

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TREASURY BOARD OF CANADA
AND
THE PROFESSIONAL INSTITUTE
OF THE
PUBLIC SERVICE OF CANADA (PIPSC)
IN RESPECT OF THE
NEGOTIATION OF WORK FORCE ADJUSTMENT PROVISIONS
EFFECTIVE MARCH 4, 2005**

1. The Parties hereby agree that the negotiation for the renewal of the Work Force Adjustment (WFA) provisions applicable to all PIPSC bargaining units has been concluded centrally at a common bargaining table. The Parties agree that the WFA provisions shall not be subject to further negotiations during the current round of collective bargaining for the PIPSC bargaining units.
2. The WFA provisions negotiated at the common table shall become binding upon the Parties and take effect on the date of signing of this memorandum. The implementation of the newly negotiated WFA provisions shall apply to all PIPSC bargaining units (AV, AP, CS, LA, RE, SH).
3. The parties agree not to present any changes to the WFA provisions prior to 30 September 2006, unless otherwise mutually agreed.
4. Three months prior to 30 September 2006, the parties shall initiate discussions and sign a memorandum of agreement establishing the parameters of the next common table negotiation, as well as the implementation process of the changes that will result from the next WFA negotiation.

March 4, 2005

5. Attached is the list of the agreed upon changes to the PIPSC WFA provisions. The following specific group appendixes are accordingly amended:

Applied Sciences and Engineering Computer Systems	Appendix K (Sept. 30, 2005) Appendix F (Terms and Conditions of Employment)
Audit, Commerce and Purchasing	Appendix B (Terms and Conditions of Employment)
Health Services	Appendix S (Terms and Conditions of Employment)
Law	Appendix B (Collective Agreement – Feb. 28, 2006)
Research	Appendix C (Collective Agreement – Sept. 30, 2006)

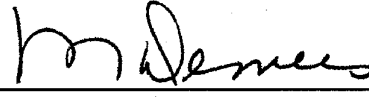
SIGNED AT OTTAWA, this 4th day of the month of March 2005.

THE TREASURY BOARD
OF CANADA


THE PROFESSIONAL INSTITUTE
OF THE PUBLIC SERVICE OF
CANADA



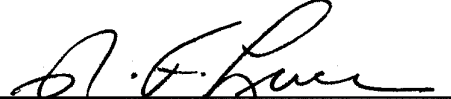
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March 4, 2005

APPENDIX "X"

WORK FORCE ADJUSTMENT

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General

Application

This Appendix applies to all employees.

Unless explicitly specified, the provisions contained in Parts I to VI do not apply to alternative delivery initiatives.

Collective agreement

With the exception of those provisions for which the Public Service Commission (PSC) is responsible, this Appendix is part of this collective agreement.

Objectives

It is the policy of the Treasury Board to maximise employment opportunities for indeterminate employees affected by work force adjustment situations, primarily through ensuring that, wherever possible, alternative employment opportunities are provided to them. This should not be construed as the continuation of a specific position or job but rather as continued employment.

To this end, every indeterminate employee whose services will no longer be required because of a work force adjustment situation and for whom the deputy head knows or can predict employment availability will receive a guarantee of a reasonable job offer within the public service. Those employees for whom the deputy head cannot provide the guarantee will have access to transitional employment arrangements (as per Part VI and VII).

Definitions

Accelerated lay-off (*mise en disponibilité accélérée*) – occurs when a surplus employee makes a request to the deputy head, in writing, to be laid off at an earlier date than that originally scheduled, and the deputy head concurs. Lay-off entitlements begin on the actual date of lay-off.

Affected employee (*employé touché*) – is an indeterminate employee who has been informed in writing that his or her services may no longer be required because of a work force adjustment situation.

Alternation (*échange de postes*) – occurs when an opting employee (not a surplus employee) who wishes to remain in the public service exchanges positions with a non-affected employee (the alternate) willing to leave the public service with a Transition Support Measure or with an Education Allowance.

Alternative delivery initiative (*diversification de mode de prestation de service*) – is the transfer of any work, undertaking or business of the public service to any body or corporation that is a separate employer or that is outside the public service.

Appointing department (*ministère d'accueil*) – is a department or agency which has agreed to appoint or consider for appointment (either immediately or after retraining) a surplus or a laid-off person.

Deputy head (*administrateur général*) – has the same meaning as in the definition of “Deputy Head” set out in section 2 of the *Public Service Employment Act*, and also means his or her official designate.

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Education Allowance (*indemnité d'étude*) – is one of the options provided to an indeterminate employee affected by normal work force adjustment for whom the deputy head cannot guarantee a reasonable job offer. The Education Allowance is a cash payment, equivalent to the Transitional Support Measure (see Annex “B”), plus a reimbursement of tuition from a recognised learning institution, book and mandatory equipment costs, up to a maximum of \$8,000.00. The Education Allowance includes a reimbursement of up to \$2,000, in addition to the above mentioned \$8,000, for reimbursement of tuition, books and mandatory equipment for a postgraduate university program.

Guarantee of a reasonable job offer (*garantie d'une offre d'emploi raisonnable*) – is a guarantee of an offer of indeterminate employment within the public service provided by the deputy head to an indeterminate employee who is affected by work force adjustment. Deputy heads will be expected to provide a guarantee of a reasonable job offer to those affected employees for whom they know or can predict employment availability in the public service. Surplus employees in receipt of this guarantee will not have access to the Options available in Part VI of this Appendix.

