



# MEMORANDUM

## Programs and Services

November 12, 2019

**TO:** All Members  
**RE:** Payment of Severance

As previously communicated, payment of severance will occur over three pay periods, depending on the number of years of service a teacher has for severance purposes and their salary as of March 31, 2018.

- Teachers with 20 or more years of continuous service will receive payment on **October 17, 2019**.
- Teachers with 9-19 years of continuous service will receive payment on **November 14, 2019**.
- Teachers with 1-8 years of continuous service will receive payment on **December 13, 2019**.

### Important Note

During the first payout of severance in October (for teachers with 20 or more years of continuous service) there were a number of teachers who, for various reasons, did not receive their payout on the date set for this. The NLTA has been informed by Teacher Payroll that there will also be teachers in the second payout group (teachers with 9-19 years of continuous service) who will not receive their severance on November 14. We have been advised that there are **two primary reasons for teachers not receiving their payout on time**, which are:

1. The teacher did not submit their **Election Form** to the District. This is the form on which teachers had to select one of five options available for severance payout. **If you did not submit an Election Form, you will not receive a severance payout until December 13.**
2. The teacher indicated on their Election form that they would be contributing more than \$15,000 from their severance payout to an RRSP but has not submitted the required documentation. Teachers who selected this option had to apply directly to the Canada Revenue Agency (CRA) for a tax waiver using CRA form T1213. The teacher then had to send a copy of their response letter from CRA to the District. **If you received a response to your T1213 application from CRA but have not yet submitted a copy of this response, you will not receive a severance payout until this documentation has been provided. Your CRA response letter can be submitted directly to Teacher Payroll via email at [TeacherSeverance@gov.nl.ca](mailto:TeacherSeverance@gov.nl.ca).**

Teachers who have concerns that their severance has been incorrectly calculated, or that their years of service for severance purposes are incorrect, should request an audit from Teacher Payroll. This can be done by emailing [TeacherSeverance@gov.nl.ca](mailto:TeacherSeverance@gov.nl.ca). Teachers should review their audit and indicate where they feel errors have been made. Teacher Payroll has advised that audits will not be provided until after December 13, 2019.

NLTA Programs and Services staff are available to assist as required at 726.3223 or 1.800.563.3599:

Ian Crewe, [icrewe@nlta.nl.ca](mailto:icrewe@nlta.nl.ca), ext. 232  
Deana Hatcher, [dhatcher@nlta.nl.ca](mailto:dhatcher@nlta.nl.ca), ext. 270  
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## **Additional Information About Severance**

### **What if I did not return the severance payout forms?**

You will be paid your severance on December 13, 2019, less taxes and other deductions.

### **What if I did not return my T1213 response to the Employer?**

Teachers who chose either Option #3 or #4 (more than \$15,000 to be transferred to an RRSP) on their school district "Election Form" were required to submit a Form T1213 to the CRA, to which you would receive a response letter directly from CRA. This response would then have to be provided to your school district. If you selected Option #3 or #4 but have not yet received or submitted the response from CRA to your T1213 application, no payment will be made until you have submitted the necessary CRA documentation.

### **How is severance calculated?**

Severance is calculated based on Article 33 of the Provincial Collective Agreement and service is calculated based on Clause 21.05 of the Provincial Collective Agreement.

A teacher who has one or more years of continuous service as a teacher in the Province as of March 31, 2018, is entitled to be paid severance pay equal to the amount obtained by multiplying the number of completed years of continuous employment as a teacher in the Province by two percent (2%) of his/her annual salary as of March 31, 2018, to a maximum of forty percent (40%) of his/her annual salary.

Service for severance purposes is calculated as follows, in accordance with Clause 21.05 of the Provincial Collective Agreement:

- A five (5) hour instructional day constitutes a day of service.
- Total years of service are determined by dividing the total days of service by the number of days in a school year (190 days before September 1, 2002, 195 days since then). Severance accrues at 2% per year, up to a maximum of 40% (or 20 years).
- A fraction of one-half ( $\frac{1}{2}$ ) of a year or more shall be counted as a full year and is rounded up. A fraction of less than one-half ( $\frac{1}{2}$ ) of a year is rounded down.

For example: A teacher has worked for a period of 10 years in a combination of substitute, replacement and permanent positions. On March 31, 2018, she was in a full-time, permanent position and was at step 7 on the salary grid with a Level VI teaching certificate, for an annual salary of \$76,478. During her career, she has had one year off on approved unpaid leave, and prior to becoming permanent she always worked at least 20 days each school year. Her service is therefore continuous. Her amount of service is determined by dividing the total number of days she taught during the continuous period by the number of days in a school year (195). Over the 10 year period up to March 31, 2018, the teacher worked 1,297 days. Divided by 195, this amounts to 6.7 years, which is rounded up to 7. So, the teacher in this example would have 7 years of continuous service for severance purposes, which at 2% per year equates to a 14% severance payout. Her severance estimate would be  $\$76,478 \times 0.14 = \$10,707$ .

Keep in mind that service for seniority or pension purposes is not always the same as service for severance. Service that counts for severance purposes includes:

- all days taught with a school district in the province, including substitute and replacement time;
- any time off on paid leave;
- up to 10 days of general unpaid leave per school year;
- injury on duty leave for temporary earnings loss;
- any time off on maternity/parental/adoption leave (as a permanent teacher or during a contract period);
- time off on deferred salary leave.

With the exception of the categories of unpaid leave referenced above, periods of unpaid leave do not count as service for severance purposes BUT, as noted above, approved unpaid leave does NOT constitute a break in service continuity.

**What is continuous service? What kinds of a “break” do not interrupt continuity?**

Continuous service means service without a break, unless the break is identified in the Collective Agreement as an exception. The following situations do NOT constitute a break in service continuity for teachers for severance purposes:

- Periods of approved leave (for example, general unpaid leave, unpaid sick leave, parenting leaves);
- The teacher left the employment of a school board to further his/her education as a teacher and returned to employment with a school board at the commencement of the next school year after the completion of the education;
- The teacher taught for at least twenty (20) days in any school year; or
- Any time service for severance is accrued pursuant to Clause 33.05 (for example, teaching at the College of the North Atlantic or a government school).

**What if I was a substitute teacher when I had my children? Does that break my continuous service?**

Some substitute/replacement teachers did not always work at least 20 days in a school year because they took time away from work for parenting reasons (maternity/parental/adoption). If they had no position at the time, they would not have been “on leave” under the collective agreement. However, such absences (of up to one school year) from the workforce do not constitute a break in continuous service for severance purposes.

If you are a teacher to whom this applies, the Employer would not know unless you self-identified and provided details. If there is an unwarranted break in your service, you may contact an Administrative Officer in Programs and Services for further assistance.

**What if I was disabled when working as a substitute teacher?**

Does that break my continuous service? Some substitute/replacement teachers did not always work at least 20 days in a school year because they were unable to work due to disability. If they had no position at the time, they would not have been “on leave” under the collective agreement. However, such an absence from the workforce does not constitute a break in continuous service for severance purposes.

If you are a teacher to whom this applies, the Employer would not know unless you self-identified and provided details. If there is an unwarranted break in your service, you may contact an Administrative Officer in Programs and Services for further assistance.