

Letter of Understanding
Between
Wilfrid Laurier University
and
the Wilfrid Laurier University Faculty Association

Re: Article 28.2.1 (b) Tuition Scholarship

Whereas Article 28.2.1 (b) Tuition Scholarship states “Subject to applicable Canada Revenue Agency regulations, the University agrees to implement a Tuition Scholarship Plan for the eligible dependent children and spouses of Members who apply for Tuition Waivers under 28.2.1 (a)”, and

Whereas the Canada Revenue Agency (CRA) has recently announced a policy change on the taxability of employer-provided tuition waivers and scholarships to employee dependants, and


Whereas, effective for the 2007 and later tax years, if a post-secondary education institution provides free tuition to an employee's family members, the benefit is not taxable to the employee but rather, the tuition amount is included as a scholarship on a T4A slip for the family member,

The Parties agree to the following:

- (1) Subject to the recent CRA policy change, there is no longer a benefit to providing a tuition scholarship based on academic achievement to a limited number (15) of dependents.
- (2) As per CRA policy, effective for the 2007 and later tax years, all eligible dependants will receive a tuition waiver as per 28.2.1 (a) and it will be taxable in the hands of the dependant, not the employee.
- (3) The University agrees to inform Members of their eligibility for retroactive tax claims under (2) above, and provide necessary documentation, and will do the same if CRA changes its policy for prior years.
- (4) If there is a subsequent change in law, policy or interpretation by the relevant tax authorities regarding tuition waivers or scholarships the Parties agree to refer the matter to the Joint Liaison Committee and agree to work cooperatively toward

satisfying tax laws, regulations and policies in a manner which preserves the conditions agreed to under Article 28.2.1 of the Full-time Collective Agreement.

On behalf of Wilfrid Laurier University

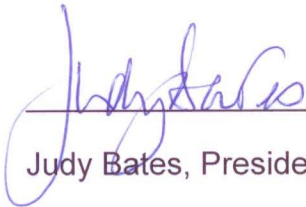


Max Blouw, President, WLU

14 Jan / 2010

Date

On behalf of WLU Faculty Association



Judy Bates, President, WLUFA

January 14, 2010

Date

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Full-time Collective Agreement 2008 - 2011*