Home department (*ministère d'attache*) – is a department or agency declaring an individual employee surplus.

Laid off person (*personne mise en disponibilité*) – is a person who has been laid off pursuant to PSEA 29(1) and who still retains a reappointment priority under PSEA 29(3).

Lay-off notice (*avis de mise en disponibilité*) – is a written notice of lay-off to be given to a surplus employee at least one month before the scheduled lay-off date. This period is included in the surplus period.

Lay-off priority (*priorité de mise en disponibilité*) – a person who has been laid off is entitled to a priority for appointment without competition or appeal to a position in the public service for which, in the opinion of the PSC, they are qualified. This priority is accorded for one year following the lay-off date, pursuant to subsection 29(3) of the *Public Service Employment Act*, or following the termination date, pursuant to paragraph 11(2.01) of the *Financial Administration Act*.

Opting employee (*employé optant*) – is an indeterminate employee whose services will no longer be required because of a work force adjustment situation and who has not received a guarantee of a reasonable job offer from the deputy head and who has 120 days to consider the Options of Part 6.3 of this Appendix.

Pay (*rémunération*) – has the same meaning as “rate of pay” in the employee’s collective agreement.

Priority administration system (*système d’administration des priorités*) – is a system designed by the PSC to facilitate appointments of individuals entitled to statutory and regulatory priorities.

Public Service (*fonction publique*) – means the several positions in or under any department, agency, or other portion of the public service of Canada specified in Schedule I, Part I of the *Public Service Staff Relations Act* (PSSRA), for which the PSC has the sole authority to appoint.

Reasonable job offer (*offre d’emploi raisonnable*) – is an offer of indeterminate employment within the public service, normally at an equivalent level but could include lower levels. Surplus employees must be both trainable and mobile. Where practicable, a reasonable job offer shall be within the employee’s headquarters as defined in the Travel Directive. In Alternative Delivery situations, a reasonable offer is one that meets the criteria set out in Type 1 and Type 2 of Part VII of this appendix. A reasonable job offer is also an offer from a PSSRA Part II employer, providing that:

- (a) The appointment is at a rate of pay and an attainable salary maximum not less than the employee's current salary and attainable maximum that would be in effect on the date of offer.
- (b) It is a seamless transfer of all employee benefits including a recognition of years of service for the definition of continuous employment and accrual of benefits, including the transfer of sick leave credits, severance pay and accumulated vacation leave credits.

Reinstatement priority (*priorité de réintégration*) – is an appointment priority accorded by the PSC, pursuant to the *Public Service Employment Regulations*, to certain individuals salary-protected under this Appendix for the purpose of assisting such persons to re-attain an appointment level equivalent to that from which they were declared surplus.

Relocation (*réinstallation*) – is the authorised geographic move of a surplus employee or laid-off person from one place of duty to another place of duty, beyond what, according to local custom, is a normal commuting distance.

Relocation of work unit (*réinstallation d'une unité de travail*) – is the authorised move of a work unit of any size to a place of duty beyond what, according to local custom, is normal commuting distance from the former work location and from the employee's current residence.

Retraining (*recyclage*) – is on-the-job training or other training intended to enable affected employees, surplus employees and laid-off persons to qualify for known or anticipated vacancies within the public service.

Surplus employee (*employé excédentaire*) – is an indeterminate employee who has been formally declared surplus, in writing, by his or her deputy head.

Surplus priority (*priorité de employé excédentaire*) – is an entitlement for a priority in appointment accorded by the PSC, pursuant to the *Public Service Employment Regulations*, to surplus employees to permit them to be appointed to other positions in the public service without competition or right of appeal.

Surplus status (*statut d'employé excédentaire*) – An indeterminate employee is in surplus status from the date he or she is declared surplus until the date of lay-off, until he or she is indeterminately appointed to another position, until his or her surplus status is rescinded, or until the person resigns.

Transition Support Measure (*mesure de soutien à la transition*) – is one of the options provided to an opting employee for whom the deputy head cannot guarantee a reasonable job offer. The Transition Support Measure is a cash payment based on the employee's years of service in the public service, as per Annex "B".

Twelve-month surplus priority period in which to secure a reasonable job offer (*Priorité d'employé excédentaire d'une durée de douze mois pour trouver 'une offre d'emploi raisonnable*) – is one of the options provided to an opting employee for whom the deputy head cannot guarantee a reasonable job offer.

Work force adjustment (*réaménagement des effectifs*) – is a situation that occurs when a deputy head decides that the services of one or more indeterminate employees will no longer be required beyond a specified date because of a lack of work, the discontinuance of a function, a relocation in which the employee does not wish to relocate or an alternative delivery initiative.

Authorities

The PSC has endorsed those portions of this Appendix for which it has responsibility.

Monitoring

Departments shall retain central information on all cases occurring under this Appendix, including the reasons for the action; the number, occupational groups and levels of employees concerned; the dates of notice given; the number of employees placed without retraining; the number of employees retrained (including number of salary months used in such training); the levels of positions to which employees are appointed and the cost of any salary protection; and the number, types, and amounts of lump sums paid to employees.

This information will be used by the Treasury Board Secretariat to carry out its periodic audits.

