

## Article B.8: Optional Twelve-Month Pay Plan

### ❖ Overview

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This article provides an optional 12-month pay schedule in districts where this option did not previously exist.

### ❖ Article B.8: Optional Twelve-Month Pay Plan

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- 1. Where the Previous Collective Agreement does not contain a provision that allows an employee the option of receiving partial payment of annual salary in July and August, the following shall become and remain part of the Collective Agreement.*
- 2. A continuing employee, or an employee hired to a temporary contract of employment no later than September 30 that extends to June 30, may elect to participate in an Optional Twelve-Month Pay Plan (the Plan) administered by the employer.*
- 3. An employee electing to participate in the Plan in the subsequent year must inform the employer, in writing, on or before June 15. An employee hired after that date must inform the employer of her/his intention to participate in the Plan by September 30th. It is understood, that an employee appointed after June 15 in the previous school year and up to September 30 of the subsequent school year, who elects to participate in the Plan, will have deductions from net monthly pay, in the same amount as other employees enrolled in the Plan, pursuant to clause 5 of this Article.*
- 4. An employee electing to withdraw from the Plan must inform the employer, in writing, on or before June 15 of the preceding year.*
- 5. Employees electing to participate in the Plan shall receive their annual salary over 10 (ten) months; September to June. The employer shall deduct, from the net monthly pay, in each twice-monthly pay period, an amount agreed to by the local and the employer. This amount will be paid into the Plan by the employer.*
- 6. Interest to March 31 is calculated on the Plan and added to the individual employee's accumulation in the Plan.*
- 7. An employee's accumulation in the Plan including her/his interest accumulation to March 31st shall be paid in equal installments on July 15 and August 15.*

8. *Notwithstanding clause 7 of this article, interest earned by the Plan for the period September 1, 2006 to August 15, 2008 shall be retained by the employer. Thereafter, interest earned by the Plan in the months of April through August shall be retained by the employer.*
9. *The employer shall inform employees of the Plan at the time of hire.*
10. *Nothing in this Article shall be taken to mean than an employee has any obligation to perform work beyond the regular school year.*

## ❖ Explanation

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- B.8.1**      1. *Where the Previous Collective Agreement does not contain a provision that allows an employee the option of receiving partial payment of annual salary in July and August, the following shall become and remain part of the Collective Agreement.*

If a district already has a provision for 12-month pay in the collective agreement, that provision remains in place and no sections of this article will apply.

- B.8.2**      2. *A continuing employee, or an employee hired to a temporary contract of employment no later than September 30 that extends to June 30, may elect to participate in an Optional Twelve-Month Pay Plan (the Plan) administered by the employer.*

This program is optional for employees but they must inform the district in writing of their intention to participate by the dates indicated. Employees who are hired to a temporary contract which commences later than September 30 and/or ends prior to June 30 are not eligible for this Plan.

- B.8.3**      3. *An employee electing to participate in the Plan in the subsequent year must inform the employer, in writing, on or before June 15. An employee hired after that date must inform the employer of her/his intention to participate in the Plan by September 30th. It is understood, that an employee appointed after June 15 in the previous school year and up to September 30 of the subsequent school year, who elects to participate in the Plan, will have deductions from net monthly pay, in the same amount as other employees enrolled in the Plan, pursuant to clause 5 of this Article.*

This article shall be implemented for the 2007-08 school year according to the dates in B.8.3

- B.8.4** 4. *An employee electing to withdraw from the Plan must inform the employer, in writing, on or before June 15 of the preceding year.*

There is only one date to withdraw from the plan and that is on or before June 15 of the preceding year. If an employee fails to advise the district of his/her wish to withdraw from the Plan by June 15, they will continue on the 12-month option for the subsequent complete school year.

- B.8.5** 5. *Employees electing to participate in the Plan shall receive their annual salary over 10 (ten) months; September to June. The employer shall deduct, from the net monthly pay, in each twice-monthly pay period, an amount agreed to by the local and the employer. This amount will be paid into the Plan by the employer.*

The amount of the twice-monthly deduction that makes up the pay for July and August must be agreed upon by the district and the local. This discussion should take place in the fall or early spring in order to be in place for 2007 and to inform participating employees.

- B.8.6** 6. *Interest to March 31 is calculated on the Plan and added to the individual employee's accumulation in the Plan.*

After August 15, 2008 all interest earned up to March 31 of any year will be added to the employees account; interest earned from April 1 through August shall be retained by the district.

- B.8.7** 7. *An employee's accumulation in the Plan including her/his interest accumulation to March 31st shall be paid in equal installments on July 15 and August 15.*

- B.8.8** 8. *Notwithstanding clause 7 of this article, interest earned by the Plan for the period September 1, 2006 to August 15, 2008 shall be retained by the employer. Thereafter, interest earned by the Plan in the months of April through August shall be retained by the employer.*

Until August 15, 2008 all interest earned by the Plan shall be retained by the District.

- B.8.9** 9. *The employer shall inform employees of the Plan at the time of hire.*

It would be prudent for employers to indicate in orientation packages that there is an Optional Twelve-Month Pay Plan.

- B.8.10** 10. *Nothing in this Article shall be taken to mean than an employee has any obligation to perform work beyond the regular school year.*

B.8.10 clarifies that an employee's election to be paid on a 12-month basis does not require the employee to work during July and August.

## ❖ Implementation

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Employees wishing to participate must inform the district in writing by June 15, 2007. Employees hired after that date will have until September 30 to apply in writing. In subsequent years, application must also be made in writing, on or before June 15.

## ❖ Relationship to Other Articles

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B.9: Pay Periods.