT NO. \_\_\_\_\_  
being a School Division/District duly  
constituted under The Public Schools Act of Manitoba,  
(hereinafter called the "Division")

PARTY OF THE FIRST PART,

- and -

\_\_\_\_\_ ASSOCIATION  
being a local Society of the Manitoba  
Teachers' Society,  
(hereinafter called the "Association"),

PARTY OF THE SECOND PART.

WHEREAS the Division and the Association agree to establish a plan (the "Plan") whereby teachers employed by the Division have the opportunity of taking leave of absence on a deferred compensation basis;

AND WHEREAS it is intended that the Plan operate as a trusteed Employee Benefit Plan as defined in Section 248(1) of the Income Tax Act (Canada);

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises the parties agree to institute the Plan described herein, whereby an employee can take a leave of absence on a deferred basis on the following terms and conditions;

I. DEFINITIONS

"Association" means the Party of the Second Part referred to in the Agreement.

"Collective Agreement" means the agreement between the Association and the Division pursuant to Section 97(1)(d) of The Public Schools Act.

"Current Compensation Amount" means the total compensation payable by the Division to the Participant for the school year, including one's proper grid salary and all allowances, per the current Collective Agreement in force between the Association and the Division.

"Deferral Period" shall be the number of school years for which compensation is deferred in accordance with Clauses 3.1 and 4.1, including the years referred to in Clauses 4.4 and 4.5, if applicable.

"Deferred Compensation Amount" means the portion of the Current Compensation Amount which is paid to the Trustee by the Division for a Participant in each year in accordance with Clause 3.1.

"Division" means the Party of the First Part referred to in the Agreement and includes a school division, a school district, and an official trustee under the Public Schools Act, having the responsibility for providing public school education.

"Eligible Teacher" means a teacher as defined by agreement between the Association and the Division, provided that if no agreement exists, as determined by the Division.

"Eligible Investment" means"

- (a) an investment or savings account placed with any Canadian chartered bank or any trust company authorized to carry on business in the Province of Manitoba, which investment or savings account is eligible for insurance coverage under the Canadian Deposit Insurance Act of Canada; and
- (b) a bond or Treasury Bill issued by the Government of Canada or by the Government of the Province of British Columbia, Alberta, Saskatchewan, Manitoba or Ontario.

"Fund" means all assets held by the Trustee under the terms of the Plan and the Trust Agreement.

"Leave of Absence" means the period described in Clause 4.1.

"Memorandum of Agreement" means the Leave of Absence and Deferred Compensation Plan Memorandum of Agreement described in Schedule "A".

"Participant" means an Eligible Teacher whose application for participation in the Plan has been approved and who has completed a Memorandum of Agreement.

"Participant's Account" means the separate account established for each Participant pursuant to the provision of Clause 3.5 hereof.

"Plan" means the Plan set out in this agreement, and includes all amendments thereto.

"School Year" means the period from the first day of the fall term of one calendar year to and including the day prior to the first day of the fall term of the next calendar year.

"Trust Agreement" means the Trust Agreement entered into between the Division, the Association and the Trustee, as from time to time amended or substituted by agreement between the Division, the Association and the Trustee, to carry out the purposes of this Plan, which Trust Agreement shall form part of this Plan.

"Trustee" means a trust company registered to carry on business in the Province of Manitoba appointed to act as trustee under the Trust Agreement by agreement of the Division and the Association.

## 2. APPLICATION

### 2.1 APPLICATION AND FORM

In order to participate in the Plan, an Eligible Teacher must make written application to the Division on the Leave of Absence and Deferred Compensation Plan Memorandum of Agreement (Schedule "A") on or before March 31, or such other date as is otherwise agreed to between the Division and the Association. In any event, the application to participate must be made prior to the School Year in which the deferral is to commence.

- (b) The Division shall advise the Trustee and Association in writing in the event of a Participant's withdrawal from the Plan under Clause 6 or suspension from the Plan under Clause 7.

#### 3.4 INVESTMENT OF DEFERRED COMPENSATION AMOUNTS

- (a) The Fund shall be established by the Trustee comprised of all the Deferred Compensation Amounts paid to the Trustee. All amounts paid into the Fund on behalf of Participants shall be held by the Trustee in trust as a commingled trust fund and shall be invested as soon as is reasonably possible, given the circumstances of the Plan.
- (b) The Fund shall be invested and reinvested by the Trustee in Eligible Investments. All investments shall be made under the name of the Trustee in trust. Except where the investment is a bond or Treasury Bill referred to in paragraph (b) of the definition of Eligible Investments in Clause 1, the Trustee shall comply with Section 3 of the Schedule to the Canada Deposit Insurance Corporation Act of Canada, in that the Trustee shall disclose its trusteeship to each financial institution with whom assets of the Fund may from time to time be invested, and sufficient detail to enable the financial institution to take the interest of each Participant into account as a beneficiary for the purposes of Section 19 of the said Act.
- (c) The Trustee shall have the authority to commingle the Fund with the assets of any other fund(s) created under any other identical plan(s) which may be established between a School Division in the Province of Manitoba and a local Association of the Manitoba Teachers Society and which assets are similarly being held in trust by the Trustee on identical terms and conditions. Interest and investment earnings of the aggregated funds and expenses in connection therein shall be allocated among the funds for each completed year on a reasonable and consistent basis having regard to the amounts in each fund that may have accrued from time to time during the year then ended.

## 2.2 APPROVAL

The approval of such application made under Clause 2.1 shall be in the discretion of the Division. The Division shall by May 15 of that year advise each applicant of the approval or disapproval of the application.

## 2.3 PARTICIPANT

Upon acceptance of the application made under Clause 2.1 the Eligible Teacher becomes a Participant in the Plan.

## 3. FUNDING FOR LEAVE OF ABSENCE

### 3.1 COMPENSATION DEFERRED

During each school year prior to the Leave of Absence the Participant, for a maximum of six school years, will receive his or her Current Compensation Amount, less the amount (the "Deferred Compensation Amount") which the Participant has specified in the Memorandum of Agreement for the school year in question, which shall be paid by the Division to the Trustee in installments within twenty days of the date of each regular payment of salary. Monies so paid to the Trustee shall be invested in accordance with Clause 3.4.

### 3.2 MAXIMUM PERCENTAGE DEFERRED

The maximum percentage of the Current Compensation Amount deferred in any one calendar year may not exceed 33 1/3%.

