

BULLETIN

Maternity Leave? Don't forget to purchase pension contributions

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Q: I took a maternity leave in 2014. When I received my annual member benefit statement from the Municipal Pension Plan in June, I noticed there were no contributions made to my pension account even though the collective agreement says the employer will continue to make payments "as if the employee was not absent". Why didn't my employer make pension contributions during my maternity leave?

Thank you for this question...it is a good one. The collective agreement language under Article 18.04 Benefits Continuation would certainly lead you to conclude that employer pension contributions would continue during your maternity leave. But in practice they don't. The language - and it is purposely explicit - is more an expression of the intent of the parties rather than an accurate reflection of the underlying administrative practice for these particular payments. When bargaining, the parties to the collective agreement (HEABC and HSPBA) are trying to construct language between them in the clearest terms possible. But in the background are independent but related parties (Municipal Pension Plan and its administrative agent BC Pension Corporation) that are not directly tied to the language of the collective agreement. So in practice, your employer's contributions during your leave are made "as if the employee was not absent" but not until you purchase your portion of the maternity leave. In fact, under the pension plan rules the Pension Corporation would not accept any contributions on your behalf while you were on a maternity or any other leave.

Q: So why wouldn't the language reflect the actual practice?

The challenge when drafting collective agreement language is the negotiators are working under a compressed timeframe, so capturing the intent of the parties is the paramount goal. Third parties can and do change policies and administration practices that may be beyond the scope of the collective agreement. So the important thing is having language where the intent is unequivocal. Regarding this clause, some illustrative language would be desirable for clarity, (and is so noted) but rest assured that the employer's obligation is still intact and those contributions will be made "as if the employee was not absent" once you complete your purchase of maternity leave service.

Q: Is there anything else I need to know?

Just a reminder that you only have five years to make your purchase, (or within 30 days of severing employment) and the sooner you do, the cheaper the purchase price will be. It's always advisable to purchase eligible service, but even more so for maternity leave because unlike a general leave purchase, the employer pays their portion. Members should receive a benefit information package from the employer before going on maternity leave. The package contains a summary of your benefit entitlements and other useful information. It's always a good idea to keep this benefit information handy while on leave.

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