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WITHOUT PREJUDICE

February 13, 2012

Chris Olsen

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Dear Chris Olsen:

Further to the notice advising that your employment with the Government of the Province of British Columbia (the "Province") will be terminating at the end of day on February 13, 2012, this letter and the enclosed documents, all of which comprise Exhibit "A", will detail the terms and conditions and agreement of settlement.

Your settlement is equal to S22 months salary and benefits, in the amount of \$67,298.

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Please review the enclosures itemized at the end of this letter and ensure you have all copies described. If you are missing any documents, or you would like to combine options, please contact me at 250 356-6232.

The following steps will assist you in working through the severance process:

- Fully consider the terms and conditions of each option available to you;
- Obtain any legal, financial or other advice you feel is necessary to assist you in making your decision;
- Indicate your selected option on the enclosed Agreement and Release, sign and have it witnessed by a non-relative, age 21 or over; and
- Complete and return the applicable forms to the following address:

BC Public Service Agency
Workforce Restructuring Services
Attention: **Lori Fischer**
PO Box 9404 Stn Prov Govt
Victoria BC V8W 9V1
Email: Lori.Fischer@gov.bc.ca

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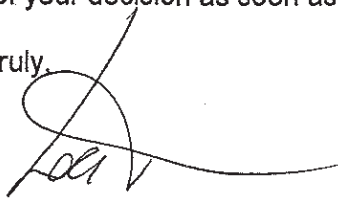
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For your information, attached is a print-out of your current leave balances. These balances, based on the most recent available CHIPS data, may be subject to change and will be paid out to you, less statutory deductions, as soon as possible after your termination date.

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I look forward to receiving your documents on or before **February 27, 2012** and will initiate action of your decision as soon as possible upon receipt.

Yours truly,

A handwritten signature in black ink, appearing to read "Lori Fischer", with a long horizontal flourish extending to the right.

Lori Fischer
Employee Relations Specialist

Enclosures

- Biweekly Severance Installments option
- Lump Sum Severance Payment option
- Re-employment and Re-payment Requirements
- Agreement and Release – **to be signed and returned to BCPSA**
- Benefit Plan Coverages Information Sheet
- RRSP Transfer Form (TD2R) – **to be signed and returned to BCPSA if applicable**
- Leave Balance Summary

Biweekly Severance Installments option

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Benefits & Conditions

For the duration of the severance payment period, all normal payroll and flexible benefits deductions will continue and the following occurs:

- Extended Health and Dental Plan coverages (if applicable) terminate end of the day on which severance payments cease;
- all other flexible benefit coverages terminate on the last day of the month in which severance payments cease;
- you will continue to be covered by the Public Service Pension Plan; and
- you will retain in-service status under the *Public Service Act* for the sole purpose of applying on in-service competitions. A BCPSA Hiring Centre representative will provide you with details concerning access to postings and application procedures. You will be required to provide a personal email and/or telephone number.

Refer to the attached information on extending life insurance, health and dental coverage.

All other terms and conditions of employment, with the exception of the applicable sections of the Standards of Conduct for Public Service Employees, cease effective end of day February 13, 2012. In addition, you will not be covered by:

- Short Term Illness and Injury Plan (STIIP);
- Long Term Disability Plan (LTD);
- any leave, allowance or wage replacement provisions; and
- you will not accrue vacation time.

Under the Severance Administration Policy, you must mitigate your losses to the best of your ability by seeking employment during the severance payment period. Severance payments are conditional on you reporting any offer of employment to the BC Public Service Agency, c/o Lori Fischer. If you receive, but do not accept an offer of employment within the Public Service or with a BC Public Sector employer that is commensurate with your abilities, and which would be reasonable for you to take, you will no longer be entitled to the balance of the severance payments and any further obligation on the part of the Province will cease.

Lump Sum Severance Payment option

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Benefits & Conditions

Under this option the following occurs:

- Extended Health and Dental coverages (if applicable) terminate end of the day February 13, 2012;
- All other flexible benefit coverages terminate on February 29, 2012.

Refer to the attached information on extending life insurance, health and dental coverage.

All other terms, conditions, benefits and coverages related to employment cease end of day February 13, 2012 and the applicable sections of the Standards of Conduct Policy for Public Service Employees continue to apply.

Re-employment & Repayment Requirements

The provisions of the *Public Sector Employment Termination Standard Regulation* under the *Public Sector Employers Act* apply. "British Columbia Public Sector Employer" includes the Government and an employer who receives a substantial portion of its funding either directly or indirectly from the Province and includes, but is not limited to, public sector employers as defined in the *Public Sector Employers Act*. In the event there are uncertainties as to whether an employer fits the above definition, the BC Public Service Agency (Workforce Restructuring Services) will determine whether repayment is required.

