

Appendix G

**OPSEU Collective Agreement
Explanatory Note**

**Transition Exit Initiative
Appendix 46**

Updated September 2017

Explanatory Notes on the application of the OPSEU Collective Agreement were developed by the Employer in consultation with OPSEU. They have been written to provide information to OPS managers and employees represented by OPSEU. Explanatory Notes are not intended as a substitute for the language of the Collective Agreement. Reliance should only be placed on the actual text of the OPSEU Collective Agreement.

Managers who have questions about the information in this Explanatory Note should contact their Human Resources Advisor.

Employees who have questions about the information in this Explanatory Note should contact their manager, their HR Advisor or an OPSEU representative.

General

Appendix 46 – Transition Exit Initiative (TEI) was negotiated as a part of the 2013-2014 OPSEU collective agreement and took effect January 24th, 2013. This appendix was renewed as part of the 2018-2021 OPSEU collective agreement, which took effect June 22, 2017. The intent of Appendix 46 – TEI is to support the transformation of the Ontario Public Service (OPS).

Appendix 46 – TEI permits regular, regular part-time, and flexible part-time OPSEU-represented employees to volunteer to exit the OPS when the Employer has plans to reduce positions in the OPSEU bargaining unit. The Employer maintains the sole discretion to approve requests and the approval of TEI exits is the exclusive right of the Employer.

The purpose of this bulletin is to explain the OPSEU TEI program and ensure its consistent application.

Application

The OPSEU TEI is a volunteer process that must be initiated by the employee. By submitting an application form, the employee is only registering to apply for an exit package. The Employer maintains the **sole** discretion to approve their request to exit under this initiative.

Who is eligible to apply?

All regular, regular part-time, and flexible part-time OPSEU-represented employees are eligible to apply to exit the OPS under the Appendix 46 – TEI.

Note: Employees may only register for the OPSEU TEI from their home position. The decision to approve an employee's TEI request is at the sole discretion of the Employer.

Note: Employees who are approved to exit the OPS under Appendix 46 – TEI, and who are currently on LTIP, will continue to receive LTIP benefits from the insurance provider under the terms of the plan, provided they remain eligible to receive such LTIP benefits.

If employees who are approved to exit the OPS under Appendix 46 – TEI remain on LTIP, the Employer will cease providing insured benefits coverage and pension contributions.

Where an employee on LTIP terminates their employment under Appendix 46 – TEI, the employee may elect to convert existing coverage pursuant to Article 37.2 (c) – Basic Life Insurance and Article 38.1.2 (b) – Supplementary and Dependent Life insurance. The Employer will advise terminating employees of this conversion privilege.

Who is not eligible to apply?

Employees who are:

- Fixed-term;
- Seasonal;
- Students; and
- Former public servants (for example: retired employees).

Approval

The Employer retains the sole discretion to approve any TEI request. The Employer's approval shall be based on the following considerations:

1. whether the Employer has plans to reduce positions in the OPSEU bargaining unit;
2. whether the employee's exit from employment supports the transformation of the OPS; and
3. when making surplus decisions, whether there are employees on the TEI list.

Note: Recommendations on approving an OPSEU TEI request must be based on whether the employee's exit supports the transformation of the OPS. If there is more than one

employee eligible to exit under the TEI within the same workplace, the determination of who will exit under the TEI shall be based on seniority.

If the request is approved by the Employer, the employee will receive:

1. a lump sum of six (6) months' pay, plus one (1) week pay per year of continuous service (no maximum); or
2. continuance of salary plus benefits (except Short Term Sickness Plan (STSP) and Long Term Income Protection (LTIP)) for six (6) months, plus lump sum of one (1) week pay per year of continuous service (no maximum); or
3. continuance of salary plus benefits (except STSP and LTIP) for six (6) months, plus further continuance of salary plus benefits (except STSP and LTIP) for the period equivalent to one (1) week pay per year of continuous service.

Note: Where the employee does not choose a specific pay-in-lieu option, the employee shall be deemed to have chosen the lump sum option noted above under (i).

Note: The TEI continuous years of service payment (i.e. one (1) week pay per year of continuous service) provided to an employee approved under the TEI will be calculated on a pro-rated basis and has no maximum.