### 3.3 NOTICE TO THE TRUSTEE

(a) At the time that the Division pays the monies to the Trustee in accordance with Clause 3.1, the Division shall advise the Trustee in writing as to the names of the Participants on whose behalf the monies are being paid and the amount of monies applicable to such Participants so named, and shall provide to the Trustee a copy of each Participant's application form under Clause 2.1.

- (d) The Division, the Association, The Manitoba Association of School Trustees and the Manitoba Teachers' Society shall not be liable to any Participant or Participants for the acts or defaults of each other or for any error in judgment or for any act of omission or commission in connection with the administration or management of the Fund, except for loss occasioned by their willful misconduct. The Division, the Association, The Manitoba Association of School Trustees and the Manitoba Teachers' Society shall not be liable to any Participant or Participants for any loss suffered in respect to any investment or investments of the Fund, whether direct loss or indirect loss.

### 3.5 PARTICIPANT'S ACCOUNT

The Trustee shall establish and maintain a separate account for each Participant and shall debit or credit, as the case may be, to the account of each Participant the following amounts:

- (i) Deferred Compensation Amounts paid on behalf of each Participant in accordance with Clause 3.1 and any contributions by a Participant to his or her Participant's Account;
- (ii) interest and investment earnings earned on the Deferred Compensation Amounts of each Participant in accordance with Clauses 3.4 and 3.6;
- (iii) interest and investment earnings paid to each Participant in accordance with Clause 3.6;
- (iv) salary paid to each Participant in accordance with Clause 4.3;
- (v) expenses of the Fund applied against interest and investment earnings on the Deferred Compensation Amounts of each Participant in accordance with the provision of Clause 3.7.

The Trustee shall hold the amount in each Participant's Account for the exclusive benefit of each Participant in accordance with the provisions of the Plan and Trust Agreement.



3.6 ALLOCATION AND PAYMENT OF INVESTMENT EARNINGS

As of December 31 of each year the Trustee shall allocate the interest income of the Fund and any other investment earnings (including net taxable capital gains) thereon for the calendar year completed (net of expenses as provided in Clause 3.7) among the Participants of the Plan on a reasonable and consistent basis having regard to the amounts in each Participant's Account that may have accrued from time to time during the year then ended. The interest and investment earnings so allocated to each Participant shall be treated as having been paid out to the Participant and recontributed by the Participant to his or her Participant's Account on December 31 each year as agreed to by the Participant in the Memorandum of Agreement. The Trustee shall ensure that the said amount of interest and investment earnings is subsequently paid out in cash to each Participant no later than February 1 of the following year.

3.7 EXPENSES

Any taxes imposed upon or in respect of the Fund or administration fees or other expenses, sustained or assessed, as the case may be, in connection with the operation of the Plan, including the general fees of the Trustee, shall be charged against and paid out of the interest and investment earnings of the Fund. Any specific transaction fees charged by the Trustee in regard to a particular Participant shall be debited to that particular Participant's Account.

3.8 REPORTING TO PARTICIPANTS

Subject to any agreement to the contrary, the Trustee shall make an Annual Report to each Participant under this Plan as to the amount in his Participant's Account as of December 31 of each year, and the Annual Report shall be distributed to each Participant no later than three months thereafter. The Trustee shall make such other reports during the course of the year as may be agreed to in the Trust Agreement.

3.9 DEFERRED COMPENSATION NOT TO BE PLEDGED

The Trustee shall not pledge or hypothecate any Deferred Compensation Amount invested by it pursuant to Clause 3.4 to or for the benefit of any Participant, or any person not dealing at arm's length with any Participant.

3.10 FUND FOR EXCLUSIVE BENEFIT OF PARTICIPANTS

The Fund shall not form any part of the assets of the Division, nor at any time shall any part of the Fund be used for, or diverted to any purposes other than for the exclusive benefit of the Participants as herein provided.

4. TAKING OF LEAVE OF ABSENCE

4.1 LEAVE OF ABSENCE

The Leave of Absence shall occur according to, and be governed by agreement between the Division and the Association. The Leave of Absence shall not be less than SIX (6) CONSECUTIVE MONTHS within one School Year and which Leave of Absence shall normally either commence at the start of a school year or at some other appropriate and reasonable point of time in the School Year. The Leave of Absence must commence after a period not exceeding SIX (6) YEARS after the date on which the deferrals for Leave of Absence commence.

4.2 MANNER OF PAYMENT DURING LEAVE

The time and manner of payment to the Participant during the Leave of Absence shall be in accordance with a plan determined by the Participant prior to the commencement of leave, and the Division shall provide the relevant information thereof to the Trustee in order that the Trustee may make such payments in a timely manner. In any event payments shall not be more frequently than that provided for the payment of salaries under the Collective Agreement, and the last payment shall in no event be made later than the end of the first calendar year that commences after the end of the Deferral Period.

#### 4.3 PAYMENT DURING LEAVE

The salary to be paid to a Participant during the Leave of Absence shall be the amount in the Participant's Account augmented by interest and investment earnings earned thereon during the Leave of Absence, net of expenses as provided in Clause 3.7. The salary will be administered to the extent possible in accordance with the Collective Agreement. Deductions may be made by the Trustee under Clause 5.1 and as required by law to be paid by the Trustee for or on behalf of a Participant. The Division shall pay no other remuneration to the Participant during the Leave of Absence other than as aforesaid or fringe benefits as provided in Clause 5.1.

#### 4.4 DIVISION'S RIGHT TO DEFER LEAVE

If the Division is unable to obtain a suitable replacement for a Participant for the period of a Leave of Absence specified by the Participant, then notwithstanding the date for the Leave of Absence in the Memorandum of Agreement, the Division may in its discretion defer the Leave of Absence for one school year provided that this will not result in the Deferral Period exceeding six years from the date in which the deferrals for the Leave of Absence commence. If the Division so defers the Leave of Absence, the Participant may choose to remain in the Plan, or may withdraw from the Plan, and be paid the amount in his or her Participant's Account in one lump sum within 60 days of such withdrawal, and upon such payment being made the Division and Trustee shall have no further liability to the Participant hereunder.

