Article B.6: Salary Indemnity Plan Allowance

❖ Overview

The BCTF Salary Indemnity Plan continues to be separate plan administered and paid for by the BCTF and its members. This article establishes an allowance to assist in offsetting a portion of the costs that are associated with the BCTF Salary Indemnity Plan.

❖ Article B.6: Salary Indemnity Plan Allowance

1. *Effective July 1, 2006, the employer shall pay monthly to each employee eligible to participate in the BCTF Salary Indemnity Plan an allowance equal to 2.0% of salary earned in that month to assist in offsetting a portion of the costs of the BCTF Salary Indemnity Plan.*
2. *In paying this allowance, it is understood that the employer takes no responsibility or liability with respect to the BCTF Salary Indemnity Plan.*
3. *The BCTF agrees not to alter eligibility criteria under the Plan to include groups of employees not included as of July 1, 2006.*

❖ Explanation

B.6.1 1. *Effective July 1, 2006, the employer shall pay monthly to each employee eligible to participate in the BCTF Salary Indemnity Plan an allowance equal to 2.0% of salary earned in that month to assist in offsetting a portion of the costs of the BCTF Salary Indemnity Plan.*

B.6.1 stipulates that effective July 1, 2006, employees who are eligible to participate in the BCTF Salary Indemnity Plan shall receive a monthly allowance equal to 2% of salary earned in each month. This allowance is fixed at 2% regardless of any changes that may occur to the BCTF Salary Indemnity Plan premium rates to its members.

If an employee's salary is reduced or increased in any month (i.e., employee granted 5 days leave without pay), the allowance would be calculated on this reduced or increased amount.

Subject to the restriction of Article B.6.3, all members of the BCTF bargaining unit who are presently paying premiums to the BCTF Salary Indemnity Plan are eligible to receive the full 2.0% allowance regardless of contribution level;

i.e., eligible employees who have reached a pension factor of “88” and are currently paying a reduced premium would receive the same 2% amount.

As Teachers on Call are not eligible to participate, this allowance does not apply to this group of employees.

For the purpose of this article only, “salary earned” shall include the employee’s annual salary as well as all non reimbursement type allowances paid by the employer that are subject to the BCTF Salary Indemnity Plan premiums. It is important to note that this definition of “salary earned” applies only to this article.

For deduction purposes, the Salary Indemnity Plan allowance should be treated in the same fashion as regular salary. Deductions should include: income tax, EI, CPP, WCB, union dues, BCTF SIP, life insurance, and pension contribution.

The Pension Board has now deemed this allowance to be pensionable and it should be treated as such.

The Salary Indemnity Plan allowance shall remain separate from and not be built into the salary grid. Not all bargaining unit members are eligible for this allowance. To build the allowance into the salary grid would inadvertently grant the allowance to ineligible Teachers on Call when they are paid on scale. Further, this separation is important to clearly demonstrate and distinguish the purpose for which this amount of compensation is being paid.

B.6.2 *2. In paying this allowance, it is understood that the employer takes no responsibility or liability with respect to the BCTF Salary Indemnity Plan.*

B.6.2 clarifies that the BCTF Salary Indemnity Plan remains a plan of the BCTF for its members. The employer takes no part or responsibility for this plan, its administration and/or liabilities. This clause confirms that the paying of the Salary Indemnity Plan allowance does not alter this relationship or legal obligations in any way.

B.6.3 *3. The BCTF agrees not to alter eligibility criteria under the Plan to include groups of employees not included as of July 1, 2006.*

The Salary Indemnity Plan allowance is to be paid to each employee who is eligible to participate in the BCTF Salary Indemnity Plan. This clause confirms that the eligibility criteria in effect on July 1, 2006 cannot be expanded by the BCTF to include groups of employees that are not presently covered; e.g., Teachers on Call.

❖ Implementation

This article is effective July 1, 2006 and applies to employees who are eligible to participate in the BCTF Salary Indemnity Plan.

❖ Relationship to Other Articles

For the purpose of this article only, salary includes all non reimbursement type allowances paid by the employer.