




PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 10.1.2**

**Halifax Regional Council  
November 13, 2012**

**TO:** Mayor Savage and Members of Halifax Regional Council

Original signed by 

**SUBMITTED BY:**

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Richard Butts, Chief Administrative Officer

Original Signed by 

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Mike Labrecque, Deputy Chief Administrative Officer

**DATE:** October 23, 2012

**SUBJECT:** Memorandum of Agreement - ATU Local 508

### **ORIGIN**

A Memorandum of Agreement (MOA) was negotiated between Metro Transit management and the Amalgamated Transit Union (ATU) Local 508 in 2009 which permits Long Term Disability (LTD) modified employees to accrue and utilize pro-rated sick leave and vacation leave as a component of the Return to Work program.

### **RECOMMENDATION**

It is recommended that Halifax Regional Council authorize the Mayor and Municipal Clerk to sign the attached Memorandum of Agreement, which permits Long Term Disability (LTD) modified employees to accrue and utilize pro-rated sick leave and vacation leave as a component of the Return to Work program, with funding as per the Budget Implications section of this report.

## **BACKGROUND**

In late 2008, two employees who had been on LTD returned to work for Metro Transit on a part-time basis. This part-time work was a means to reintroduce the employees to the workplace, with HRM paying the employees for the hours worked and the LTD carrier paying the balance. However, under the ATU Collective Agreement, these employees were still considered to be on LTD, and would not accrue or be entitled to use sick leave or vacation leave until they were back to work on a full-time basis.

The fact that these employees in modified duty positions could not accrue or use vacation or sick leave for the duration of their modified duty assignment became a contentious labour-management issue and a demotivating factor for the employees to return to work in these modified duty positions. To address this issue, an MOA was negotiated between union and management and ratified by Council on August 24, 2009. The MOA allows employees in temporary modified duty positions to both accrue and use sick leave and vacation leave on a pro-rated basis for the duration of the modified duty position. Since ratification, the provisions of the MOA have been applied to 21 employees.

The MOA expired at the end of the 2006-2011 collective agreement. It was an oversight on both parties' behalf that the MOA expired and as a result, neither party brought the Agreement forward during the recent round of negotiations. Both parties are interested in renewing this MOA.

## **DISCUSSION**

To enable the on-going success of this Return to Work initiative, HRM needs to demonstrate commitment to assisting employees return to work from all kinds of leaves. In allowing employees to accrue and utilize pro-rated sick and vacation leave, HRM is demonstrating support for the success of the program by removing barriers to employee participation as well as an on-going commitment to reducing the duration of employee absences from work where possible.

## **BUDGET IMPLICATIONS**

The MOA is retroactive to August 31, 2011 with an estimated cost of \$15,000 -\$20,000. On a go forward basis the estimated annual cost is anticipated to be within this range. These costs will be absorbed within the Metro Transit annual operating budget.

## **FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN**

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

## ALTERNATIVES

1. **Status quo**- the implication of not signing the MOA and maintaining status quo is that employees on LTD will not be motivated to return to work in part-time modified duty positions, therefore lengthening their absence and reducing their likelihood of ever returning to gainful employment with HRM.

## ATTACHMENTS

Exhibit #1- Memorandum of Agreement for sign-off by the Mayor and the Municipal Clerk (4 copies).

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: Laura Nolan, Labour Relations Consultant, Human Resources,  
490-3934

Report Approved by: \_\_\_\_\_  
Eddie Robar, Director, Metro Transit 490-4855

Report Approved by: \_\_\_\_\_  
Catherine Mullally, Director, Human Resources, 490-7239

Report Approved by: \_\_\_\_\_  
Marian Tyson, Acting Director, Legal Services, 490-4226

Financial Approval by: \_\_\_\_\_  
Greg Keefe, Director of Finance & ICT/CFO

Original Signed

DATED AUGUST 30, 2012

**Memorandum of Agreement**

-between-

**Halifax Regional Municipality**  
("The Employer")

-and-

**Amalgamated Transit Union, Local 508**  
("The Union")

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WHEREAS: Prior to the 2006-2011 ATU collective agreement, ATU employees who were on a return to work program under the Long Term Disability Plan (hereinafter called "LTD Modified Employees") were not permitted to accrue or utilize vacation or sick leave credits while on such a program; and