References

The primary references for the subject of Work Force Adjustment are as follows:

Canada Labour Code, Part I.

Financial Administration Act, section 11.

Pay Rate Selection (Treasury Board Manual, Pay administration volume, chapter 3).

Policy on termination of Employment in Alternative Delivery Situations (Treasury Board Manual, Human Resources Volume, Chapter 1-13)

Public Service Employment Act, section 29.

Public Service Employment Regulations, sections 34, 35, 36, 37, 39 and 42.

Public Service Staff Relations Act, sections 48.1 and 49.

Public Service Superannuation Act, section 40.1.

Relocation Directive (Treasury Board Manual, Employee Services Volume, Chapter 3-1).

Travel Directive (Treasury Board Manual, Employee Services Volume, Chapter 1-1).

Enquiries

Enquiries about this Appendix should be referred to PIPSC, or the responsible officers in departmental headquarters.

Responsible officers in departmental headquarters may, in turn, direct questions regarding the application of this Appendix to the Transition and Work-Life Policies Group, Human Resources Branch, Treasury Board Secretariat.

Enquiries by employees pertaining to entitlements to a priority in appointment or to their status in relation to the priority appointment process should be directed to their departmental human resource advisors or to the regional and district offices of the PSC responsible for their case. Responsible officers in departmental headquarters seeking interpretations and guidance may contact the Employment Equity and Priority Administration Division of the Recruitment Programs and Priority Administration Directorate, Resourcing and Learning Branch, Public Service Commission Canada.

Part I
Roles and responsibilities

1.1 Departments

**

1.1.1 Since indeterminate employees who are affected by work force adjustment situations are not themselves responsible for such situations, it is the responsibility of departments to ensure that they are treated equitably and, given every reasonable opportunity to continue their careers as public service employees.

1.1.2 Departments shall carry out effective human resource planning to minimise the impact of work force adjustment situations on indeterminate employees, on the department, and on the public service.

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1.1.3 Departments shall establish work force adjustment committees, where appropriate, to manage the work force adjustment situations within the department, and they shall notify PIPSC of the responsible officers who will administer this Appendix.

1.1.4 Departments shall, as the home department, cooperate with the PSC and appointing departments in joint efforts to redeploy or retrain for redeployment to appointing departments departmental surplus employees and laid-off persons.

1.1.5 Departments shall establish systems to facilitate redeployment or retraining of the department's affected employees, surplus employees, and laid-off persons.

1.1.6 When a deputy head determines that the services of an employee are no longer required beyond a specified date due to lack of work or discontinuance of a function, the deputy head shall advise the employee, in writing, that his or her services will no longer be required. A copy of this letter shall be sent forthwith to the PSC.

Such a communication shall also indicate if the employee:

- (a) is being provided a guarantee of a reasonable job offer from the deputy head and that the employee will be in surplus status from that date on,

or

- (b) is an opting employee and has access to the Options of Section 6.3 of this Appendix because the employee is not in receipt of a guarantee of a reasonable job offer from the deputy head.

Where applicable, the communication should also provide the information relative to the employee's possible lay-off date.

1.1.7 Deputy heads will be expected to provide a guarantee of a reasonable job offer for those employees subject to work force adjustment for whom they know or can predict employment availability in the public service.

1.1.8 Where a deputy head cannot provide a guarantee of a reasonable job offer, the deputy head will provide 120 days to consider the three Options outlined in Part VI of this Appendix to all opting employees before a decision is required of them. If the employee fails to select an option, the employee will be deemed to have selected Option (a), Twelve-month surplus priority period in which to secure a reasonable job offer.

1.1.9 The deputy head shall make a determination to either provide a guarantee of a reasonable job offer or access to the Options set out in 6.3 of this Appendix, upon request of any indeterminate affected employee who can demonstrate that his or her duties have already ceased to exist.

1.1.10 Departments shall send written notice to the PSC of the employee's surplus status, and shall send to the PSC such details, forms, resumes, and other material as the PSC may from time to time prescribe as necessary for it to discharge its function.

**

1.1.11 Departments shall advise the President of PIPSC and consult with PIPSC representatives as completely as possible regarding any work force adjustment situation as soon as possible after the decision has been made and throughout the process. As soon as the affected employees are identified, the departments will immediately forward the name and location of those employees to PIPSC.

1.1.12 The home department shall recommend in writing to the PSC whether the employee is suitable for appointment. Where an employee is not considered suitable for appointment, the department shall advise the employee and PIPSC of that recommendation. The department shall send to the employee a copy of the written communication to the Public Service Commission, indicating the reasons

for the recommendation together with any enclosures. The department shall also advise the employee that he or she may make oral or written submissions about the matter to the Public Service Commission before the PSC makes its decision. Where the Public Service Commission does not accept the department's recommendation, the department shall provide the surplus period required under this Appendix, beginning on the date the department is advised of the decision. The department shall so advise the employee.

1.1.13 The home department shall provide the PSC with a statement that it would be prepared to appoint the surplus employee to a suitable position in the department commensurate with his or her qualifications, if such a position were available.

1.1.14 Departments shall provide that employee with the official notification that he or she has become subject to a work force adjustment and shall remind the employee that Appendix "F" on Work Force Adjustment of this collective agreement applies.

