



# Severance Payment

## Election Form

Non-Bargaining, Management and Professional, and Senior Administrative Management Employees

This form must be completed and returned to Human Resources no later than Jan. 31, 2022 (or Dec. 31, 2021, in the case of an early payout of severance). Please read the attached information to assist with completing this form.

### Employee Information (please print)

Employee ID:	
First Name:	
Last Name:	
Department:	

### Previous Severance and Employment Information:

Have you ever received severance pay from Memorial University?

- Yes    \$ \_\_\_\_\_     No  
(amount previously received)

During the course of your employment with Memorial University have you ever:  
(check all that may apply)

- Received a layoff
- Received long term disability
- Previously worked as a member of a Memorial University bargaining unit
- Taken an unpaid leave of absence
- Worked in a sessional or contractual position

**Note:** Severance payments will be processed after all forms and information are received, delays in submitting information may impact when payment is issued. The University will use its best efforts to accommodate payment as early as practicable; however, the timing of your payment will be dependent on the volume of requests received and will be prioritized in order of receipt of completed forms.

## Severance Payment Direction

**Please indicate your choice for severance payment (please read attached information):**

- Option 1: Pay to me as a cash payment (no RRSP contribution)
- Option 2: Pay to me and I will transfer my entire severance payment to an RRSP\*
- Option 3: Pay as a combination of a cash payment and a portion that I will transfer to my RRSP\*. Amount of severance to transfer to RRSP

\$ \_\_\_\_\_

- Option 4: Pay to me at retirement/resignation (Deferred Option)

\*Note: If you wish to contribute your payment to an RRSP, please see the attached for details, process and required forms.

**Please indicate the quarter in which you would prefer to receive payment:**

- |  |   |                |
|--|---|----------------|
| <input type="checkbox"/> Quarter 1 (Jan. 1 – March 31, 2022) | Paid on   | March 24, 2022 |
| <input type="checkbox"/> Quarter 2 (April 1 – June 30, 2022) | Paid on   | June 30, 2022  |
| <input type="checkbox"/> Quarter 3 (July 1 – Sept. 30, 2022) | Paid on   | Sept. 22, 2022 |
| <input type="checkbox"/> Quarter 4 (Oct. 1 – Dec. 31, 2022)  | Paid on   | Dec. 15, 2022  |
| <input type="checkbox"/> Early Payout (before Dec. 31, 2021) | Payment to occur as soon as possible following receipt of forms and verification of entitlement |                |

## Agreement

I hereby confirm that the information provided above is true, complete and accurate to the best of my knowledge, information and belief. I further acknowledge that if the University subsequently becomes aware of any material misrepresentation, omission or falsehood that has resulted in an overpayment of severance, then the value of any such overpayment shall constitute a debt due to the University and shall be recovered accordingly. I have read and understand the above, attached information and the frequently asked questions document.

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Employee Signature

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Date

Return the completed form via email to [severance@mun.ca](mailto:severance@mun.ca)

# Severance Payment

## Important Information & Options Summary

### Process

Best efforts will be made to pay severance in the quarter elected; however, due to the large volume of requests, payments will be prioritized in order of receipt of completed forms. Early payouts will be processed for payment as soon as the required forms are received and severance entitlement is verified. Severance payments underway for unionized employees will; however, take precedence over early payout requests for non-union employees.

Severance payments will be paid directly to you in the same way you receive your regular pay (i.e. direct deposit). Should you wish to contribute all or a portion of your severance to an RRSP, the payment will be made directly to you and you will be required to transfer the funds to your RRSP.

### Taxation, Deductions, and RRSP Contributions

Your payment will be included in Box 14 of your T4.

Regardless of the payment option selected, there will be mandatory deductions for CPP and EI premiums unless you have exceeded your maximum annual contribution at the time of the severance payment or you are otherwise exempt from CPP deductions.

For cash payments, income tax will be deducted by taking into consideration your expected annual salary.

For RRSP contributions under options 2 and 3, you must have available RRSP room to make the contribution. Arrangements must be made with your financial institution to set up an RRSP account or utilize an existing one. Please see the attached regarding the RRSP process.

### Questions

If you have questions, please first consult the detailed FAQ document. If you have further questions about your severance payment, please send them via email to [severance@mun.ca](mailto:severance@mun.ca). Please include your employee identification number and a phone number in your email. The Human Resources team will be working to validate and process numerous election forms and related documentation. This involves many steps and is time consuming and we ask that employees be patient during the process.

As your employer, we are not able to answer questions or provide advice regarding your personal financial planning. You are encouraged to seek professional advice regarding your options from a financial or tax advisor based on your personal situation and financial goals.

Questions regarding completion of Canada Revenue Agency documentation or tax implications should be directed to the Canada Revenue Agency at 1-800-959-8281.

### Option 1: Cash Only

<b>Description</b>	Severance paid to you as a direct deposit cash payment.	
<b>Mandatory Deductions</b>	<b>Required Documents</b>	
<ul style="list-style-type: none"> <li>Income tax</li> <li>CPP &amp; EI (unless annual max. reached)</li> <li>Overpayment &amp; garnishment (see FAQs)</li> </ul>	<ul style="list-style-type: none"> <li>Election Form</li> </ul>	

### Option 2: RRSP Contribution Only

<b>Description</b>	You must have personal RRSP room to contribute the entire amount of your severance. The severance will be paid to you and you will be responsible to transfer the payment to an RRSP.	
<b>Mandatory Deductions</b>	<b>Required Documents</b>	
<ul style="list-style-type: none"> <li>CPP &amp; EI (unless annual max. reached)</li> <li>Overpayment &amp; garnishment (see FAQs)</li> </ul>	<ul style="list-style-type: none"> <li>Election Form</li> <li>Declaration of Intent or T1213 &amp; CRA approval letter (see attached RRSP Information for process details)</li> </ul>	

### Option 3: Combination of Cash Payment & RRSP Contribution

<b>Description</b>	You must have personal RRSP room to contribute the severance amount stated on the Election Form. Please see the attached "RRSP Information" document for information regarding RRSP contributions.	
<b>Mandatory Deductions</b>	<b>Required Documents</b>	
<ul style="list-style-type: none"> <li>Income tax – on cash portion only</li> <li>CPP &amp; EI (unless annual max. reached)</li> <li>Overpayment &amp; garnishment (see FAQs)</li> </ul>	<ul style="list-style-type: none"> <li>Election Form</li> <li>Declaration of Intent or T1213 &amp; CRA approval letter (see attached RRSP information for process details)</li> </ul>	

### Option 4: Defer Payment to a Later Date

<b>Description</b>	Your payment may be made at the later date (e.g. retirement, resignation). The service and salary used in the severance calculation will be frozen at December 31, 2021. There will be no further accrual for severance purposes.	
<b>Mandatory Deductions</b>	<b>Required Documents</b>	
Deducted in accordance with taxation rules at the time of payment.	<ul style="list-style-type: none"> <li>Election Form</li> </ul>	