

Ministry of Education  
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Business & Finance Division  
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Ministère de l'Éducation  
Bureau du sous-ministre adjoint  
Division des opérations et des finances  
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Queen's Park  
Toronto ON M7A 1L2



2013: B7

**MEMORANDUM TO:** Directors of Education  
Secretary/treasurers of School Authorities

**FROM:** Gabriel F. Sekaly  
Assistant Deputy Minister  
Elementary/Secondary Business and Finance Division

**DATE:** March 30, 2013

**SUBJECT:** Changes to the Requirements for the Wind-up  
Payments for Non-vested Retirement Gratuities

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In the memorandum of January 3, **2013:82 - Technical Clarifications to the Memoranda of Understanding**, I advised you that the Lieutenant Governor in Council had made regulations that clarified some of the provisions in the memoranda of understanding, including the provisions related to the payout of non-vested retirement gratuities. I am writing you today to advise that further changes have been made to the formula used to calculate this one-time payout.

It should be noted that a regulation to effect this change has not yet been made. The information in this memorandum is provided in the absence of such a regulation.

**The actions described herein must be implemented by the making of such a regulation by the Lieutenant Governor in Council.**

The Minister will recommend such a regulation.

With this change, school boards are now required to pay up to 25 cents per dollar of the employee's salary as of August 31, 2012 under the wind-up payment formula for non-

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*Changes to the Requirements for the Wind-up Payments for Non-vested Retirement Gratuities*

vested retirement gratuities that also includes factors based on years of service and accumulated sick leave.

As was the case previously, the wind-up payment is the lesser of the amount calculated under the board's collective agreement as of August 31, 2012, (or board policy as of that date) or the amount calculated based on the new formula.

The date of June 30, 2013 for the wind-up payment, as well as the current disclosure requirements, remain unchanged.

The incremental cost of the change to the previous formula will be fully borne by the Ministry, with funding based on expenditures as reported to us by school boards. Details of the new calculation formula, as well as the reporting requirements, will be provided by separate memorandum.

If you require further information, please contact:

<b>Issue</b>	<b>Name</b>	<b>Contact</b>
Financial accountability and reporting requirements	Andrew Davis	(416) 327-9356 <a href="mailto:andrew.davis@ontario.ca">andrew.davis@ontario.ca</a>

We appreciate your patience and understanding as we continue to make adjustments to help ensure the effective implementation of the 2012-14 collective agreements.

*Original Signed By:*

Gabriel F. Sekaly  
Assistant Deputy Minister

cc: Superintendents of Business and Finance  
Tim Hadwen, (A) Assistant Deputy Minister, Labour Relations