1.1.15 Deputy heads shall apply this Appendix so as to keep actual involuntary lay-offs to a minimum, and lay-offs shall normally only occur where an individual has refused a reasonable job offer, or is not mobile, or cannot be retrained within two years, or is laid-off at his or her own request.

1.1.16 Departments are responsible to counsel and advise their affected employees on their opportunities of finding continuing employment in the public service.

1.1.17 Appointment of surplus employees to alternative positions, whether with or without retraining, shall normally be at a level equivalent to that previously held by the employee, but this does not preclude appointment to a lower level. Departments shall avoid appointment to a lower level except where all other avenues have been exhausted.

1.1.18 Home departments shall appoint as many of their own surplus employees or laid-off persons as possible, or identify alternative positions (both actual and anticipated) for which individuals can be retrained.

1.1.19 Home departments shall relocate surplus employees and laid-off individuals, if necessary.

1.1.20 Relocation of surplus employees or laid-off persons shall be undertaken when the individuals indicate that they are willing to relocate and relocation will enable their redeployment or reappointment, providing that

(a) there are no available priority persons, or priority persons with a higher priority, qualified and interested in the position being filled;

or

(b) no available local surplus employees or laid-off persons who are interested and who could qualify with retraining.

1.1.21 The cost of travelling to interviews for possible appointments and of relocation to the new location shall be borne by the employee's home department. Such cost shall be consistent with the Travel and Relocation directives.

1.1.22 For the purposes of the Relocation directive, surplus employees and laid-off persons who relocate under this Appendix shall be deemed to be employees on employer-requested relocations. The general rule on minimum distances for relocation applies.

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1.1.23 For the purposes of the Travel directive, laid-off persons travelling to interviews for possible reappointment to public service are deemed to be "a traveler on government business".

1.1.24 For the priority period, home departments shall pay the salary costs, and other authorised costs such as tuition, travel, relocation, and retraining for surplus employees and laid-off persons, as provided for in this collective agreement and the various directives; all authorised costs of termination; and salary protection upon lower-level appointment, unless the appointing department is willing to absorb these costs in whole or in part.

1.1.25 Where a surplus employee is appointed by another department to a term position, the home department is responsible for the costs above for one year from the date of such appointment, after which the appointing department becomes the new home department.

1.1.26 Departments shall protect the indeterminate status and surplus priority of a surplus indeterminate employee appointed to a term position under this Appendix.

1.1.27 Departments shall inform the PSC in a timely fashion of the results of all referrals made to them under this Appendix, whether such referrals are for immediate appointment, for retraining designed to qualify individuals for appointment, or for anticipated vacancies.

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1.1.28 Departments shall review the use of private temporary agency personnel, contractors, consultants, employees appointed for a specified period (terms) and all other non-indeterminate employees. Where practicable, departments shall not re-engage such temporary agency personnel, contractors, consultants nor renew the employment of such employees referred to above where such action would facilitate the appointment of surplus employees or laid-off persons.

1.1.29 Nothing in the foregoing shall restrict the employer's right to engage or appoint persons to meet short-term, non-recurring requirements. Surplus and laid-off persons shall be given priority even for these short-term work opportunities.

1.1.30 Departments may lay off an employee at a date earlier than originally scheduled when the surplus employee requests them to do so in writing.

1.1.31 Departments, acting as appointing departments, shall cooperate with the PSC and other departments in accepting, to the extent possible, affected, surplus and laid-off persons, from other departments for appointment or retraining.

1.1.32 Departments shall provide surplus employees with a lay-off notice at least one month before the proposed lay-off date, if appointment efforts have been unsuccessful.

1.1.33 When a surplus employee refuses a reasonable job offer, he or she shall be subject to lay-off one month after the refusal, however not before six months after the surplus declaration date. The provisions of 1.3.3 shall continue to apply.

1.1.34 Departments are to presume that each employee wishes to be redeployed unless the employee indicates the contrary in writing.

1.1.35 Departments shall inform and counsel affected and surplus employees as early and as completely as possible and shall, in addition, assign a counsellor to each opting and surplus employee and laid-off person to work with them throughout the process. Such counselling is to include explanations and assistance concerning:

- (a) the work force adjustment situation and its effect on that individual;
 - (b) the work force adjustment Appendix;
 - (c) the PSC's Priority Administration System and how it works from the employee's perspective (referrals, interviews or "boards", feedback to the employee, follow-up by the PSC, how the employee can obtain job information and prepare for an interview, etc.);
 - (d) preparation of a curriculum vitae or resume;
 - (e) preparation for an interview with the PSC;
 - (f) the employee's rights and obligations;
 - (g) the employee's current situation (e.g. pay, benefits such as severance pay and superannuation, classification, language rights, years of service);
 - (h) alternatives that might be available to the employee (alternation, appointment, relocation, retraining, lower-level employment, term employment, retirement including possibility of waiver of penalty if entitled to an annual allowance, Transition Support Measure, Education Allowance, resignation, accelerated lay-off);
 - (i) the likelihood that the employee will be successfully appointed;
 - (j) the meaning of a guarantee of reasonable job offer, a Twelve-month surplus priority period in which to secure a reasonable job offer, a Transition Support Measure, an Education Allowance;
 - (k) the Human Resources Centres and their services (including a recommendation that the employee register with the nearest office as soon as possible);
 - (l) preparation for interviews with prospective employers;
 - (m) repeat counselling as long as the individual is entitled to a staffing priority and has not been appointed;
- and
- (n) advising the employee that refusal of a reasonable job offer will jeopardize both chances for retraining and overall employment continuity.