#### 4.5 PARTICIPANT'S RIGHT TO DEFER LEAVE

Notwithstanding the date for the Leave of Absence in the Memorandum of Agreement, a Participant may, on one occasion only, with the consent of the committee struck for such purpose between the Association and Division postpone such leave for one school year, provided that this will not result in the Deferral Period exceeding six years from the date in which the deferrals for the Leave of Absence commence. Such application must be made to the committee prior to March 31 in the year of the scheduled commencement of the leave or prior to such other time as the committee may deem appropriate.

4.6 YEAR'S LEAVE OF ABSENCE

The Leave of Absence shall commence immediately after the end of the Deferral Period.

4.7 POSITION ON RETURN FROM LEAVE

After the Leave of Absence the Participant shall return to his or her employment with the Division, or with another School Division or School District constituted under the Public Schools Act of Manitoba which participants in a deferred salary leave plan for its teachers which is the same or similar to this Plan, for a period of not less than the period of the Leave of Absence. On return from the Leave of Absence to the Division, the teacher will be assigned to the same or comparable position with the Division.

4.8 SALARY AND BENEFITS AFTER LEAVE

After participation in the Plan, the Participant's salary and benefits will be as set out in the Collective Agreement then in force.

4.9 LIMITATION ON BENEFITS PAYABLE

No Participant shall be entitled to receive any amount in respect of the Plan except in accordance with the provisions of this Agreement.

4.10 BENEFITS

- (a) No Participant shall be entitled to alienate, sell, pledge, hypothecate, encumber, charge, assign or transfer his rights under the Plan, and any attempt to do so shall not be recognized and shall be treated as void.
- (b) The Participant shall not have any legal or equitable right or interest in the Fund under the Plan except as expressly provided in this Agreement.

5. FRINGE BENEFITS

5.1 PAYMENT OF PREMIUMS

During a Leave of Absence, the responsibility for payment of premiums for fringe benefits for a Participant shall be as set forth under the terms and conditions of benefit plans in which the Participant is enrolled. If a Participant is obligated to pay the cost of any fringe benefits during the Leave of Absence, the Division shall pay such cost on behalf of the Participant on request and notify the Trustee of same in writing and the Trustee shall deduct and reimburse the Division the monies so paid from the monies otherwise payable to the Participant during the Leave of Absence.

5.2 SICK LEAVE

There shall be no accumulation of sick leave during the Leave of Absence.

5.3 CANADA PENSION AND UNEMPLOYMENT

The Trustee will make such deductions and remittances as may be required under the Income Tax Act, the Canada Pension Plan and Unemployment Insurance Act in respect to payments made to a Participant in accordance with the Plan.

6. WITHDRAWAL

6.1 TERMINATION OF EMPLOYMENT

A Participant who ceases to be employed by the Division must withdraw from the Plan. For purposes of anyone subject to recall provisions in the event of a lay off the Participant will not be considered to have ceased employment.

6.2 WITHDRAWAL FROM THE PLAN

A Participant may apply to the Division to withdraw from the Plan anytime prior to March 31 of the year in which the Leave of Absence is scheduled to commence. The Division shall approve a request to withdraw only if in the opinion of the committee struck for such purpose between the Division and Association there are extenuating circumstances, such as financial hardship, contributing to the Participant's request to withdraw from the Plan.

6.3 PAYMENT ON WITHDRAWAL

In the event of withdrawal from the Plan, the Division shall notify the Trustee and the Trustee shall pay to the Participant the amount in his or her Participant's Account in one lump sum payment within sixty days of such withdrawal, provided that interest earned on the Deferred Compensation amounts of such Participant for the portion of the year to the time of withdrawal may be paid out in the Trustee's discretion either at the time of withdrawal or in accordance with Clause 3.6.

6.4 UPON DEATH

Should a Participant die, the Trustee shall within thirty days of notification of such death to the Trustee pay the amount in his or her Participant's Account to the Participant's estate, subject to the Trustee receiving any necessary clearances and proofs normally required for payments to estates.

7. SUSPENSION FROM PARTICIPATION IN THE PLAN

7.1 SUSPENSION FOR ONE YEAR

A Participant may only suspend participation in the Plan for one school year, and may only suspend their participation once during the term of their participation in the Plan in accordance with Clause 7.2.

## 7.2 NOTICE TO SUSPEND

A Participant may give notice to the Division prior to June 30 stating that the Participant wishes to suspend participation in the Plan as at the start of a new School Year, next following such notice, provided that this will not result in the Deferral Period exceeding six years from the date on which the deferrals for the Leave of Absence commence. Where such notice is given the Division shall pay the current Compensation Amount to the Participant, but amounts in the Participant's Account (but less all interest paid to the Participant in accordance with Clause 3.6) shall continue to be held by the Trustee until the Participant withdraws from the Plan or takes a Leave of Absence.

## 8. AMENDMENT OR TERMINATION OF THE PLAN

### 8.1 AMENDMENT OR TERMINATION BY AGREEMENT

The Plan may be amended or terminated by agreement between the Division and Association on such terms and conditions as the parties may agree, provided that no such amendment or termination shall have the effect, so far as existing Participants are concerned, of reducing the amount in any Participant's Account or of diminishing the value thereof to any Participant at the time of the amendment or termination. No amendment shall be made to the Plan which will adversely affect any tax ruling which is applicable to the Plan prior to the Amendment. Any amendment(s) shall be binding upon all present and future Participants.

### 8.2 UNILATERAL TERMINATION ON NOTICE

The Plan may be terminated as to the entrance of new Participants by either the Division or the Association by written notice to the other party provided that:

- (a) Any said termination as to the entrance of new Participants shall take effect with respect to the School Year commencing in the third calendar year following the calendar year in which the notice is given (said School Year hereinafter referred to as the "Term");

(b) The Plan shall continue in the normal course in all respects regarding Participants who have entered the Plan prior to the Term referred to in Paragraph 8.2(a).

9. GOVERNING LAW

9.1 This Plan shall be construed, regulated and administered according to the laws of Manitoba.

10. BINDING EFFECT

This Agreement shall be binding upon and shall ensure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

THE CORPORATE SEAL OF THE )  
SCHOOL DIVISION )  
DISTRICT NO. \_\_\_\_\_ was here to )  
affixed in the presence of: )

\_\_\_\_\_  
Witness )

\_\_\_\_\_  
Witness )

SIGNED, SEALED ON BEHALF OF )  
THE )  
ASSOCIATION in the presence of )

\_\_\_\_\_  
Witness )

\_\_\_\_\_  
Witness )

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
SECRETARY-TREASURER

) PER: \_\_\_\_\_  
PRESIDENT

) PER: \_\_\_\_\_  
SECRETARY



## TRUST AGREEMENT

TRUST AGREEMENT (the "Agreement"), made the \_\_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_, by and between:

THE \_\_\_\_\_ SCHOOL DIVISION,  
DISTRICT NO. \_\_\_\_\_,  
being a School Division/District duly  
constituted under The Public Schools Act  
(the "Division").

