

Vacation Exchange for TMG: Program Guide



June 2018



Vacation Exchange Program for TMG

The following is a summary of the Vacation Exchange Program for TMG.

I. Eligibility:

Members of TMG who meet the following criteria are eligible to participate in this Vacation Exchange Program:

- You must be a participant in the *Contributory Pension Plan for Salaried Employees of McMaster University Including McMaster Divinity College 2000* ("**Salaried Pension Plan**") or the *McMaster University Group Registered Retirement Savings Plan* ("**RRSP**"); and,
- Effective July 1 of the year in which your Vacation Exchange Request is submitted, you must either:
 - have already attained your Earliest Retirement Date¹; or
 - have an Earliest Retirement Date that is no more than three years in the future ("**Eligible Employees**")

II. Program Details:

Eligible Employees may make a one-time only application to exchange one (1) week of their annual vacation entitlement for a 2% increase in base salary. This vacation exchange would reduce an Eligible Employee's vacation entitlement on a permanent and ongoing basis until retirement.

Eligible Employees who wish to participate in this Vacation Exchange Program and exchange one week of vacation for a 2% increase in base salary may submit their request, in writing, to their department manager and to the Human Resources Office ("**Vacation Exchange Request**") by April 30th.

Definition of "Earliest Retirement Date" for Purposes of Eligibility

For Eligible Employees who participate in the Salaried Plan, Earliest Retirement Date means the earliest date on which you are eligible to retire under the terms of the Salaried Plan, and includes your "Special Retirement Date", as determined under the terms of the Salaried Plan which are in effect on the date that the Vacation Exchange Request is submitted.

For Eligible Employees who participate in the RRSP the Earliest Retirement Date is the earlier of:

- (a) the age specified in the definition of "Early Retirement Date"² under the Salaried Plan; and
- (b) the date that would have been the Eligible Employee's "Special Retirement Date"³ if such Eligible Employee was entitled to participate in the Salaried Plan.

Other Administrative Details

The 2% increase to base salary will be calculated on the Eligible Employee's salary as at April 30th and will be paid effective July 1st of the year in which the Vacation Exchange Request is submitted ("**Salary Increase Effective Date**").

¹ Defined Below

² Under the terms of the Salaried Plan, "Early Retirement Date" is defined as the first day of any month during the ten (10) year period preceding the "Normal Retirement Date". The Normal Retirement Date under the Salaried Plan is age 65. For practical purposes, the "Early Retirement Date" under the Salaried Plan is age 55.

³ Determined in accordance with the terms of the Salaried Plan in effect on the date that the Vacation Exchange Request is submitted.

The Eligible Employee's vacation entitlement for the calendar year beginning immediately following the Salary Increase Effective Date, and for each calendar year thereafter, will be reduced by one week until the individual retires.

Eligible Employees who wish to participate in the Vacation Exchange Program may participate for a maximum period of three years and must commit to retire on a date that is no later than three (3) years following the Salary Increase Effective Date.

The commitment to retire is irrevocable and the employee will not be permitted to postpone the retirement date beyond the third anniversary of the Salary Increase Effective Date. However, Eligible Employees may elect to retire earlier than the retirement date committed to in the Vacation Exchange Request.

***This document is intended to be a summary only.**

This program is being introduced in 2018 as a pilot program for employees who are members of TMG. Although it is the University's intention to extend this program for as long as it is reasonably possible to do so, the University reserves the right to modify or terminate the Vacation Exchange Program at any time and to create policies to aid in the administration of the program.

The University shall be solely responsible for all matters relating to the administration, interpretation and operation of the Vacation Exchange Program and all decisions of the University shall be final.

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Human Resources Services