1.1.36 Home departments shall ensure that, when it is required to facilitate appointment, a retraining plan is prepared and agreed to in writing by themselves, the employee and the appointing department.

1.1.37 Severance pay and other benefits flowing from other clauses in this collective agreement are separate from, and in addition to, those in this Appendix.

1.1.38 Any surplus employee who resigns under this Appendix shall be deemed, for the purposes of severance pay and retroactive remuneration, to be involuntarily laid off on the day as of which the deputy head accepts in writing the employee's resignation.

1.2 The Treasury Board Secretariat

1.2.1 It is the responsibility of the Treasury Board Secretariat to:

(a) investigate and seek to resolve situations referred by the PSC or other parties,

and

(b) consider departmental requests for retraining resources.

1.3 The Public Service Commission

1.3.1 The PSC shall establish and modify staffing policies and procedures to ensure the most effective and efficient means of maximizing the redeployment of surplus employees and the appointment of laid-off persons to positions in the public service.

1.3.2 The PSC shall temporarily restrict or suspend any authority delegated to deputy heads to make appointments in specified occupational groups when such action is necessary.

1.3.3 The PSC shall actively market surplus employees and laid-off persons to all departments unless the individuals have advised the PSC in writing that they are not available for appointment.

1.3.4 The PSC shall advise the Treasury Board Secretariat when departments fail to comply in good faith with this Appendix and/or to cooperate with the PSC in redeployment, retraining, or appointment activities.

1.3.5 The PSC shall determine, to the extent possible, the occupations in which there are skill shortages for which surplus employees or laid-off persons could be retrained, and advise departments accordingly.

1.3.6 The PSC shall provide surplus and laid-off individuals with counselling on their work force adjustment situation and its impact on them during their priority entitlement.

1.3.7 The PSC shall provide information directly to PIPSC on the numbers and status of their members who are in the Priority Administration System and, on a service-wide basis, through reports to PIPSC.

1.3.8 The Public Service Commission shall decide whether employees are suitable for appointment. Where a deputy head recommends that an employee is not suitable, the PSC shall, after considering such a recommendation, and representations of the employee or his or her representative, advise the deputy head, the employee, and his or her representative of its decision whether the employee is entitled to surplus and lay-off priority and the reasons for the decision. The PSC shall also inform the PIPSC of its decision.

1.3.9 The PSC shall, wherever possible, ensure that reinstatement priority is given to all employees who are subject to salary protection.

1.3.10 While the responsibility for retraining lies with the home department, the PSC is responsible for making the appropriate referrals and may recommend retraining where it would facilitate appointment, and the appointing department is responsible for considering retraining the individual and for justifying a decision not to retrain.

1.3.11 The PSC shall inform, in a routine and timely manner, a surplus employee or laid-off person, his or her home department and a representative of PIPSC, when he or she has been referred to a department for consideration but will not be offered the position. The PSC shall include full details of why he or she will not be appointed to or retrained for that position.

1.4 Employees

1.4.1 Employees have the right to be represented by PIPSC in the application of this Appendix.

1.4.2 Employees who are directly affected by work force adjustment situations and who receive a guarantee of a reasonable job offer, or who opt, or are deemed to have opted, for Option (a) of Part VI of this Appendix are responsible for:

- (a) actively seeking alternative employment in co-operation with their departments and the PSC, unless they have advised the department and the PSC, in writing, that they are not available for appointment;
- (b) seeking information about their entitlements and obligations;
- (c) providing timely information to the home department and to the PSC to assist them in their appointment activities (including curriculum vitae or resumes);
- (d) ensuring that they can be easily contacted by the PSC and appointing departments, and attending appointments related to referrals;
- (e) seriously considering job opportunities presented to them (referrals within the home department, referrals from the PSC, and job offers made by departments), including retraining and relocation possibilities, specified period appointments and lower-level appointments.

1.4.3 Opting employees are responsible for:

- (a) considering the Options of Part VI of this Appendix;
- (b) communicating their choice of Options, in writing, to their manager no later than 120 days after being declared opting.

Part II

Official notification

2.1 Department

2.1.1 As already mentioned in section 1.1.11, departments shall advise and consult with the bargaining agent representatives as completely as possible regarding any work force adjustment situation as soon as possible after the decision has been made and throughout the process and will make available to the bargaining agent the name and work location of affected employees.

**

2.1.2 In any work force adjustment situation which is likely to involve ten or more indeterminate employees covered by this Appendix, the department concerned shall notify the Assistant Secretary (or delegate), Labour Relations and Compensation Operations, Treasury Board Secretariat, in confidence, at the earliest possible date and under no circumstances less than four working days before the situation is announced. The department shall send a copy of the advice to the Director General, Recruitment Programs and Priority Administration Directorate, Resourcing and Learning Branch, Public Service Commission.