An employee who is approved to exit under Appendix 46 – TEI may request in writing to their home position manager to change their selected exit option prior to their last day of work.

A TEI application can be withdrawn by the employee at any time prior to receiving written notice of Employer approval to exit. Withdrawal of a TEI request must be provided by the employee in writing to the home position manager. A TEI application can only be withdrawn by the employee.

Employees will not be permitted to withdraw their TEI application once they have received notification of approval to exit from the Employer.

Where an employee's application has not been withdrawn and has been approved by the Employer, the employee shall be deemed to have accepted an exit package. The TEI applicant will receive the six (6) month Appendix 46 pay-in-lieu option selected on the application form (i.e., lump sum, salary continuance, or a combination thereof).

The employee's last day of work shall be five (5) working days after receiving notification of approval from the Employer, unless an alternate date is agreed upon by both manager and employee.

Note: An alternate date may be pre-arranged, where appropriate, between an employee and their manager prior to the employee receiving approval from the Employer. As a best practice, a pre-arranged exit date should be agreed to by the employee and

manager in writing (for example: email). Establishing a pre-arranged exit date will remain conditional on the Employer providing the employee with notification of approval. Where a pre-arranged exit date has been established and the TEI request has been approved, the date cannot be unilaterally changed without mutual agreement. Managers are not obligated or required to agree to a pre-arranged exit date. If agreement on an exit date has not been reached the employee's last day at work shall be five (5) working days after the notice of Employer approval to exit is received.

The Employer and OPSEU strongly recommend that OPS managers and OPSEU-represented employees agree upon exit dates that are reasonable, operationally feasible and in consideration of the business planning year. The parties are permitted to agree on an exit date that is a maximum of six (6) months after the expiry of the collective agreement. An exit date greater than six (6) months after expiry of the collective agreement will not be accepted. If the parties are unable to mutually agree on an exit date, the default exit date is five (5) working days after the notice of Employer approval to exit is received.

Approval of an employee's request to exit via TEI does not have to be a point in time decision, and the Employer maintains the sole discretion to approve the request to exit under the TEI. A TEI application will remain active until the first of:

- approval of the TEI request by the Employer;
- the employee accepts a permanent position outside the bargaining unit;
- withdrawal of the TEI request by the employee; or
- the employee's employment is terminated (for example: resignation, retirement), or the employee is issued a surplus notice.

Re-appointment to the OPS

OPSEU-represented employees who have exited the OPS under the TEI and who are subsequently re-appointed to a position in the OPS within twenty-four (24) months will be required to repay to the Minister of Finance the six (6) month payment paid out under Paragraph 5 of Appendix 46 – Transition Exit Initiative of the OPSEU Collective Agreement. This will apply if they become re-employed on a regular full-time, regular part-time, fixed-term, or seasonal basis.

Where an employee repays their six (6) month TEI payment, the employee's period of continuous service before the date of the employee's exit under the TEI Memorandum of Agreement shall be considered in determining the employee's seniority for the sole purpose of any determination made by the Employer under Article 6.3 (Posting and Filling of Vacancies or New Positions), Article 10.3 (Job Trading), Article 11 (Headquarters), Article 20 (Employment Stability), Article 56.3 (Posting and Filling of Regular Part-Time Positions), Article 62.1 (b) (Employment Stability), Appendix (9) 1 (a) and (b) (Employment Stability), and Appendix 40 (Employment Stability). For all other

purposes, the employee's new continuous service date shall be the date on which the employee recommences work.

Note: An employee who exits under the TEI and is re-appointed to a position in the OPS may elect to repay the TEI payment of one week per year of continuous service or its equivalent period of salary continuance, thereby restoring entitlements to termination payments under Article 53 or 78 (Termination Payments), as applicable, for the period of continuous service represented by the payment.

What is the difference between the OPSEU TEI and the OPSEU Voluntary Exit Option program?

The Voluntary Exit Option (VEO) continues to exist and is a separate and distinct program from the OPSEU TEI.

