



TEACHER OPTIONAL SUMMER SAVINGS PLAN

APPLICATION

- I authorize School District #27 to deduct 16.67% of my net pay; after all other deductions are taken, during the months of September through June for the Teacher Optional Summer Savings Plan. This will be deducted on the mid-month advance and month end pay.
- This authorization remains in effect until revoked in writing, which can only be done for the following school year. I understand that the deadline for withdrawal from the Plan is June 15 for the following school year.
- I agree that the funds deducted throughout the school year are only available to me in two equal instalments that are payable on July 15th and August 15th.
- I must not close or change the bank account over the summer that I have my pay deposited to. (Whatever my banking information is for June's pay **must** remain the same for the July 15th deposit and August 15th deposit.) Changes to accounts can occur again in September.

Name (Please Print)

Employee #

Signature

Date

This form must be received in the Payroll Department by June 15th
Deductions begin the first pay in September

Please refer to the Teacher Optional Summer Savings Plan Frequently Asked Questions document for further information.

Teacher Optional Summer Savings Plan Frequently Asked Questions (FAQs)

What is the Teacher Summer Savings Pay Plan?

The Teacher Summer Savings Pay Plan is a savings program administered by the School District via payroll deductions for those teachers wanting their cash flow spread over a 12-month period. It is part of the Provincial Collective Agreement Article B.8 Optional Twelve-Month Pay Plan. The School District also gives you the option of a second bank account or Canada Savings Bonds for a savings plan. (please see the pros and cons sheet attached for the differences in these options)

16.67% (2/12ths) of net pay is deducted from each pay (including mid-month advances) from September through June and deposited into your regular bank account in two equal installments on July 15th and August 15th.

The Pay plan is a "locked in" summer savings plan. The deductions held on your behalf may only be accessed in the two equal installments in the summer or upon termination of your employment.

Who can enroll in the Optional Summer Savings Plan?

A teacher with a continuing contract or a temporary contract that begins no later than September 30th and extends to June 30th.

When may I enroll in the Optional Summer Savings Plan?

Written applications (using the application form) must be received in the Payroll Department by June 15 to start deductions the following school year.

Teachers hired after June 15th must submit an application form to the Payroll Department before their first pay in September.

If an unexpected situation arises, can I get the funds early?

No, it is a locked in savings plan.

Can I cancel my participation in the plan?

An employee electing to withdraw from the Summer Savings Plan must inform the Payroll Department in writing by June 15th of the preceding year.

May I change my deduction amount?

No, the deduction rate is set at 16.67% (2/12ths) of net pay.

What will happen to any interest which the Optional 12-Month Pay Plan accumulates?

The Plan provides that interest earned on the savings in the months September through March (the employer retains April to June interest) shall be paid to the employee with the July 15th and August 15th deposits.

Will I pay tax on the interest?

In most cases when you put money into a bank the interest is called investment income and the bank will send you a T-5 that you must report when you file taxes. CRA has ruled that this interest money is employment income and will show on your T-4 and be subject to Tax, CPP and EI.

Where do I get the Optional Summer Savings Plan application form?

The form is available on SD#27 website

PROS and CONS of the Various SD#27 Savings Plans:

The Provincial Contract that was signed in 2006 called for a 12 month pay option to be in place by Sept.2007. 12 Month Pay options had all been discussed in previous years in local negotiations and it was decided that the savings plans that SD#27 had in place were more flexible and the control of money rested with the employee. As we did not have this as a written clause in our contract we must now offer the Provincial Savings Plan starting this September of 2008. We have been asked to supply a list of Pros and Cons so that teachers can decide which Savings Plan, if any, they will choose. It is important to note that many people hearing the term 12 month pay envision their salary equally divided over 12 months with appropriate deductions coming off. In BC teachers are still paid over 10 months, this is merely putting away money for summer so we have not called it "12 month pay" but rather a Summer Savings Plan. Teachers do not have to choose any plan if they are happy just the way they are paid now.

	Canada Savings Bonds:	Second Bank Account:	Summer Savings Program:
Employee can choose set amount:	Yes	Yes-Money amount or %	No-16.67% of net each pay
Employee chooses Account & Bank:	n/a	Yes-eg Mortgage or Special Savings	No-employer holds account
Employee keeps all interest:	Yes**	Yes**	No-Sept to March only**
Employee can stop or start at any time:	Sign up every fall- Stop any time	Yes-need few days notice before pay run dates	No-must give notice by June 15 to stop next year's deductions
Employee has access to their money if needed:	Yes	Yes-for unexpected emergencies	No-paid half July 15 and half August 15
Employee could plan exactly what they would save for summer:	Yes-online access	Yes-if you choose a set amount per pay	No-% of net pay fluctuates due to appointment changes, salary increases, reaching max CPP & EI etc.

** Employees who have Canada savings Bonds and personal bank accounts are sent a T-5 for the interest amount every year for filing with your taxes-CRA calls this investment income. The Summer Savings interest will be on your T-4 and besides tax will be subject to CPP and EI as CRA deems this interest to be employment income. Note also that Canada savings Bonds and personal savings accounts where you do not drain the account every summer will continue to compound interest.

Contact the payroll department for any other questions you may have sd27.payroll@sd27.bc.ca or 398-3805 Karen Dunphy