2.2 Treasury Board Secretariat

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2.2.1 Upon notification by the department concerned in 2.1.2 above, and under no circumstances less than two working days before the situation is announced, the Assistant Secretary (or delegate), Labour Relations and Compensation Operations, Treasury Board Secretariat shall inform, in writing and in confidence, the President of PIPSC. This information is to include the identity and location of the work unit(s) involved; the expected date of the announcement; the anticipated timing of the situation; and the numbers of employees, by group and level, who will be affected.

Part III

Relocation of a work unit

3.1 General

3.1.1 In cases where a work unit is to be relocated, departments shall provide all employees whose positions are to be relocated with the opportunity to choose whether they wish to move with the position or be treated as if they were subject to a work force adjustment situation.

3.1.2 Following written notification, employees must indicate, within a period of six months, their intention to move. If the employee's intention is not to move with the relocated position, the Deputy head, after having considered relevant factors, can either provide the employee with a guarantee of a reasonable job offer or access to the Options set out in section 6.3 of this Appendix.

3.1.3 Employees relocating with their work units shall be treated in accordance with the provisions of 1.1.19 to 1.1.23.

3.1.4 Although departments will endeavour to respect employee location preferences, nothing precludes the department from offering the relocated position to employees in receipt of a guarantee of a reasonable job offer from their deputy heads, after having spent as much time as operations permit looking for a reasonable job offer in the employee's location preference area.

3.1.5 Employees who are not in receipt of a guarantee of a reasonable job offer shall become opting employees and have access to the Options set out in Part VI of this Appendix.

Part IV Retraining

4.1 General

4.1.1 To facilitate the redeployment of affected employees, surplus employees, and laid-off persons, departments shall make every reasonable effort to retrain such persons for:

- (a) existing vacancies,
- or
- (b) anticipated vacancies identified by management.

4.1.2 The PSC and departments shall be responsible for identifying situations where retraining can facilitate the appointment of surplus employees and laid-off persons, and shall cooperate in such efforts.

4.1.3 Subject to the provisions of 4.1.2, the deputy head of the home department shall approve up to two years of retraining.

4.2 Surplus employees

4.2.1 A surplus employee is eligible for retraining providing:

- (a) retraining is needed to facilitate the appointment of the individual to a specific vacant position or will enable the individual to qualify for anticipated vacancies in occupations or locations where there is a shortage of qualified candidates;

and

**

- (b) there are no other available priority persons who qualify for a specific vacant position as referenced in (a) above.

4.2.2 The home department is responsible for ensuring that an appropriate retraining plan is prepared and is agreed to in writing by the employee and the delegated officers of the home and appointing departments.

4.2.3 Once a retraining plan has been initiated, its continuation and completion are subject to satisfactory performance by the employee.

4.2.4 While on retraining, a surplus employee continues to be employed by the home department and is entitled to be paid in accordance with his or her current appointment, unless the appointing department is willing to appoint the employee indeterminately, conditional on successful completion of retraining, in which case the retraining plan shall be included in the letter of offer.

4.2.5 When a retraining plan has been approved and the surplus employee continues to be employed by the home department, the proposed lay-off date shall be extended to the end of the retraining period, subject to 4.2.3.

4.2.6 An employee unsuccessful in retraining may be laid off at the end of the surplus period, provided that the employer has been unsuccessful in making the employee a reasonable job offer.

4.2.7 In addition to all other rights and benefits granted pursuant to this section, an employee who is guaranteed a reasonable job offer, is also guaranteed, subject to the employee's willingness to relocate, training to prepare the surplus employee for appointment to a position pursuant to section 4.1.1, such training to continue for one year or until the date of appointment to another position, whichever comes first. Appointment to this position is subject to successful completion of the training.

4.3 Laid-off persons

4.3.1 A laid-off person shall be eligible for retraining providing:

- (a) retraining is needed to facilitate the appointment of the individual to a specific vacant position;

- (b) the individual meets the minimum requirements set out in the relevant Selection Standard for appointment to the group concerned;
 - (c) there are no other available persons with a priority who qualify for the position;
- and
- (d) the appointing department cannot justify a decision not to retrain the individual.

4.3.2 When an individual is offered an appointment conditional on successful completion of retraining, a retraining plan reviewed by the PSC shall be included in the letter of offer. If the individual accepts the conditional offer, he or she will be appointed on an indeterminate basis to the full level of the position after having successfully completed training and being assessed as qualified for the position. When an individual accepts an appointment to a position with a lower maximum rate of pay than the position from which he or she was laid-off, the employee will be salary protected in accordance with Part V.

Part V

Salary protection

5.1 Lower-level position

5.1.1 Surplus employees and laid-off persons appointed to a lower-level position under this Appendix shall have their salary and pay equity equalization payments, if any, protected in accordance with the salary protection provisions of this collective agreement, or, in the absence of such provisions, the appropriate provisions of the Regulations Respecting Pay on Reclassification or Conversion.

5.1.2 Employees whose salary is protected pursuant to section 5.1.1 will continue to benefit from salary protection until such time as they are appointed or deployed into a position with a maximum rate of pay that is equal to or higher than the maximum rate of pay of the position from which they were declared surplus or laid off.

Part VI

Options for employees

6.1 General

6.1.1 Deputy heads will be expected to provide a guarantee of a reasonable job offer for those affected employees for whom they know or can predict employment availability. A Deputy Head who cannot provide such a guarantee shall provide his or her reasons in writing, if requested by the employee. Employees in receipt of this guarantee would not have access to the choice of Options below.

