

**LETTER OF UNDERSTANDING**  
between  
**THE UNIVERSITY OF SASKATCHEWAN (EMPLOYER)**  
and  
**UNIVERSITY OF SASKATCHEWAN FACULTY ASSOCIATION (USFA)**

**VOLUNTARY SEVERANCE PACKAGE FOR MD CLINICAL FACULTY IN THE COLLEGE  
OF MEDICINE**

1. This agreement outlines a voluntary severance package in support of the transformation of the College of Medicine, effective July 16, 2015.
2. Employees are under no obligation to accept the voluntary severance package. Employees who do not elect the voluntary severance package will continue their academic appointments with the University of Saskatchewan under the terms and conditions of the Collective Agreement.
3. A voluntary severance package shall be made available to all MD clinical faculty with academic (probationary, tenured, continuing status and without term) and clinical service appointments in the College of Medicine. Affected employees as listed in Attachment #1 may elect to resign their in-scope faculty appointments with the University of Saskatchewan and accept the voluntary severance package as outlined below.
4. Notice to resign employment and accept the voluntary severance package shall be directed to the Dean of the College of Medicine by October 31, 2015. The notice to resign shall specify an effective date of resignation which must be no later than June 30, 2016. Employees can withdraw their notice to resign at any time up to ninety (90) days prior to the specified date of resignation in their notice to resign. Thereafter, the resignation cannot be withdrawn. For the purpose of the voluntary severance package, Article 23 of the collective agreement is waived.
5. Notice of resignations with effective dates prior to December 31, 2015 may be deferred by the Dean of the College of Medicine on the basis of demonstrated medical education needs. The deferred date of resignation shall be no later than December 31, 2015. For the purpose of this paragraph, the Dean of the College of Medicine shall notify employees of the deferred date no later than 14 days after receipt of the notice of resignation. Thereafter, deferrals are only possible in accordance with paragraph 6 of this letter of understanding. Deferral dates shall not be permitted for those employees who can demonstrate in writing acceptance of an offer of alternate employment outside the Saskatoon Health Region.
6. By mutual written agreement between the Dean and the employee, the date of resignation can be deferred for up to two years. Eligible years of service accumulated during this time will qualify towards calculating the severance payment.

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7. The Association will be notified by December 31, 2015 of the employees who provide notice to resign or have resigned and the effective dates of resignation. This notification will include any negotiated deferrals and the specific dates resignations will take place.
8. Years of service shall be defined as the number of full-time equivalent years of continuous employment in term, probationary, tenured, continuing status, or without term appointments, or out of scope senior administrative appointments. Years of service shall include paid educational leave, parental leave, sabbatical leave and disability leave. Other leaves without pay shall be excluded in the calculation of years of service. Disputes related to the calculation of years of service will be resolved through negotiation between the Employer and the USFA.
9. The severance payment will be based on years of service as of the date of resignation, and is calculated as follows:
 

a. Less than 11 years of service:	\$350,000
b. Less than 22 years and 11 or more years of service:	\$400,000
c. 22 years of service or more:	\$450,000

10. In addition to the severance payment, employees shall choose one of the following pension and benefit options:

- a. Payment in lieu of benefits and pension
  - i. Employees will be provided with a payment of \$35,000 in lieu of benefits and pension.
  - ii. Current group benefit coverage will cease on the date of resignation.
  - iii. Any claims incurred prior to the resignation date will be paid by SunLife provided they are submitted within 90 days of the end of the plan year in which the expense was incurred or within 90 days of resignation, whichever is earlier.

- b. Continuation of benefit coverage for two years plus a payment in lieu of pension
  - i. Employees will be provided with continued benefit coverage, at the level in effect on the resignation date, for a period of two years following the effective date of resignation, with the following exclusions:
    - o Out of Canada travel coverage
    - o Personal Spending Account
    - o Optional Life and Optional AD&D coverage
    - o Salary Continuance during the 90-day LTD qualifying period

Note:

1. Out of country travel coverage will end on the effective date of resignation (this coverage also ends for any pre-approved travel arrangement).

