

Salary Indemnity Plan Allowance: Frequently Asked Questions

We have received a variety of questions on implementation of the SIP Allowance and have compiled the questions and responses below. We have also included in this bulletin the information on the SIP allowance distributed at the BCPSEA September regional meetings.

1. How much is the SIP allowance?

The SIP allowance is 2.0% of monthly salary.

2. On what “salary” is the 2.0% SIP allowance paid?

The SIP allowance is applied on all compensation, such as annual salary and allowances, paid by the employer that is subject to BCTF SIP premiums.

3. Who is eligible to receive the SIP allowance?

All members of the BCTF bargaining unit who are paying SIP premiums to the BCTF SIP plan are eligible for the full 2.0% SIP allowance.

4. How is the allowance payable to teachers who have reached pension factor “88” and pay a reduced SIP premium?

Teachers who have reached pension factor “88” will receive the full 2.0% allowance. A teacher’s eligibility for the incentive is contingent upon contributing to the BCTF SIP plan, not the contribution level.

5. Who is specifically not eligible to receive the SIP allowance?

Teachers on Call are not eligible to receive the allowance as they do not pay SIP premiums to the BCTF SIP plan.

6. Is the SIP allowance pensionable?

The provincial parties are currently in the process of applying to the Pension Board to have the allowance deemed pensionable. It is both parties’ expectation that the Pension Board will approve this application.

Although the approval has not yet been received, districts may begin treating the allowance as pensionable for the September payroll. Or, districts may wait until approval has been received, and retroactively make the appropriate pension deductions from the allowance.

7. What other deductions are to be made from, or premiums paid on, the SIP allowance?

The SIP allowance is to be treated in the same manner as regular salary for making deductions and paying employer premiums. These include income tax, EI premiums, CPP premiums, WCB premiums, union dues, BCTF SIP premiums, Life Insurance premiums and pension contributions as outlined above.

8. Why was the SIP allowance not built into the salary grid?

The SIP allowance was not built into the salary grid because the SIP allowance is only payable to teachers who contribute to the BCTF SIP plan. As TOCs are not eligible for the SIP allowance, and TOCs are paid either a daily rate or a scale rate, to build the SIP allowance into the salary grid would grant the SIP allowance to TOCs where they are paid on scale.

Also, by paying this compensation as an allowance, the intent of the allowance as an offset to the SIP premiums that teachers pay is clearly identified and not merged with annual salary.

Questions

Please direct any questions to your BCPSEA district liaison or:

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Information from the September BCPSEA Regional Meetings

From Item 2: Salary and Related Items – Timeline for Implementation

July 1, 2006	Salary Indemnity Plan Allowance	2.0%	<ul style="list-style-type: none"> • All employees eligible to participate in the BCTF SIP plan, to be paid a monthly allowance of 2.0% of salary earned that month. • 2.0% to be paid on all salary and allowances paid to eligible employees which are subject to BCTF SIP premiums, regardless of contribution level. • The allowance is only to be paid to employees contributing to the SIP plan. TOCs are not eligible to contribute; they are not eligible for the allowance.
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From Item 3: B._ Salary Indemnity Plan Allowance

B._ Salary Indemnity Plan Allowance

Overview

The BCTF Salary Indemnity Plan continues to be a 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. By doing so, the employer takes no responsibility for this plan, its administration and/or liabilities.

Allowance

1. The allowance is 2% of salary earned each month

Calculation of the Allowance

- a. "Salary earned" includes all non reimbursement type allowances
- b. This allowance is taxable and is subject to the normal deductions, i.e., should be treated in the same regard as regular salary
- c. If an employee's salary is reduced or increased in any month (i.e., employee takes 5 days leave without pay), the allowance would be calculated on this reduced or increased amount.

Eligibility

1. Employees who are currently participating in the BCTF Salary Indemnity Plan
2. Employees who reach a factor of 88
3. TOCs are not eligible.

When is it Paid?

1. The allowance should be paid as a separate line on the regular paycheque
2. It should **not** be rolled in to the salary grid.

Pensionability

Although not currently included in the calculation of pensionable service, application will be made by the parties to the Pension Board to have the SIP premium deemed pensionable.