6.1.2 Employees who are not in receipt of a guarantee of a reasonable job offer from their deputy head have 120 days to consider the three Options below before a decision is required of them.

6.1.3 The opting employee must choose, in writing, one of the three Options of section 6.3 of this Appendix within the 120-day window. The employee cannot change Options once having made a written choice.

6.1.4 If the employee fails to select an Option, the employee will be deemed to have selected Option (a), Twelve-month surplus priority period in which to secure a reasonable job offer at the end of the 120-day window.

6.1.5 If a reasonable job offer which does not require a relocation is made at any time during the 120-day opting period and prior to the written acceptance of the Transition Support Measure or the Education Allowance Option, the employee is ineligible for the TSM or the Education Allowance.

6.2 Alternation

6.2.1 All departments must participate in the alternation process.

6.2.2 An alternation occurs when an opting employee who wishes to remain in the public service exchanges positions with a non-affected employee (the alternate) willing to leave the public service under the terms of Part VI of this Appendix.

6.2.3 Only an opting employee, not a surplus one, may alternate into an indeterminate position that remains in the public service.

6.2.4 An indeterminate employee wishing to leave the public service may express an interest in alternating with an opting employee. Management will decide, however, whether a proposed alternation will result in retaining the skills required to meet the ongoing needs of the position and the public service.

6.2.5 An alternation must permanently eliminate a function or a position.

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6.2.6 The opting employee moving into the unaffected position must be, to the degree determined by the Employer, able to meet the requirements of the position, including language requirements. The alternate moving into the opting position must meet the requirements of the position, except if the alternate will not be performing the duties of the position and the alternate will be struck off strength within five days of the alternation.

6.2.7 An alternation should normally occur between employees at the same group and level. When the two positions are not the same group and level, alternation can still occur when the positions can be considered equivalent. They are considered equivalent when the maximum rate of pay for the higher paid position is no more than six-per-cent higher than the maximum rate of pay for the lower paid position.

6.2.8 An alternation must occur on a given date, i.e. two employees directly exchange positions on the same day. There is no provision in alternation for a “domino” effect or for “future considerations”.

6.3 Options

6.3.1 Only opting employees who are not in receipt of the guarantee of a reasonable job offer from the deputy head will have access to the choice of Options below:

**

(a)

- (i) Twelve-month surplus priority period in which to secure a reasonable job offer is time-limited. Should a reasonable job offer not be made within a period of twelve months, the employee will be laid off in accordance with the *Public Service Employment Act*. Employees who choose or are deemed to have chosen this Option are surplus employees.

- (ii) At the request of the employee, this twelve (12) month surplus priority period shall be extended by the unused portion of the 120-day opting period referred to in 6.1.2 which remains once the employee has selected in writing option (a).
- (iii) When a surplus employee who has chosen, or who is deemed to have chosen, Option (a) offers to resign before the end of the twelve-month surplus priority period, the deputy head may authorise a lump-sum payment equal to the surplus employee's pay for the substantive position for the balance of the surplus period, up to a maximum of six months. The amount of the lump sum payment for the pay in lieu cannot exceed the maximum of that which he or she would have received had they chosen Option (b), the Transition Support Measure.
- (iv) Departments will make every reasonable effort to market a surplus employee and the Employer will ask the Public Service Commission to make every reasonable effort to market a surplus employee within the employee's surplus period within his or her preferred area of mobility.

or

- (b) Transition Support Measure (TSM) is a cash payment, based on the employee's years of service in the public service (see Annex "B") made to an opting employee. Employees choosing this Option must resign but will be considered to be laid-off for purposes of severance pay.

or

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- (c) Education allowance is a Transitional Support Measure (see Option (b) above) plus an amount of not more than \$8,000 for reimbursement of receipted expenses of an opting employee for tuition from a learning institution and costs of books and mandatory equipment, and up to an additional \$2,000 to the above mentioned \$8,000, for reimbursement of receipted expenses of an opting employee for tuition, costs of books and mandatory equipment for a postgraduate university program.

Employees choosing Option (c) could either:

- (i) resign from the public service but be considered to be laid-off for severance pay purposes on the date of their departure;

or

- (ii) delay their departure date and go on leave without pay for a maximum period of two years, while attending the learning institution. The TSM shall be paid in one or two lump-sum amounts over a maximum two-year period. During this period, employees could continue to be public service benefit plan members and contribute both employer and employee share to the benefits plans and the *Public Service Superannuation Plan*. At the end of the two-year leave without pay period, unless the employee has found alternate employment in the public service, the employee will be laid off in accordance with the *Public Service Employment Act*.

6.3.2 Management will establish the departure date of opting employees who choose Option (b) or Option (c) above.

6.3.3 The TSM, pay in lieu of unfulfilled surplus period and the Education Allowance cannot be combined with any other payment under the Work Force Adjustment Appendix.

6.3.4 In the cases of: pay in lieu of unfulfilled surplus period, Option (b) and (c)(i), the employee relinquishes any priority rights for reappointment upon acceptance of his or her resignation.

6.3.5 Employees choosing Option (c)(ii) who have not provided their department with a proof of registration from a learning institution 12 months after starting their leave without pay period will be deemed to have resigned from the public service, and be considered to be laid-off for purposes of severance pay.

