

Administrative Procedure 515

EMPLOYEE ASSISTANCE LOANS AND ADVANCES

Background

The Division recognizes high cost of living factors and may provide assistance loans and temporary pay advances to eligible staff members for specific purposes covered in this administrative procedure.

Loan and temporary pay advances may be granted under the following circumstances:

- Residential Purchase Loan: to assist permanent employees purchasing their first home in Fort McMurray.
- Entry Assistance Loan: to assist teachers during their first year of teaching with the Division.
- Damage Deposit – Prospect View Public Sector Housing: to advance the amount of the damage deposit and assist new teachers housed under temporary tenancies at the Prospect View Public Sector housing project operated by the Wood Buffalo Housing and Development Corporation (WBHDC).
- Temporary Pay Advance: to assist new teachers in their first month of employment and for other employees requiring a pay advance for emergency travel related to compassionate or medical reasons.

Procedures

1. All loans (excluding temporary pay advances) shall only be paid upon receipt of a duly executed promissory note signed by the employee. The promissory note will include:
 - 1.1 A statement that the employee clearly understands that the promissory note is a legal contract between the employee and the Division and that the employee is assuming full responsibility for the debt;
 - 1.2 Terms of the loan such as the principal amount, the interest rate and the maturity date of the obligation;
 - 1.3 Rate of interest payable to be set at the Canada Revenue Agency (CCRA) prescribed rate to calculate taxable benefits for employees and shareholder from interest-free and low interest loans as published on the CCRA website.
 - 1.4 Authorization for automatic deduction of payments through payroll;
 - 1.5 Provision that the unpaid balance of the loan is due and payable upon termination of employment. The note will also authorize the deduction of any outstanding amount from the last pay upon termination unless another form of payment has been arranged and agreed upon by the Secretary-Treasurer.

2. Loans are not considered a taxable benefit as the CCRA prescribed interest is applied.
3. All income verification letters provided by the Division shall clearly indicate the type of employee loan made available to the employee and the value or outstanding balance.
4. Residential Purchase Loan
 - 4.1 The Residential Purchase Loan is available to teachers on a continuing contract and other employees that are permanent. Temporary or probationary employees are not eligible for the Residential Purchase Loan.
 - 4.2 Eligible employees may be supported through the provision of an assistance loan to purchase their first primary residence in Fort McMurray.
 - 4.3 This loan is only available for first time home-buyers in Fort McMurray. It cannot be accessed to “upgrade” or for house renovations.
 - 4.4 The housing loan shall be paid as a one (1) time advance at the time of purchase;
 - 4.5 The amount of the loan is limited to ten thousand dollars (\$10,000.00) per residence or household.
 - 4.6 The accommodation shall be the primary residence of the employee making the request and shall be a house, a mobile home, condominium or townhouse.
 - 4.7 The employee shall declare to their lender the source and terms of the residential Purchase Loan.
 - 4.8 Eligible staff members wishing to access an assistance loan shall apply in writing to the Human Resources Department.
 - 4.8.1 The request for a residential purchase loan shall be made at least ten (10) working days prior to the requested payment date and shall include documentation such as proof of purchase and location.
 - 4.9 The payment of the advance shall be made to the applicant and can only be used as a down-payment for the purchase of the house. The employee shall declare the source and terms of the loan to their lender when applying for a mortgage.
 - 4.10 The loan shall be repaid in full upon termination of employment, sale of the property or if the house is no longer the primary residence of the employee.
 - 4.11 Repayment of the loan will be on a period not exceeding forty-eight (48) months.
5. Entry Assistance Loan – Certificated Staff
 - 5.1 The Entry Assistance Loan is provided to assist teachers in paying many of the upfront costs associated with moving to a new community and acquiring materials needed to commence employment.
 - 5.1.1 The Entry Assistance Loan is available to certificated staff entering the employment of the Division for the first time.
 - 5.1.2 In exceptional circumstances, teachers entering a second year of teaching with the Division with less than two (2) years of experience on the grid may qualify at the discretion of the Associate-Superintendent (Human Resources).

- 5.2 Application for the Entry Assistance Loan will normally be completed as part of the new employee sign-in procedures with the Human Resources Department.
- 5.3 The Entry Level Assistance Loan shall not exceed one thousand five hundred dollars (\$1,500.00).
- 5.4 Repayment of the loan will be made for over a period not exceeding ten (10) months.
- 5.5 The full balance of the loan shall be paid upon the end of the school year in which it was provided.

6. Damage Deposit – Prospect View Public Sector Housing

- 6.1 The Division may arrange with the WBHDC to waive the individual damage deposits for teachers occupying the Division's reserved units in the Prospect View Public Sector housing project or other WBHDC locations.
- 6.2 Such arrangements may include provisions for the Division to act as the collection agent for any damage cost to the unit while occupied by its employees.
- 6.3 Teachers shall remain responsible for all damage costs that the landlord (WBHDC) shall deem reasonable to charge to repair the unit and shall sign a promissory note to that effect.
- 6.4 It shall be understood by all parties that the role of the Division is limited to collect any damage costs from the tenants and pay such costs to the WBHDC. The tenant's obligation and liability to maintain their unit shall remain at all times with their landlord (WBHDC).
- 6.5 Teachers shall authorize the Division to deduct automatically from their next pay any amount that may be charged by the WBHDC for damage to their unit.
 - 6.5.1 Furthermore, teachers shall agree that any disputes with regards to the responsibility or amount of damage shall be solely between themselves as the tenant and the WBHDC as the landlord.
 - 6.5.2 The Division shall not in any be involved in such dispute in any manner whatsoever.

7. Pay Advances

- 7.1 The Associate-Superintendent (Human Resources) may approve the payment of an advance on the next pay to a maximum of fifty percent (50%) of the net monthly pay under the following circumstances:
 - 7.1.1 September Mid-Month Advance: for new teachers moving to Fort McMurray, fifty percent (50%) of the estimated net pay for their first month of employment. The advance will be pay in advance on the tenth (10th) day of the month.
 - 7.1.2 Emergency Travel: for emergency travel out of the community for employees on compassionate leave or for emergency medical treatment.
- 7.2 Application and approval for a temporary pay advance for emergency travel will normally be done by e-mail or by phone due to the nature of the advance.

7.3 Pay advances shall not be approved for other reasons such as the payment of outstanding or unexpected bills or debts. Employees in financial distress shall be referred to the Borealis Counselling Services for Financial Counselling.

Approved: 1 September 2018
Revised: 30 June 2020

Reference: Section 51 Alberta Education Act
[Government of Alberta – Prescribed Rates](#)
[CRA – Loan Free or low interest loans](#)