OF THE FIRST PART,

- and -

\_\_\_\_\_ ASSOCIATION,  
being a local Society of the  
Manitoba Teachers' Society,  
(the "Association"),

OF THE SECOND PART,

- and -

CANADA TRUST,  
(the "Trustee")

OF THE THIRD PART.

WHEREAS the Division and the Association have established a Plan whereby teachers employed by the Division have an opportunity of taking a leave of absence on a deferred compensation basis, a copy of which is attached hereto;

AND WHEREAS it is intended that this Plan operate as a trusteed Employee Benefit Plan as defined in Section 248(1) of the Income Tax Act (Canada);

AND WHEREAS under the Plan monies will be paid to the Trustee, which monies as and when received by the Trustee together with income earned thereon will constitute a trust fund to be held and administered for the Participants thereunder;

AND WHEREAS the Division and Association desire the Trustee to hold, invest and administer the trust fund and the Trustee is willing to hold and administer the trust fund pursuant to the terms of this Agreement and the Plan;

AND WHEREAS the Division and Association have accepted the proposal of the Trustee attached hereto as Schedule A so far as the particular manner of investment of the assets of the Fund and the fees to be charged by the Trustee;

NOW THEREFORE THIS AGREEMENT WITNESSETH as follows:

1. **Introduction**

- (a) For greater certainty, those words and phrases defined in Article 1.00 of the Plan shall when used in this Agreement assume the same meanings, unless the context clearly indicates to the contrary.
- (b) The proposal of the Trustee attached hereto as Schedule A shall form an integral part of this Agreement.

2. **Establishment and Administration of Fund**

- (a) There shall be established a trust fund (the "Fund") which shall be held in trust and administered by the Trustee, into which shall be paid the Deferred Compensation Amounts of the Participants under the Plan in the form of money for the purposes of the Plan. Such monies and the income increments thereto, shall constitute the Fund for the purposes of the Plan. The Fund shall be held by the Trustee as a commingled trust fund and shall not form any part of the assets of the Division. At no time shall any part of the Fund be used for, or diverted to, purposes other than those pursuant to the terms of the Plan, and the Fund shall be held and used only for the exclusive benefit of the Participants as provided for in the Plan. No person shall have any interest in or right to the Fund or any part thereof, except as expressly provided in the Plan.

- (b) The Fund shall be invested, administered and records kept and managed by the Trustee in accordance with the Plan and this Agreement. The Trustee shall take all reasonable steps to ensure the efficient administration of the fund in accordance with this Agreement. The Trustee shall attempt to maximize the interest and investment earnings of the Fund.
- (c) In the event of termination of the Plan, the Trustee shall dispose of the Assets of the Fund as instructed by the Division and Association in accordance with the provisions of the Plan.

3. **Notification to Participants**

- (a) The Trustee shall no later than September 30 of each year send a statement in writing to each Participant of the Plan setting forth:
  - (i) the net amounts in terms of money credited or debited to the Participant's Account as of June 30 each year;
  - (ii) the total amount in terms of money that stands to the credit of such Participant in his Participant's Account as of June 30 each year.
- (b) The Trustee shall no later than March 31 of each year send a statement in writing to each Participant of the Plan setting forth:
  - (i) the net amounts in terms of money credited or debited to the Participant's Account as of December 31 each year;
  - (ii) the total amount in terms of money that stands to the credit of such Participant in his Participant's Account as of December 31 each year.

- (c) A copy of each statement referred to in (a) and (b) shall be sent by the Trustee to the Division and Association or alternatively a master statement showing each Participant's Account and the aggregate totals may be sent by the Trustee to the Division and Association.

4. **Allocations, Payments and Administration**

- (a) The Trustee shall make all allocations to the Participants as required by the Plan (and in particular by Clauses 3.6 and 3.7 of the Plan) within the time limits therein prescribed and shall maintain separate Participant's Accounts in respect of each Participant as required by Clause 3.5 of the said Plan showing the said credits and debits made to each Participant.
- (b) The Trustee shall record all investments and reinvestment in respect of the Fund.
- (c) The Trustee shall make all payments out of the Fund which are required to be paid to the Participants in accordance with the terms and provisions of the Plan upon written directions from any duly authorized officer of the Division. Such payments shall be made to Participants, in such manner and in such amounts as may be specified in the directions to the Trustee. Upon such payment being made, the amount of the payment shall no longer constitute part of the Fund.
- (d) The Trustee shall cause to be kept a Register of Participants of the Fund in which shall be entered the name of every Participant. The said Register and the separate Participant's Accounts prescribed by the Plan shall be kept to the reasonable satisfaction of the Division and Association and shall be available for inspection by the Division or the Association upon reasonable notice thereof being given to the Trustee.

- (e) The Division shall provide to the Trustee the information so required to be provided under the Plan. The Division shall be responsible to the Trustee for the accuracy of any information or statement from time to time made by the Division to the Trustee in regard thereto.

5. Investment

- (a) All Deferred Compensation Amounts paid into the Fund on behalf of Participants shall be held by the Trustee in trust as a commingled trust fund and shall be invested as soon as is reasonably possible, as provided by Subparagraph 5(b) of this Agreement. The Trustee shall have the authority to commingle the Fund with the assets of any other fund(s) created under any other identical plan(s) which may be established between a School Division in the Province of Manitoba and a local Association of the Manitoba Teachers Society and which assets are similarly being held in trust by the Trustee on identical terms and conditions. Interest and investment earnings of the aggregated funds and expenses in connection therewith shall be allocated among the funds for each completed year on a reasonable and consistent basis having regard to the amounts in each fund that may have accrued from time to time during the year then ended.
- (b) (i) The Fund shall be invested and reinvested by the Trustee in Eligible Investments only as defined in Clause 1 of the Plan, but otherwise shall not be limited by the laws of any Province of Canada concerning investments by Trustees. The Trustee shall in its discretion determine which Eligible Investments the assets of the Fund are invested in from time to time and may invest the assets of the fund in investments offered by the Trustee or related companies of the Trustee provided such investments are Eligible Investments.