- The VEO program allows regular, regular part-time and flexible part-time non-surplus OPSEU-represented employees to register with the Employer to have their home position identified for targeted direct assignment (TDA) by other OPSEU-represented employees who have received a notice of lay-off and have elected to remain available for TDA. Where a TDA placement occurs, the VEO registrant receives entitlements under Article 20.2.1.3, Article 53 or 78, and Appendix 9 Paragraph 4b (if eligible), and the surplus employee in receipt of a notice of lay-off is assigned the VEO registrant's home position. Please refer to the VEO Article 20.7 Explanatory Note for more information.
- The TEI program allows regular, regular part-time and flexible part-time OPSEU-represented employees to volunteer to exit the OPS, without requiring a surplus employee to be directly assigned to their home position. The exit payments that are provided to employees approved to exit the OPS under the TEI differ from those provided to an employee who is surplus. These exit payments are identified under Paragraph 5 of Appendix 46 – TEI.

What impact does Appendix 46 – TEI have on an employee's Continuous Service Date (CSD) during the salary continuance period?

Where an employee elects salary continuance for all or part of the initial six (6) month period, and/or the TEI continuous service payment period, they will continue to accrue additional service. This also includes any period of time where the employee remains on payroll using credits (i.e. vacation credits and/or compensating leave credits).

For clarity, where an employee remains on payroll during the initial six (6) month period, the continuous service continues to accrue during this period and is therefore included for the purposes of calculating the TEI continuous service payment.

Additional Questions and Answers:

General

Question 1. What is the timeline for approval of a TEI request?

Answer. There is no timeline for approval of a TEI request. The Employer retains the sole discretion to approve any TEI request and there is no obligation under the collective agreement compelling the Employer to approve a TEI request. Approval of an employee's TEI request is not guaranteed. If it is determined that a TEI request meets the criteria in the collective agreement (i.e. Paragraph 2) and the request is approved, the employee will be notified shortly thereafter. TEI requests that are outstanding will not expire and will remain active and under consideration until the request is approved, the employee withdraws their request, accepts a permanent position outside of the bargaining unit, terminates their employment with the OPS, or is issued a surplus notice.

Question 2. What happens if an employee's exit date extends past the current collective agreement?

Answer. Where an employee applies to exit under Appendix 46 – TEI of the OPSEU collective agreement and is approved prior to the expiry of the Collective Agreement (i.e. December 31, 2021), the exit date must be five (5) working days after the notice of Employer approval is received, or such other period as mutually agreed upon. Therefore, the employee and their home position manager may negotiate an agreeable exit date that extends beyond the expiry of the Collective Agreement (with limitations).

The Employer and OPSEU strongly recommend that OPS Managers and OPSEU-represented employees agree upon exit dates that are reasonable, operationally feasible and in consideration of the business planning year. The parties are permitted to agree on an exit date that is a maximum of six (6) months after the expiry of the applicable collective agreement. An exit date greater than six (6) months after expiry of the Collective Agreement will not be accepted. If the parties are unable to agree on an exit date, the default exit date is five (5) working days after the notice of Employer approval to exit is received.

Question 3. If an employee's home position is in OPSEU and they are currently on a temporary assignment in a position represented by another bargaining agent, or an unrepresented position, can they still apply and be approved to exit the OPS under Appendix 46 - TEI?

Answer. Yes. An employee may still apply and be approved to exit the OPS under Appendix 46 - TEI while on a temporary assignment. If approved, they will exit the OPS from their home position, not their temporary position.

Question 4. If an employee is on a temporary assignment and their TEI request to exit approved, will their exit payments (as specified under Paragraph 5 of Appendix 46 – TEI) be paid at the rate of their temporary position or their home position?

Answer. Exit payments will be paid at the rate of the employee's home position. Standard return to home procedures must be followed before the employee exits the organization under TEI.

Question 5. If an employee is on a temporary assignment and their TEI request to exit is approved, will the employee be required to physically return to their home position prior to exiting the OPS, or can they remain in the temporary assignment until their last day of work?

Answer. Normal temporary assignment agreement rules shall apply. At the request of the Receiving Ministry, Releasing Ministry (i.e., home position Ministry) or the Employee, the temporary assignment may be terminated prior to the end of the assignment pursuant to the normal end of temporary assignment rules.

