



# Deferred Salary Leave Plan Handbook

January 2023

# The Manitoba Teachers' Society Deferred Salary Leave Plan

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## Enrollment

- Once a year, on or before March 31<sup>st</sup> for commencement in September

## Amount Deferred

- Up to 1/3 of your salary
- Contributions invested monthly

## Payment

### Prior to Leave Period

- Interest on your contributions is credited monthly to your account and remitted to you annually after the December processing has been completed
- Income tax legislation requires that all interest earned during the year, less applicable tax and CPP, be paid out to plan members at the end of the plan year

### During the Leave Period

- Interest is paid out no later than by February 1<sup>st</sup> following the year in which it was earned
- Refund of contributions can be in the form of:
  - One lump sum
  - Two lump sums
  - Monthly throughout the leave period (can be either 10 or 12 months)

## Payment Notice

- When a confirmation for commencement of a leave period is received at Canada Life, an acknowledgment outlining the payment schedule will be mailed to the Teacher and a copy will be sent to the School Division

*N.B.* - At the commencement of a leave period, the Division should notify Canada Life of the total CPP deductions for the year-to-date

- At the end of a leave period, Canada Life will notify the Division of the total CPP deductions for the year-to-date

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## Tax Consequences

- All amounts received from the plan are subject to taxation and Canada Pension Plan deductions
- Payments during the leave period and the annual income payments made as at December 1<sup>st</sup> each year are subject to tax using the individual's basic exemption unless you provide the school division with a completed TD1 form; These amounts may be obtained from your District Taxation Office
- T4s issued for payments out of the Plan will be mailed to you by the 28<sup>th</sup> of February and should be in your hands around the end of the first week in March

## Statements

- Semi-annual statements will be issued to all Teachers by the end of July and January

## Enquiries

- Should be directed to the MTS Benefits Plans and Programs Officer at 204 831 3052 or [ganderson@mbteach.org](mailto:ganderson@mbteach.org)
- Once enrolled and for forms you should contact your division administration office
- Change of address, contribution amounts, requests for changes to leave periods should be directed to your division

## Canada Life

- Once enrolled, for your information please contact  
Group Retirement Services at 1-800-724-3402  
When enquiring please use this policy # 62540