The Trustee may register investments in its own name or in the name of a nominee with or without the addition of words indicating that the same are held in a fiduciary capacity, and the Trustee may hold an investment in bearer form where such investment is unregistrable.

(ii) Except where the investment is a bond or Treasury Bill of the Government of Canada, or a Government of one of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba or Ontario, the Trustee shall comply with Section 3 of the Schedule to the Canada Deposit Insurance Corporation Act of Canada, in that the Trustee shall disclose its trusteeship to each financial institution with whom assets of the Fund may from time to time be invested, and sufficient detail to enable the financial institution to take the interest of each participant into account as a beneficiary for the purposes of Section 19 of the said Act. The Trustee itself shall comply with Section 3 and Section 19 of the said Act to the extent that assets of the Fund are invested in investments offered by the Trustee.

(c) Interest and other investment earnings shall be deemed to accrue from day to day for the purpose of allocations of same among each Participant's Account.

6. Powers of the Trustee in the Administration and Investment of the Fund

Subject to the provisions of the Plan and this Agreement, the Trustee shall have, in addition to any other powers and authority to which trustees may be entitled at law, full power and authority to decide all questions with respect to the investment and administration of the Fund, including without limiting the generality of the foregoing, the following specific powers and authority:

- (a) to invest and reinvest the assets of the Fund in Eligible Investments as provided in Section 5;
- (b) to sell for cash or on credit, convert, redeem, exchange or otherwise dispose of or deal with any investment held by the Trustee at any time as if the Trustee were the owner thereof;
- (c) to invest assets of the Fund in investments offered by the Trustee (including deposits in the Trustee's savings department or in debt obligations of the Trustee, and further including deposits in a current account where the monies are being held for distribution), provided such investments must be Eligible Investments as defined in the Plan;
- (d) to allocate the interest or other investment earnings of the Fund for each calendar year completed among the Participants of the Plan on a reasonable and consistent basis having regard to the amount in each Participant's Account that may have accrued from time to time during the year.
- (e) to make, execute and deliver, as Trustee, any and all deeds, conveyances, contracts, waivers, releases or other instruments in writing necessary or proper to carry out the powers herein granted and to administer the Fund;
- (f) to deposit any securities and documents of title held by them hereunder with any banker or other depository and to pay all sums required to be paid in respect of the deposit thereof;
- (g) to pay out of and charge to the interest and investment earnings of the Fund all income taxes and other taxes or any and all kinds levied or assessed under any applicable law upon or in respect of the Fund, or any money, property or securities forming a part thereof;



- (h) to institute, prosecute and defend any suits or actions or other proceedings affecting the Trustee or the Fund; and
- (i) to make short term unsecured borrowings (including the right to borrow from itself or any of its affiliates) to enable cash payments to be made under the Plan or otherwise to facilitate the administration of the Fund, in such amounts and on such terms as the Trustee deems advisable; such borrowings shall only be made for the purposes of preventing the distress sale of any long term investments.

The exercise of any one or more of the foregoing powers or any combination thereof from time to time shall not be deemed to exhaust the rights of the Trustee to exercise such power or powers or any combination thereof from time to time.

7. **Additional Powers of the Trustee**

The Trustee shall have the following additional powers, obligations and authorities with respect to administration of the Fund:

- (a) to make deductions and remittances as may be required under the Income Tax Act, the Canada Pension Plan and the Unemployment Insurance Act and to prepare prescribed information returns as required under such legislation; to prepare the Fund's T3 income tax return required under Section 150 of the Income Tax Act (Canada);
- (b) in general, the Trustee shall have and is hereby vested with all and every power, right and authority necessary or desirable to enable the Trustee to administer and invest the Fund and carry out its obligations and rights under this Agreement.

8. Trustee's Responsibility

- (a) The Division shall deposit with the Trustee all Deferred Compensation Amounts of the Participants for credit to their Participants' Accounts. Each such deposit or deposits shall be accompanied by a statement or statements setting forth the amount of each Participant's contribution. The Trustee may rely on such statement or statements without independent investigation and shall not be responsible for the application of deposits unless the deposits are not made in accordance with the statement or statements. No action may be taken against the Trustee for any loss arising from the Trustee following the information contained in such statement or statements.
  
- (b) Subject to Paragraph 8(a) of this Agreement, neither the Division nor the Association nor The Manitoba Association of School Trustees shall be under the obligation to see to the proper allocation of any money paid or assets delivered to the Trustee which shall be the sole responsibility of the Trustee in accordance with the provisions of the Plan and this Agreement.

9. Liability of Trustee

The Trustee shall not be liable for any loss to, or diminution of the Fund unless due to negligence, willful misconduct or lack of good faith of the Trustee or its agents or nominees.

10. Compensation of the Trustee

The Trustee shall be entitled to the fees set forth in Schedule A hereto and no more unless otherwise agreed to by the Division and the Association. Such fees shall be paid out of and charged to the interest and investment earnings of the Fund except that specific transaction fees charged by the Trustee in regard to a particular Participant as set out in Schedule A shall be debited to the particular Participant's Account.

11. Reports and Accounts

- (a) The Trustee shall keep full and accurate accounts and records of all investments, receipts, interest and investment earnings, disbursements, transactions and allocations made by the Trustee and all accounts, books and records relating thereto shall be made available to the Division and Association upon reasonable notice thereof being given to the Trustee.
- (b) By September 30 and March 31 of each year the Trustee shall file with the Division and Association in a form acceptable to the Division and Association a written statement of account setting forth all investments, receipts, disbursements and other transactions effected by them during the six months ended June 30 and December 31 respectively.

12. Resignation and Removal of the Trustee

At any time after 1990, the Trustee may be removed without cause by the Division and Association acting together upon ninety (90) days notice in writing to the Trustee. The Trustee may resign at any time after 1990 upon ninety (90) days notice in writing to the Division and the Association. Upon such removal or resignation of the Trustee, the Division and Association shall appoint a successor Trustee who shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon acceptance of such appointment by the successor Trustee, the Trustee shall assign, transfer and pay over to such successor Trustee the funds and assets then constituting the Fund and shall transfer and hand over all records and other documents held by it under the terms of this Agreement to the successor Trustee. The Trustee is authorized, however, to reserve such sum of money, as it may deem advisable, for payment of its fees on a pro rata basis for the portion of the calendar year prior to its removal or resignation.