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2. The annual \$500 Flexible Spending Program allotment will be directly allocated to the Health Spending Account. Allocations will follow the normal schedule, January 1st following the effective date of resignation and the year after. Allocations to the Personal Spending Account will not be permitted past the effective date of resignation. Any claims under the Personal Spending Account incurred prior to the resignation date will be paid by Sun Life provided they are submitted within 90 days of the end of the plan year in which the expense was incurred or within 90 days of resignation, whichever is earlier.
- Employees will be provided with Long Term Disability (LTD) coverage under a Sun Life plan for a period of two years following the effective date of resignation. The new LTD plan will have the same terms and conditions as the current LTD plan, subject to the following restrictions:
    - The benefit amount will be based on the employee's earnings at the date of resignation and will be subject to the maximum covered earnings for the plan (which includes maximum covered earnings under the Core LTD plan and Supplemental LTD plan (Class F3)). No Cost Of Living Adjustments (COLA)
    - No salary continuance coverage during the 90-day LTD qualifying period
    - LTD coverage will terminate on the earliest of:
      - two years from date of resignation, or
      - June 30th coincident with or next following the member's 67th birthday, or
      - member becomes eligible under another benefit plan during the two year period
    - In the event the individual qualifies for LTD benefits during the 2 year period after the date of resignation, LTD benefits will be paid up to the earliest of:
      - June 30th coincident with or next following the member's 67th birthday,
      - date of death, or
      - a maximum benefit period of 5 years
    - To qualify for benefits, an employee must be Totally Disabled.
    - No pension contributions on behalf of disabled employees
  - ii. Employees will be provided with a payment of \$25,000 *in lieu* of pension.
  - iii. Benefit coverage will cease two years after the date of resignation.
  - iv. Any claims incurred prior to the end of the two-year period will be paid by Sun

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Life provided they are submitted within 90 days of the end of the plan year in which the expense was incurred or within 90 days of the two-year period, whichever is earlier.

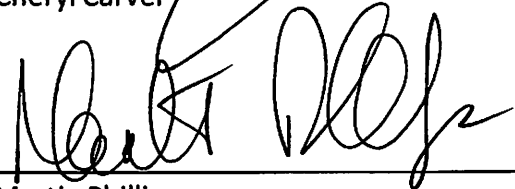
See Attachment #2 – Terms for Benefits Options - for specific details corresponding to options a and b.

11. Employees who become disabled prior to the effective date of resignation are eligible to apply for LTD benefits under the University Academic LTD plan. If LTD benefits are approved, the following will apply:
  - No severance payment will be provided to LTD claimants until the individual is medically fit to return to work in any capacity.
  - No severance payment will be provided to LTD claimants who continue to receive LTD benefits and are not medically fit to return to work before the termination age as defined under the plan.
12. MD clinical faculty currently holding out of scope senior administrative positions are eligible for the voluntary severance package and shall submit their notice to resign by October 31, 2015. The effective date of resignation shall be the date on which their senior administrative appointment ends. Eligible senior administrators may withdraw their notice at any time up to 90 days prior to the effective date of resignation. Thereafter, the resignation cannot be withdrawn. Eligible years of service accumulated during the senior administrative appointment will qualify towards calculating the severance payment.
13. Payment, including the payment in lieu of pension and/or benefits, shall be paid by annual installments over a period of up to 5 years after the date of resignation. Employees shall stipulate the payment schedule at least 30 days prior to the date of resignation. Otherwise, a lump sum payment for the entire amount shall be issued on the date of resignation.
14. Employees approved for a sabbatical leave during the 2016/17 academic year and who elect to take the voluntary severance package shall be deemed to have cancelled their sabbatical leave. The requirements of article 20.7.1 are waived for eligible employees completing a sabbatical on or before June 30, 2016.
15. The terms of this agreement are subject to any legislation governing severance payments. The payment, including the payment in lieu of pension and benefits, shall not be included as pensionable earnings for the purposes of determining an individual's pension entitlement or pension contributions, nor included in earnings for benefit purposes.
16. The terms of any relevant Clinical Practice Plan shall govern the process for addressing any remaining monetary entitlements/obligations for those employees who elect to take the voluntary severance package.
17. The Employer shall announce the details of this letter of understanding on August 13, 2015.

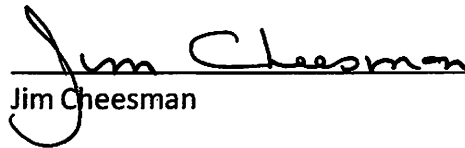
Employees resigning or providing notice of resignation of employment between July 16, 2015 and August 13, 2015 shall be deemed to have accepted the voluntary severance package, and shall provide notice under paragraph 13 of this letter of understanding by September 15, 2015 or 30 days prior to the date of resignation, whichever is later.

For the Employer:

  
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Cheryl Carver

  
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Martin Phillipson

For the USFA:

  
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Jim Cheesman

  
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Eric Neufeld

Dated: 16 JUL 15

  
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for Chair, Board of Governors

  
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for Secretary, Board of Governors

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