If the employee does not physically return to their home position and remains in the temporary assignment prior to their last day of work before exiting the OPS under the TEI, a return to home WIN Employee Action Request (WEAR) form is required to put the employee at the correct home position salary. The WEAR form is to be completed by the Employer.

Note: the releasing ministry and receiving ministry are encouraged to discuss the impact of the employee's exit where the employee is approved to exit the OPS under Appendix 46 – TEI.

Question 6. If an employee's TEI request is approved, will they still receive termination pay as per Article 53 (or 78 where applicable) or any other severance payments provided under the Collective Agreement?

Answer. No. Entitlements paid out under Paragraph 5 of Appendix 46 – TEI are in lieu of the entitlements in Article 53 or 78 (Termination Payments) and Paragraph 4(b) of Appendix 9 (Employment Stability) of the Collective Agreement.

Question 7. What happens to an employee's payments if they die while on salary continuance under the TEI?

Answer. If an employee dies while on a salary continuance under the TEI, any remaining monies owed to them (as described under Paragraph 5 of Appendix

46 – TEI of the OPSEU Collective Agreement) would be transferred to their estate. Vacation accrued during the salary continuance period would also be made payable to the estate. Any portion of the monies owed that the employee had previously elected to have transferred to an RRSP or deferred to the following tax year would be made payable to the estate instead. The employee's beneficiaries would still be entitled to Supplementary Life Insurance (if applicable).

Also, the employee's beneficiaries would be entitled to benefits provided under Article 52 – Entitlement on Death while on salary continuance under the TEI. For clarity, and pursuant to Article 52.2, any severance pay (i.e. TEI continuous years of service payment) to which an employee is entitled shall be reduced by the amount equal to one-twelfth (1/12) of his or her annual salary.

Question 8. If a regular part-time or flexible part-time employee currently pays the unfunded portion of their insured benefits, can the employee continue paying the unfunded portion of their insured benefits should they exit the OPS under the TEI and remain on salary continuance?

Answer. Yes. The employee's current split (for example: 50/50) of the cost will continue during the period of salary continuance.

Question 9. If an employee is on a part-time work arrangement or a pre-retirement part-time work arrangement and their TEI request is approved, how are their TEI exit payments calculated?

Answer. TEI exit payments provided to employees who are on a pre-retirement part-time work arrangement and who are approved to exit the OPS under Appendix 46 – TEI will be calculated using the following formulas:

1. (6) months' pay-in-lieu: $(\text{Full-time equivalent salary} / 2) \times (\text{RPT ratio})$
2. TEI continuous years of service payment: $[(\text{Total Years of Service as a regular full-time employee} \times (\text{FTE salary} \times 1/52.17856))] + [(\text{Total Years of Service as a regular part-time employee} \times (\text{FTE salary} \times 1/52.17856 \times \text{RPT Ratio})]$

Employees that have questions about how an exit under the TEI affects their pension must contact the OPTrust at 1-800-637-0024 or 416-681-6100.

Credit Usage

Question 10. If an employee's TEI is approved and they have unused and/or earned compensating leave credits or vacation credits, can those credits be paid out upon their exit?

Answer. Yes. Employees shall be paid for any earned and unused vacation standing to his or her credit at the date he or she ceases to be an employee pursuant to Article 46.11. However, an employee may be required to reduce his or her accumulated vacation credits in excess of the allowable carry-over limit in accordance with Article 46.5.

Question 11. Under Appendix 46 - TEI, can unused and earned compensating leave credits and/or vacation credits be used prior to the commencement of the salary continuance period? Further, can vacation credits accrued during the salary continuance period be used to further extend the period of salary continuance?

Answer. Earned and unused compensating leave credits and/or vacation credits may be used prior to the commencement of the salary continuance period. Employees may request use of these credits, and their manager will not unreasonably deny such a request. Any remaining unused and earned vacation credits, including vacation credits accrued during the salary continuance period cannot be used and must be paid out as lump sum. The lump sum payout will exclude any vacation credits which exceed the carry-over limit in accordance with Article 46.5. As well, compensating leave credits shall be paid out in accordance with Article UN 8.7.3. Note: vacation credits do not accrue during any period paid out as lump sum.