13. Authority of the Division and Association

Any action by the Division and/or the Association shall be consistent with the terms of the Plan. Any notice, direction, request or instruction given by the Division and/or the Association to the Trustee pursuant to any of the provisions of the Plan or this Agreement shall be consistent with the terms thereof and shall be evidenced by the signature of any duly authorized officer of the Division and/or the Association, and the Trustee shall be fully protected in acting in accordance with such signed instrument.

14. Amendment

- (a) If the Division, the Association and the Trustee agree, they shall have the right and power to amend this Agreement, in whole or in part, and at any time and from time to time, or to terminate this Agreement, provided that no amendment may be made authorizing or permitting any part of the Fund to be used for, or diverted to, purposes other than those provided for under the terms of the Plan.
- (b) The Division and the Association shall ensure that a copy of any amendment to this Agreement shall be delivered to each Participant within thirty (30) days of the effective day of such amendment.

15. Canada Deposit Insurance

The Trustee shall take all necessary steps to ensure that each Participant's Account is insured against loss to the amount of \$60,000 pursuant to the Canada Deposit Insurance Corporation Act of Canada, or to such other maximum amount as said Act may from time to time be amended to provide for.

16. Financial Year

The financial year of the Fund shall end on the 31st day of December in each year.

17. Notice

Any notice, request, statement, consent, approval, authorization, acknowledgment, appointment, refusal or direction which any party hereto may desire or be required to give to any other party thereto with regard to any matter or thing contained in this Agreement or the Plan, shall be in writing and shall either be personally served upon such other party or an officer thereof or mailed by prepaid registered post addressed:

if to the Trustee at:

if to the Division at:

if to the Association at:

and any such notice, etc., shall be deemed to have been given for all purposes hereunder on the day it was personally delivered or, if mailed, it shall be deemed to have been given on the THIRD (3rd) BUSINESS DAY following the day of mailing.

18. Interpretation

This Agreement shall be interpreted, construed, administered and enforced according to the laws in force from time to time in the Province of Manitoba.

19. Binding Effect

- (a) This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(b) Any company resulting from any merger or consolidation to which the Trustee may be a party or, succeeding to the trust business of the Trustee or to which substantially all the trust assets of the Trustee may be transferred while the Trustee continues to act as Trustee of the Fund, shall be the successor to the Trustee hereunder without any further act or formality with like effect as if such successor Trustee had originally been named Trustee herein.

IN WITNESS WHEREOF the parties hereto have set their hands and seals this  
day of \_\_\_\_\_, 198 .

THE CORPORATE SEAL OF THE )  
SCHOOL DIVISION )  
DISTRICT NO. \_\_\_\_\_ was hereto )  
affixed in the presence of: )

\_\_\_\_\_  
Witness )

\_\_\_\_\_  
CHAIRPERSON )

\_\_\_\_\_  
Witness )

\_\_\_\_\_  
SECRETARY-TREASURER )

SIGNED, SEALED ON BEHALF OF )  
THE )  
ASSOCIATION in the presence of )

\_\_\_\_\_  
Witness )

) PER: \_\_\_\_\_  
PRESIDENT )

\_\_\_\_\_  
Witness )

) PER: \_\_\_\_\_  
SECRETARY )

SIGNED, SEALED & DELIVERED )  
by the Trustee )

) CANADA TRUST )

PER: \_\_\_\_\_ )

PER: \_\_\_\_\_ )

MANITOBA ASSOCIATION OF SCHOOL TRUSTEES

MANITOBA TEACHERS SOCIETY

DEFERRED SALARY LEAVE PLAN

(A) ELIGIBLE INVESTMENT VEHICLE

The investment vehicle that we would provide for deferred salaries would amount to a Guaranteed Investment Certificates Pool consisting of various maturities of one to five years. Each teacher-participant would receive a semi-annual statement showing their particular share of this pool in the form of a unit value. A relatively small portion of the pool would be kept in a liquid, high interest savings section allowing for easy and flexible cashout for the participant. Under the pooled fund arrangement, each participant is covered by the Canadian Deposit Insurance Corporation against loss to the maximum of \$60,000.

(B) ADMINISTRATION

The plan will be administered in accordance with the Plan Text. As we understand things, the following general administration duties will be required.

- (1) The Division will advise Canada Trust through the Association as to the names of Participants on whose behalf the monies are being paid and the related amounts. (At this point the account will be established).
- (2) The monies will be invested within the G.I.C. pool with the appropriate number of units allocated to the separate account being maintained for the individual Participant. (Debits and Credits will be ongoing as indicated in 3.5 of the Plan Text and in accordance with our proposed fee schedule).
- (3) Interest income will be calculated for each Participant as at December 31st and duly credited December 31st to the account with distribution to each Participant no later than March 31st of the following year.
- (4) Statements will be mailed semi-annually to the participants as well as to the Association, M.A.S.T. and the M.T.S.
- (5) Payment frequency to those who have embarked upon their Leave of Absence shall be determined by the Participant but in accordance with the terms governed by the Plan Text. Canada Trust will establish a standard payment frequency in consultation with the Association.
- (6) Canada Trust will make such deductions and remittances as required under the Income Tax Act, the Canada Pension Plan and the Unemployment Insurance Act in respect to payments made to a Participant in accordance with the Plan Text.

(All other Trustee responsibilities as dictated by the Plan Text will also be adhered to).

