

YG Severance Pay Q and A

1. I just want to know if an employee who is terminated can receive severance pay?

A: Employees who are **released on probation** are entitled to severance pay provided they have completed one year of continuous service. Such employees will receive one week's pay for every year of continuous service.

Employee who **are terminated for just cause** are **not** entitled to severance.

2. Do I need to have 5 calendar years of service or 5 Full time equivalent years in order to get severance? I worked part time for 2 years.

A: Severance is calculated from the date of first employment. As long as there is no break in service, then you would be eligible for severance after 5 calendar years of continuous service if you are resigning (Article 19.05). Note that if you are eligible for an immediate pension (retirement- Article 19.06,) you are eligible for severance based on your years of service, the 5-year minimum is not required).

3. Will the calculation of my severance pay include the service time on vacation, sick, disability or unpaid leaves?

Yes, as long as there is no break in service, you accrue severance from your date of first employment. The rate of pay used to calculate your severance pay will be that on your last day of employment.

4. I worked as an AOC for YG for about 18 months, before being hired on a term contract, and later being offered a permanent position. Will time spent working as an AOC be considered when calculating my severance pay?

Yes, as long as there was no break in service, then your severance is calculated from the date you first started your employment with YG as an AOC.

5. I'm an AOC in two different departments. In one department I've had no shifts for almost a year. I understand that once I reach a year with no shifts I'm entitled to severance. I'm just wondering if that still applies as I'm not leaving YTG due to my other AOC position.

Since you still have an AOC position, you are not severing your relationship with the employer. You are not eligible for severance from the AOC position that you are released or resign from. When you do leave YG permanently, your severance calculation will be from the date of your earliest AOC employment with YG, provided there is no break in service.

6. What deductions are taken off severance pay?

Income tax is the only deduction made on your severance.

If you have RRSP contribution room, you can avoid paying income tax by having your severance pay deposited to your RRSP or a spousal RRSP. When an employee retires, provided they do so between the end of the third week in October and the end of December, they can choose to defer the payout of

their severance until the first pay in January, thereby receiving this large sum in another fiscal year when their income may be lower. This may reduce the income tax paid on severance.

7. I was a teacher in Whitehorse, a member of the YTA, before joining YG. What happened to my severance?

Your severance is calculated from your first date of employment with YG, so you accrued severance from the time you started teaching. You will continue to accumulate severance pay until you sever your relationship with YG. (Article 2 Definitions 2.01 (5) (b) (ii))