LETTER OF UNDERSTANDING

Optional Deferred Payment of Severance

This letter of understanding shall be read as one with the NAPE collective agreements (exp. 2020) and shall confirm the further agreement of the parties as follows:

Part A:

All employees may request a deferral of their severance payment as follows:

1. Employees who qualify for severance pay may elect to defer the payment of severance pay beyond March 31, 2019, in accordance with this letter of understanding. Deferments cannot extend beyond the end of the period of employment as stipulated in the provisions in the applicable collective agreement, and the redemption value shall be frozen as of March 31, 2018, for both accumulated service and weekly salary.

2. Employees who elect to defer payment must do so using a form that will be made available by the Employer in accordance with the following requirements:
   a. The form must be completed and then received by the Payroll and Benefits Division of the respective Employer not later than April 30, 2018.
   b. Once a deferral request has been received by the Payroll and Benefits Division of the respective Employer, payment of severance shall occur at the end of the period of employment as stipulated in the provisions in the applicable collective agreement.

3. Employees who have deferred payment of severance who wish to receive payment prior to the circumstances noted in clause 2(b) above, must request to do so in writing. Such notice must be received by the Payroll and Benefits Division of the respective Employer not later than December 31 of any given year. Payment of severance shall then occur not later than June 30 of the following calendar year.

4. All severance must be redeemed in full at time of payment. An employee may not elect to receive partial or portioned payment(s) of their total severance pay, i.e., payment of severance shall be made only once. For example, severance payment cannot occur over multiple years, be paid so as to allow employees to transfer a portion of their severance to a RRSP in one year while deferring payment of the remainder to a subsequent year, etc...

Part B:

Those employees who have been notified in writing by the Employer that they will not be able to receive payment of severance in their quarter of choice in fiscal year 2018/19, may, within thirty (30) days of the date of such notice, elect in writing to receive their severance payment in either:
(i) an alternate quarter in the 2018/19 fiscal year; or
(ii) a quarter in the 2019/2020 fiscal year.

Employees who make an election under Part B must do so using a form to be provided by the Employer. Employees who fail to make an election under Part B within the prescribed timeframe shall receive payment of severance not later than March 31, 2019.

______________________________  ______________________________
Elizabeth Lane                    Jerry Earle
Director, Employment & Labour Relations  President, NAPE

________________________________  _________________________
Date  Date