(C) FEES

Basic Fee Schedule

- |     |                             |  |
|-----|-----------------------------|--|
| (1) | Set up Fee -                | One time fee of \$2,000 - payable upon opening.  |
| (2) | Participant Fee -           | Annual Administration Fee \$25.00 per participant.   |
| (3) | Investment Management Fee - | Investment Management for G.I.C. Pool to be commingled with all associations.<br>7/10 of 1% on first \$1,000,000<br>4/10 of 1% on next \$1,000,000 |
| (4) | Unitization Fee -           | Annual Unitization Fee \$1,000   |
| (5) | Transaction Fees -          | Lump sum payments - \$5.00/cheque<br>Monthly payments - \$2.00/cheque<br>Direct Deposit - \$0.80/each  |

NOTE: All fees are based on a fiscal year from September 1 to August 31

Proposed Discount

- (1) If the average annual amount on deposit (based on the Daily Average) is less than \$850,000 then 100% of the Basic Fee Schedule would apply.
- (2) If the average annual amount on deposit (based on the Daily Average) is greater than \$850,000 but less than \$1.5 Million, then only 50% of the Basic Fee Schedule would apply.
- (3) If the average annual amount on deposit (based on the Daily Average) is greater than \$1.5 Million but less than \$2.0 Million then only 25% of the Basic Fee Schedule would apply.
- (4) If the average annual amount on deposit (based on the Daily average) is greater than \$2.0 Million, we would propose to waive all basic fees and reimburse the Association for the one-time setup charge.



REVENUE CANADA  
ADVANCE RULING

December 12, 1988

Simkin, Gallagher  
Barristers & Solicitors  
6th Floor, Imperial Broadway Tower  
363 Broadway  
WINNIPEG, Manitoba  
R3C 1L2

ATTENTION: C.M. FIEN

Dear Sirs:

RE: MANITOBA TEACHERS' SOCIETY  
ADVANCE RULING REQUEST  
OUR FILE NO. 3-2140, R. NANNER, (613) 957-3494

This is in response to your letters of October 20, November 4 and December 6 of 1988 requesting an advance income tax ruling on behalf of the School Divisions ("Division") and Teachers' Association ("Associations") listed in a schedule provided with the request in respect of the proposed deferred salary leave plan.

#### Facts

Our understanding of the facts is as follows:

1. The Divisions are constituted under the provisions of the Public Schools Act of the Province of Manitoba. The Divisions are the employers of the teachers in the particular Division.
2. The Manitoba Teachers' Society ("MTS") is a society incorporated under the Teachers' Society Act of Manitoba. The MTS is an umbrella Association which represents the teachers of Manitoba.
3. The Teachers' Associations are organized under the by-laws of the MTS as local associations. The Teachers' Association in a particular Division acts as the bargaining agent for the teachers in the Division and the Teachers' Association and the Division enter into a collective agreement.

#### Proposed Transactions

1. The deferred Salary Leave Plan between the Division and Association ("Plan") includes the following features:
  - (a) In order to participate in the Plan, an eligible teacher must make written application to the Division on the Leave of Absence and Deferred Compensation Plan Memorandum of Agreement on or before March 31, unless such other date is specified in a separate agreement between the Division and the Association.

- (b) The approval of each application shall be set forth by separate agreement between the Division and the Association, but if no such agreement exists, approval shall rest solely with the Division. The Division shall by May 15 of that year advise each applicant of the approval or disapproval of the application, and if the latter, an explanation thereof. Upon acceptance of the application the teacher becomes a Participant in the Leave of Absence and Deferred Compensation Plan.
- (c) During each school year prior to the leave of absence, for a maximum of six school years (the "Deferral Period"), the Division will deduct from the normal compensation of the Participant the Deferred Compensation Amount, which the Participant has specified in the Memorandum of Agreement for the school year in question. The Deferred Compensation Amount will be paid by the Division to the Trustee. The Deferred Compensation Amounts of all Participants will be held by the Trustee in a commingled trust fund. The maximum percentage of the normal compensation deferred in any one calendar year cannot exceed 33 1/3%. ✓
- (d) The trust fund held by the Trustee shall be invested by the Trustee in investments offered by any one or more of any Canadian chartered bank or trust company, or in bonds or treasury bills of the Federal Government or certain provincial governments authorized to carry on business in the Province of Manitoba. Investments shall be made under the name of the Trustee.
- (e) The Trustee shall for accounting purposes maintain a separate account for each Participant and investment earnings shall augment the monies held on behalf of each Participant by the Trustee and shall be reinvested in a similar manner.
- (f) Pursuant to clause 3.6 of the Plan, as of December 31 of each year the Trustee shall allocate the investment earnings of the Fund for the year among the Participants of the Plan having regard to the amounts in each Participant's account during the year and the investment income so allocated will be considered as having been paid out to and recontributed by each Participant on December 31.
- (g) Expenses incurred by the trust fund held by the Trustee including any fees paid to the Trustee, shall be charged against the investment earnings of the trust fund.
- (h) The Trustee shall make an Annual Report to each Participant under the Plan as to the amount of deferred salary together with investment earnings accrued for that Participant. The Annual Report shall be made as of December 31 each year and distributed to each Participant no later than March 31 of the following year.

- (i) The leave of absence shall not be less than six consecutive months and must commence after a period not exceeding six years from the date on which the deferrals for the leave of absence commenced. After the leave of absence the Participant must return to his or her employment with the Division (or with another School Division which participates in the same or a similar deferred salary leave plan for its teachers) for a period not less than the period of the Leave of Absence.
- (j) The time and manner of payment to the Participant during the leave of absence shall be in accordance with the format determined by the Participant prior to the commencement of leave, but in any event payment shall not be more frequently than that provided for the payment of salaries under the Collective Agreement and the last payment shall in no event be made later than the end of the first calendar year that commences after the end of the Deferral Period.
- (k) The salary to be paid to a Participant during the leave of absence shall be the monies held by Trustee for such Participant including investment earnings, less any deductions made by the Trustee for payment of premiums for fringe benefits and any monies required by law to be paid by the Trustee for or on behalf of a Participant. The Division will not pay any other remuneration to or on behalf of the Participant during the leave of absence other than normal fringe benefits.
- (l) If the Division is unable to obtain a suitable replacement for the period of the leave of absence specified by the Participant the Division may in its discretion defer the leave of absence on one occasion only for one school year provided this will not result in the Deferral Period exceeding six years from the date on which the deferrals for the leave of absence commenced. In such case, the Participant may choose to remain in the Plan or may withdraw from the Plan and be paid the monies held by the Trustee for the Participant.
- (m) A Participant may on one occasion only, with consent, postpone such leave for one year, provided this will not result in the Deferral Period exceeding six years from the date on which the deferrals for the leave of absence commenced. Such application must be made prior to March 31 in the year of the scheduled commencement of the leave of absence.
- (n) A Participant who ceases to be employed by the Division must withdraw from the Plan.
- (o) A Participant may apply to the Division to withdraw from the Plan any time prior to March 31 of the year in which the leave of absence is scheduled to occur. A request to withdraw shall be approved only if there are extenuating circumstances, such as financial hardship, contributing to the Participant's request to withdraw from the Plan.