Question 12. If an employee is currently at work or off work using STSP credits at the time their TEI request is approved; can they still apply and be approved for LTIP coverage at a later date while on salary continuance under the TEI?

Answer. No. Employees approved to exit the OPS under Appendix 46 – TEI who elect salary continuance are not entitled to receive LTIP benefits. Even if an LTIP application has been filed but not approved prior to exiting the OPS under Appendix 46 – TEI, the employee will not be eligible to receive LTIP benefits.

Question 13. Are employees who are approved to exit the OPS under Appendix 46 – TEI entitled to use STSP credits during any period of salary continuance under the TEI?

Answer. No. Employees approved to exit the OPS under Appendix 46 – TEI who elect salary continuance are not entitled to receive all benefits except STSP and LTIP.

Retirement

Question 14. Can an employee with an unreduced or reduced retirement factor apply for the TEI?

Answer. Yes. An employee who is eligible to retire with an unreduced or reduced retirement factor can apply for the TEI. If the employee is approved to exit the organization under Appendix 46 – TEI the employee will receive all payments under TEI.

Question 15. Can an employee exiting the OPS under Appendix 46 – TEI who selects the salary continuance option (i.e., Paragraph 5 (ii) of Appendix 46 – TEI), use the period of salary continuance to help reach the date they are eligible to retire?

Answer. Yes. An employee approved to exit the OPS under Appendix 46-TEI, who selects the salary continuance option (i.e. Paragraph 5 (2)), can use the period of salary continuance to reach the date they are eligible to retire.

For clarity, the salary continuance option (i.e. Paragraph 5. (2) of Appendix 46 – TEI) under the TEI is equivalent to a paid leave. As such, it is still subject to all regular payroll deductions.

Question 16. Can an employee who is sixty-five (65) years of age or older apply for TEI?

Answer. Yes.

Question 17. Can an employee exiting the OPS under Appendix 46 – TEI, and who will soon be sixty-five (65) years of age, elect salary continuance for the initial six (6) month pay-in-lieu payment period, the TEI continuous years of service payment period, or both?

Answer. Employees **who will soon be sixty-five (65) years of age that exit** the OPS under Appendix 46 – TEI may elect salary continuance for both the initial six (6) month pay-in-lieu period and TEI continuous years of service payment period (i.e. further salary continuance period). However, the further salary continuance period will cease at the end of the month in which the employee will attain sixty-five (65) years of age. Any remaining balance will be paid to the employee as a lump sum.

Question 18. Can an employee who is sixty-five (65) years of age or older exiting the OPS under Appendix 46 – TEI elect salary continuance for the initial six (6) month pay-in-lieu payment period, or for both the initial six (6) month pay-in-lieu payment period and the TEI continuous years of service payment period?

Answer. Employees who are sixty-five (65) years of age or older exiting the OPS under Appendix 46 – TEI may elect salary continuance for the initial six (6) month pay-in-lieu period only. Any remaining balance will be paid to the employee as a lump sum.

Question 19. Can an employee buyback pensionable service prior to terminating their employment via Appendix 46 – TEI?

Answer. Under the OPSEU Pension Plan, members may apply in writing to the OPTrust at any time prior to termination of employment to request purchase of past service.

Under the TEI, employment terminates at the earlier of the effective date for the TEI exit payment as a lump sum or the end of the salary continuance period.

Employees exiting under the TEI may direct the payment of all or part of their lump sum TEI exit payment to the OPTrust to settle outstanding amounts owed for OPTrust approved purchases of past service.

Question 20. Is an exit under Appendix 46 – TEI a termination of employment for the purposes of grow-in benefits under s. 74 of the Pension Benefits Act (PBA)?

Answer. No, OPSEU and the Employer agree that an exit under Appendix 46 – TEI is not a termination of employment for the purposes of grow-in benefits under s. 74 of the PBA.

Employees that have questions about how an exit under the TEI impacts their pension must contact the OPTrust at 1-800-637-0024 or 416-681-6100.