



ADMINISTRATIVE PROCEDURE 444 SECTION: BUSINESS ADMINISTRATION	
Adopted/Original Date of Issue	December 2013
<input checked="" type="checkbox"/> Last Reviewed <input checked="" type="checkbox"/> Revised	March 2019
Next Review Date	March 2024
Contact	Finance Department

## Retirement Gratuity and Retirement Benefit Plans

### Background

The District provides for a retirement gratuity and retirement benefits for eligible employees in its permanent staff groups. For clarity, an employee is not eligible to receive a sick-leave credit gratuity except where such a sick-leave credit had been accumulated by an employee with 10 years of continuous service, as of August 31, 2012.

In the case of the unionized staff, retirement gratuity and retirement benefits are covered in the appropriate collective agreements. Anything in the allocation or the administration of these plans that is not mentioned in the collective agreement shall be governed by this administrative procedure and reflective of current legislation.

### Retirement Gratuity Eligibility

Support staff members are eligible to receive a retirement gratuity in accordance with the following:

1. Those employed before August 31, 1982 and eligible for retirement gratuity are eligible from the date of employment;
2. Those employed since August 31, 1982, as well as those who have not previously been eligible for retirement gratuity because of the nature of their assignment or because paid sick leave was never granted as a staff benefit, are eligible to accumulate sick leave credits for retirement gratuity purposes commencing January 1, 1990.
3. The staff member has been employed on a regular basis and is receiving sick leave credits;
4. The staff member has completed a minimum of ten years continuous service with the district or its predecessors by August 31, 2012, and has not received an early payout and submits proof

to the human resources department within three months after leaving the District's employ that he or she is receiving a pension from the Ontario Municipal Employees' Retirement system (O.M.E.R.S.) or The Ontario Teachers' Pension Plan (T.P.P.);

5. The staff member has completed 40 years of service with the district;
6. The staff member suffers permanent disability as certified by a medical practitioner.

#### Retirement Gratuity Calculations

The gratuity shall be calculated on the number of years of service and the number of days accumulated in the staff member's sick leave account as at August 31, 2012 to be paid at the time of retirement.

Upon the retirement of the employee, such service credits as have been accumulated shall be paid out at the lesser of,

The rate of pay specified in the employee's employment contract as the rate for payment of service credits, and

: The employee's rate of pay as of August 31, 2012.

This gratuity shall not exceed a maximum of 50% of the employee's annual salary as at August 31, 2012.

#### Formulae for employees covered by O.M.E.R.S. pension plan.

The formula for calculating the gratuity shall be:

$$\frac{N^{**}}{240 \text{ days}} \times \% \times \text{salary}^*$$

N\*\* is the number of unused accumulated sick leave credit days to a maximum of 240. The % is based on years of service as follows:

10 years-- 20%	16 years-- 38%
11 years-- 23%	17 years-- 41%
12 years-- 26%	18 years-- 44%
13 years-- 29%	19 years-- 47%
14 years-- 32%	20 years-- 50%
15 years—35%	

Salary \* is the last full year's salary as at August 31, 2012.  
For staff members hired prior to January 1, 1976, the formula shall be:  
$$\frac{N^{**} \times (3\% \times \text{years of service}) \times \text{best salary}}{240 \text{ days}}$$

The maximum gratuity is 50% of one year's salary as at August 31, 2012.

Formulae for employees covered by T.P.P.

The formula for calculating the gratuity shall be:

$$\frac{(\text{days}^* \text{ accumulated to a maximum of } 200) \times 4N \%^*}{200 \text{ days}}$$

N\*\* is the number of years of continuous and unbroken service with the R.C.D.S.B . and predecessor board.

Salary \* is the last full year's salary as at August 31, 2012.

The maximum gratuity is 50% of one year's salary as at August 31, 2012.

#### Regulations

1. For gratuity purposes, an employee covered by O.M.E.R.S. may accumulate 270 sick leave days. However, the gratuity is based on a maximum of 240 days.
2. For gratuity purposes, an employee covered by T.P.P. may accumulate 230 sick leave days. However, the gratuity is based on a maximum of 200 days.
3. This gratuity may be paid either in a lump sum or over not more than a three-year period, and at a time or times mutually agreeable.
4. In the event of the death of a staff member prior to the end of employment, a retirement gratuity based on accumulated sick leave and length of service at the time of death shall be paid to the staff member's beneficiary. If the staff member has not named a beneficiary, the gratuity shall be paid to the staff member's estate.

5. Should a retired staff member die before receiving full payment of his or her gratuity, the accrued benefits shall likewise be paid to his or her beneficiary or estate if no beneficiary has been named.

### Benefits

For employees who attain age 65 and are actively at work, benefits terminate at the end of August in the year of attaining age 65.

### Legal Reference

*Education Act S. 179, 180 as amended by Ontario Regulations 1/13, 2/13, 11/13, 12/13 and Ontario Regulation 184/13 S.2(1)*