

---

---

# PENSION VALUATORS OF CANADA

*Valuing Pensions Is Our Only Business*

*Providing the Best Service Is Our Primary Concern*

---

---

Attention: Mediators

Bulletin No. 103

---

---

## IS ACCRUED SICK LEAVE GRATUITY A FAMILY ASSET ?

**M**any teachers, municipal employees and government employees are allowed a certain number of sick days each year without any loss of income. If they do not take these days off they are accumulated. On retirement, they receive a "sick leave gratuity" calculated as a percentage of their final salary based on the sick days accumulated. This can often amount to \$15,000. to \$25,000.

There have been three reasons given for not placing a value on this asset. "Illness in the period between valuation date and retirement could reduce the benefit".

The beneficiary might change jobs and never realize the benefit".



"The collective agreement could be changed, wiping the benefit out".

All three of these are events happening after the date of valuation and should not affect the value at the date of marriage breakdown. As for the collective agreement, if it is changed, it is unlikely the effects would be retroactive anyway.

Sick leave gratuity is a contractual future interest in a sum of money, and is therefore property. The possibility of receiving it on retirement causes it to be of value.

Based on the case law to date, accrued sick leave gratuity is an asset that must be valued and included in the financial statement when a person separates or divorces.

---

For further information or a copy of our extensive brief please call Pension Valuers of Canada at **1-800-891-9122** or fax us at 1-705-749-6762, or email to: [pensionvaluators@msn.com](mailto:pensionvaluators@msn.com)

*Published by G. Edmond Burrows, F.C.A.  
Specialist in Pension Valuations*

**785 The Kingsway, Peterborough, Ontario K9J 6W7**

**785 The Kingsway, Peterborough, Ontario K9J 6W7**