If you are re-employed during the severance period the following repayment requirements apply:

A. If you choose Biweekly Severance Installments and:

- I. **you obtain a permanent position with the BC Public Sector;** Severance Installments will cease and any severance payments made to you after commencing the re-employment must be repaid. If required, the Province will top up your biweekly salary paid by the BC Public Sector organization to $\$22$ and this top up may remain in effect up to and including $\$22$ minus any amount required to be repaid. All other payments will cease.
- II. **you obtain a permanent position outside the BC Public Sector;** Severance Installments will cease and any severance payments made to you after commencing the re-employment must be repaid. You will receive a lump sum severance payment equal to $\$22$ of your former basic salary payable from the date of re-employment up to and including $\$22$ minus any amount required to be repaid. This payment is subject to withholding tax and other statutory deductions required from severance payments.
- III. **you receive earnings not covered by I) or II) above by way of employment or contract with any employer during the severance payment period;** the earnings will be offset dollar for dollar against any monies already paid to you, and you will, therefore, be required to repay any monies owed. You must notify the BC Public Service Agency, c/o Lori Fischer, immediately upon (a) entering into a contract for services, and (b) obtaining any remuneration from a contract for services.

- B. If you choose Lump Sum Severance Payment,** and you earn remuneration from employment, including self-employment (which includes entering into a contract for services either individually, or through a sole proprietorship, partnership or corporation) directly or indirectly from a British Columbia Public Sector Employer up to and including $\$22$ you must repay the severance payment on a pro rata basis. If you are re-employed to a position with a lower salary, the repayment provision will be based on the lower salary. You must inform the BC Public Service Agency, c/o Lori Fischer immediately upon obtaining such employment.

- C. If you choose a combination of Biweekly Severance Installments and Lump Sum Severance Payment,** the repayment obligations under each respective option as described above will be in effect during the period associated with that option. The lump sum severance payment will be made at the conclusion of the biweekly severance installments period.

AGREEMENT AND RELEASE

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TD2R - DIRECT TRANSFER OF AN ELIGIBLE RETIRING ALLOWANCE

This TD2R form replaces the TD2 form previously required by Canada Customs and Revenue Agency (CCRA) for the transfer of a retiring allowance to a Registered Retirement Savings Plan or Registered Pension Plan (RRSP/RPP). A retiring allowance is an amount received on or after retirement in recognition of long service, payment for unused sick leave, and amounts received for loss of office or employment.

An individual can transfer all or part of a retiring allowance payment to an RRSP/RPP:

Eligible Amount: The amount that is eligible for transfer is limited to:

- \$2,000 for each year or part of a year before 1996 that the person worked for the employer; plus
- \$1,500 for each year or part of a year before 1989 of that employment in which none of the employer's contributions to the Registered Pension Plan had vested in the employee's name when the employer pays the retiring allowance, i.e. non-pensionable service. (This is time that you worked for the employer but did not contribute to the Public Service Pension Plan and do not intend to purchase as pensionable service).

The Non-Eligible amount may be transferred to an RRSP/RPP provided that it is within the limit of the employee's RRSP deduction limit (current year's RRSP room):

NOTE: IT IS THE RESPONSIBILITY OF THE EMPLOYEE TO ENSURE THE AMOUNT INDICATED FOR TRANSFER TO AN RRSP IS WITHIN THE DEDUCTION LIMIT ESTABLISHED BY CCRA. SHOULD THIS TRANSFER RESULT IN AN OVER-CONTRIBUTION, THE EMPLOYEE IS RESPONSIBLE FOR ANY PENALTIES THAT MAY BE LEVIED BY CCRA. EMPLOYEE SIGNATURE AT THE BOTTOM OF THIS FORM INDICATES ACCEPTANCE OF THIS RESPONSIBILITY.

Last Name	Usual First Name and Initials	Social Insurance Number
Address		Postal Code

Source of Retiring Allowance transfer: (one source per transfer form):
☐ 50 % Sick Bank
☐ ERIP or Severance
☐ Retirement Allowance (article 27.18)

Amount of funds to be transferred: \$ _____
Eligible amount (of above transferred amount): \$ _____
Non-eligible amount (of above transferred amount): \$ _____ (see "The Non-Eligible amount" & **NOTE**)

Cheque Payable to:

Institution Name: _____
Attention (optional): _____
Mailing Address: _____

Postal Code: _____

Account Number (or contract number): _____

Please ensure this form is fully completed with correct information or there may be a delay in your payment(s) being transferred. Sufficient information must be provided for the institution to identify your payment. Since many institutions have central processing units for these payments, the payment may not go directly to your broker/agent.

Your Signature: _____ **Date:** _____

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