- (p) In the event of withdrawal from the Plan, the Division shall pay to the Participant the Deferred Compensation Amount in one lump sum payment within sixty days of such withdrawal.
  - (q) Should a Participant die, the Trustee shall within thirty days of notification of such death to the Trustee, pay the monies held by the Trustee for the Participant to the Participant's estate, subject to the Trustee receiving any necessary clearances and proofs normally required for payments to estates.
  - (r) A Participant may give notice by June 30 to the Division stating that the Participant wishes to suspend participation in the Plan as at the start of the next school year following such notice, provided this will not result in the Deferral Period exceeding six years from the date on which the deferrals for the leave of absence commenced. Where such notice is given, the Division shall pay the Participant's normal compensation to the Participant, but amounts held by the Trustee for the Participant shall continue to be held by the Trustee until the Participant withdraws from the Plan or takes a leave of absence. A Participant may only suspend participation in the Plan for a maximum of one school year and may only suspend participation once during the term of the Plan.
  - (s) A Participant shall not be entitled to receive any benefit under the Plan or have any interest in the trust fund except in accordance with the provisions of the Plan. A Participant is not entitled to alienate or assign any benefit or rights under the Plan.
  - (t) The amount which the Division will report on a T-4 supplementary slip is the Participant's normal compensation for the year less the Deferred Compensation Amount for the year (such amount hereinafter referred to as the "Net Amount"). The Division will base premiums (both the Division's and the Participant's) to the Canada Pension Plan and the Unemployment Insurance Commission on the Net Amount in years in which a Participant is teaching.
  - (u) All amounts paid by the Trustee out of the trust fund to a Participant shall be reported by the Trustee on a T-4A supplementary slip. Investment earnings accruing to a Participant shall be reported by the Trustee on an annual basis. The Deferred Compensation Amounts shall be reported by the Trustee in the year in which it is received by the Participant out of the trust fund.
2. A separate Trust Agreement shall be entered into among the Trustee, the Division and the Association in the form submitted with the ruling requested. The Trustee shall hold, invest, and administer the trust fund in accordance with the Plan and Trust Agreement and hold and administer the trust fund for the exclusive benefit of the Participants. The Trustee will be a trust company registered to carry on business in the Province of Manitoba.

I.V. Purpose of the Proposed Transactions

The purpose of this Plan is to allow teachers to take a leave of absence. The Plan is designed to provide the teachers with assurance that the Deferred Compensation Amounts will be taxed when received and not before.

Other Information

It is our understanding that to the best of your knowledge none of the issues herein is being considered by a District Office and/or Taxation Centre in connection with a tax return already filed and none of the issues is under objection.

Rulings Given

Provided our understanding of the facts and proposed transactions is correct and transactions are carried out in the manner described and submitted, we rule that:

- A. The Plan will constitute an employee benefit plan as defined in subsection 248(1) of the Income Tax Act (the "Act").
- B. Pursuant to paragraph 6801(a) of the Income Tax Regulations the Plan will constitute a prescribed plan for the purposes of a salary deferral arrangement as defined in subsection 248(1) of the Act.
- C. The Plan will not be considered a retirement compensation arrangement as defined in subsection 248(1) of the Act.
- D. The Deferred Compensation Amounts will be included in the income of the Participant in the year of receipt in accordance with the terms of the Plan by virtue of paragraph 6(1)(g) of the Act.
- E. The interest or other investment earnings earned for the account of the Participant on the Deferred Compensation Amounts held by the Trustee for the Participant will be included in the Participant's income annually each December 31 on which it is considered paid out to and recontributed by the Participant. The subsequent payment in cash of the said interest or other investment earnings to the Participant (by March 31 of the following year) will be treated for purposes of the Act as a return of an employee contribution and will not be includible in income of the Participant by virtue of paragraph 6(1)(a) and subparagraph 6(1)(g)(ii) of the Act.
- F. The Trustee of the Trust that administers the Plan is, by virtue of subsection 153 of the Act, obligated to withhold and remit amounts determined in accordance with prescribed rules.
- G. The trust fund under the Plan is a trust taxable on its income for income tax purposes under Part I of the Act, however, the Deferred Compensation Amounts contributed to the trust fund are not includible in income of the trust.

- H. Unemployment Insurance Premiums should be based on the Current Compensation Amount in the years a Participant is teaching and no Unemployment Insurance Premiums are required in the year of leave. The withholding requirements for Canada Pension Plan premiums is currently under study by the Department and once a decision is made you will be informed accordingly.

These rulings are given subject to the general limitations and qualifications set forth in Information Circular 70-6R dated December 18, 1978 issued by the Department of National Revenue, Taxation and are binding provided the proposed transactions are initiated by June 30, 1989.

Yours truly,

Director  
Financial Industries Division  
Rulings Directorate

PNS-VM-1



Revenue Canada  
Taxation

Revenu Canada  
Impôt

Head Office

Bureau principal

Simkin, Gallagher  
Barristers & Solicitors  
6th Floor, Imperial Broadway Tower  
363 Broadway  
Winnipeg, Manitoba  
R3C 1L2

Attention: C.M. Fien

May 23, 1989

Dear Sirs:

Re: Advance Income Tax Ruling 3-2140  
Manitoba Teachers' Society

This is in reply to your letter dated May 5, 1989 in which you requested a six months extension to December 31, 1989 to initiate the proposed transactions in the above-mentioned Ruling.

You advised us that you require the six months extension for the following reasons.

- (i) There has been no change in the law bearing on this Ruling.
- (ii) The various School Divisions in Manitoba enter negotiations with the Teachers Associations at different points during the year at which time the Deferred Leave Plan (Plan) is implemented.
- (iii) You are still waiting for our position on how to deal with the withholding requirements for Canada Pension Plan premiums, and certain of the School Divisions are delaying the implementation of their Plans until our position is communicated to you.

We confirm that Ruling 3-2140 will remain applicable provided the proposed transactions are initiated on or by December 31, 1989.

Yours truly,

for Director  
Financial Industries Division  
Rulings Directorate

Your file / Votre référence

S71546  
Our file / Notre référence

5-8031  
A.B. Adler  
(613)957-8962



SCHEDULE 'A'