WHEREAS: The Union and the Employer are committed to assisting employees with successfully returning to work from all types of leaves, and

WHEREAS: The Union and the Employer acknowledge the benefits to all parties of allowing LTD Modified Employees to both accrue and utilize vacation and sick entitlements;

WHEREAS: The Union and the Employer entered into a Memorandum of Agreement dated May 14, 2009, signed August 24, 2009, that addressed the issue to each parties' satisfaction;

WHEREAS: The Union and the Employer wish to renew this Memorandum of Agreement throughout the life of the 2011-2016 collective agreement;

**THE PARTIES AGREE AS FOLLOWS:**

- 1) Articles 14.04, 15.06 and 16.04 of the Collective Agreement will not apply to LTD Modified Employees.
- 2) LTD Modified Employees will accrue vacation in accordance with Article 15 of the collective agreement, pro-rated in accordance with the hours worked each month for the employer. Please see attached Appendix A for the pro-rated calculations.
- 3) LTD Modified Employees may not utilize vacation entitlements during the first three months of their return to work program.
- 4) LTD Modified Employees may only utilize vacation entitlements that have been accrued.

For example, if an LTD Modified Employee wishes to use one week's vacation, they must have sufficient hours in their vacation bank prior to the vacation starting.

- 5) When an LTD Modified Employee takes his/her vacation, the LTD Modified Employee will continue to be paid by HRM for the number of hours scheduled to be worked and will be paid by the LTD carrier for the remaining hours. For example, if an LTD Modified Employee who would normally have worked 15 hours and been paid for the other 25 hours by the LTD carrier takes vacation leave, they will receive pay for 15 hours from the Employer from their vacation bank and pay for 25 hours from the LTD carrier.
- 6) Part-time employees who become LTD Modified Employees will continue to receive vacation pay as outlined in Article 15.11
- 7) LTD Modified Employees will pick their vacation in the same manner as the remainder of the bargaining unit, and will only be eligible for vacation during such times they would have been eligible based on their seniority if they were working full duties.
- 8) LTD Modified Employees will be entitled to accumulate sick leave in accordance with Article 16.11, pro-rated in accordance with the hours worked for the employer. LTD Modified Employees will earn 0.075 hours of sick leave entitlement per hour worked.
- 9) LTD Modified Employees will be entitled to utilize sick leave entitlement to cover absences due to sickness that are unrelated to their LTD claim only.
- 10) This agreement will be effective retroactive to August 31, 2011.
- 11) This agreement will expire with the current collective agreement, August 31, 2016, or will be ended by either party with thirty (30) days written notice.

\_\_\_\_\_  
Peter Kelly  
Mayor, Halifax Regional Municipality

\_\_\_\_\_  
Date

\_\_\_\_\_  
Cathy Mellett  
Municipal Clerk, Halifax Regional Municipality

\_\_\_\_\_  
Date

Original signed

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Kenny Wilson  
President and Business Agent

*Sept 7/2012*  
\_\_\_\_\_  
Date

### Appendix A- Pro-Rated Vacation Leave Entitlement Calculations

Years of Service	Annual Entitlement (Days)	Monthly Entitlement (Hours)	Monthly Pro-rated Entitlement Formula*
First year	1.25 days per month worked	10	0.0625 hours x hours worked
Years 2-5	15 days	10	0.0625 hours x hours worked
Years 6-12	20 days	13.33	0.083 hours x hours worked
Years 13-19	25 days	16.67	0.104 hours x hours worked
Years 20-25	30 days	20	0.125 hours x hours worked
25 + Years	1 additional day per year of service	additional 0.05 hours per year of service	0.125 hours plus 0.004 hours per year of service beyond 25 years

\*Monthly pro-rated entitlement calculation is based on an average of 160 hours worked per month for full-time employees.

Example: An employee with 21 years of service who is on a return to work program working 90 hours per month will earn 11.25 hours of vacation per month ( $0.125 \times 90 = 11.25$ )