6.3.6 All opting employees will be entitled to up to \$400.00 for financial planning advice.

6.3.7 An opting employee who has received pay in lieu of unfulfilled surplus period, a TSM or an Education Allowance and is re-appointed to that portion of the Public Service of Canada specifically in one of the departments or agencies listed in schedule I, of the *Public Service Staff Relations Act* shall reimburse the

Receiver General for Canada by an amount corresponding to the period from the effective date of such re-appointment or hiring, to the end of the original period for which the TSM or Education Allowance was paid.

6.3.8 Notwithstanding section 6.3.7, an opting employee who has received an Education Allowance will not be required to reimburse tuition expenses, costs of books and mandatory equipment, for which he or she cannot get a refund.

6.3.9 The deputy head shall ensure that pay in lieu of unfulfilled surplus period is only authorised where the employee's work can be discontinued on the resignation date and no additional costs will be incurred in having the work done in any other way during that period.

6.3.10 If a surplus employee who has chosen, or is deemed to have chosen, Option (a) refuses a reasonable job offer at any time during the twelve-month surplus priority period, the employee is ineligible for pay in lieu of unfulfilled surplus period.

6.3.11 Approval of pay in lieu of unfulfilled surplus period is at the discretion of management, but shall not be unreasonably denied.

6.4 Retention payment

6.4.1 There are three situations in which an employee may be eligible to receive a retention payment. These are total facility closures, relocation of work units and alternative delivery initiatives.

6.4.2 All employees accepting retention payments must agree to leave the public service without priority rights.

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6.4.3 An individual who has received a retention payment and, as applicable, is either reappointed, or hired to that portion of the Public Service of Canada specifically in one of the departments or agencies listed in schedule I, of the *Public Service Staff Relations Act*, or is hired by the new employer within the six months immediately following his or her resignation, shall reimburse the Receiver General for Canada by an amount corresponding to the period from the effective date of such re-appointment or hiring, to the end of the original period for which the lump sum was paid.

6.4.4 The provisions of 6.4.5 shall apply in total facility closures where public service jobs are to cease, and:

- (a) such jobs are in remote areas of the country,
or
- (b) retraining and relocation costs are prohibitive,
or
- (c) prospects of reasonable alternative local employment (whether within or outside the public service) are poor.

6.4.5 Subject to 6.4.4, the deputy head shall pay to each employee who is asked to remain until closure of the work unit and offers a resignation from the public service to take effect on that closure date, a sum equivalent to six months' pay payable upon the day on which the departmental operation ceases, provided the employee has not separated prematurely.

6.4.6 The provisions of 6.4.7 shall apply in relocation of work units where public service work units:

- (a) are being relocated,
and
- (b) when the deputy head of the home department decides that, in comparison to other options, it is preferable that certain employees be encouraged to stay in their jobs until the day of workplace relocation,
and
- (c) where the employee has opted not to relocate with the function.

6.4.7 Subject to 6.4.6, the deputy head shall pay to each employee who is asked to remain until the relocation of the work unit and offers a resignation from the public service to take effect on the relocation date, a sum equivalent to six months' pay payable upon the day on which the departmental operation relocates, provided the employee has not separated prematurely.

6.4.8 The provisions of 6.4.9 shall apply in alternative delivery initiatives:

- (a) where the public service work units are affected by alternative delivery initiatives;

- (b) when the deputy head of the home department decides that, compared to other options, it is preferable that certain employees be encouraged to stay in their jobs until the day of the transfer to the new employer;

and
- (c) where the employee has not received a job offer from the new employer or has received an offer and did not accept it.

6.4.9 Subject to 6.4.8, the deputy head shall pay to each employee who is asked to remain until the transfer date and who offers a resignation from the public service to take effect on the transfer date, a sum equivalent to six months pay payable upon the transfer date, provided the employee has not separated prematurely.

Part VII

Special provisions regarding alternative delivery initiatives

Preamble

The administration of the provisions of this part will be guided by the following principles:

- (a) fair and reasonable treatment of employees;
- (b) value for money and affordability;

and
- (c) maximization of employment opportunities for employees.

The parties recognise:

- the union's need to represent employees during the transition process;
- the Employer's need for greater flexibility in organising the public service.

For Employees' Information Purposes Only

For information with respect to accrued benefits, refer to Section 11(10) of the *Financial Administration Act* (FAA).

7.1 Definitions

For the purposes of this part, an **alternative delivery initiative** (*diversification des modes d'exécution*) is the transfer of any work, undertaking or business of the public service to any body or corporation that is a separate employer or that is outside the public service;

For the purposes of this part, a **reasonable job offer** (*offre d'emploi raisonnable*) is an offer of employment received from a new employer in the case of a Type 1 or Type 2 transitional employment arrangement, as determined in accordance with section 7.2.2;

For the purposes of this part, a **termination of employment** (*licenciement du fonctionnaire*) is the termination of employment referred to in paragraph 11(2)(g.1) of the *Financial Administration Act* (FAA).

7.2 General

Departments will, as soon as possible after the decision is made to proceed with an ASD initiative, and if possible, not less than 180 days prior to the date of transfer, provide notice to PIPSC.

The notice to PIPSC will include: 1) the program being considered for ASD, 2) the reason for the ASD, and 3) the type of approach anticipated for the initiative.

A joint WFA-ASD committee will be created for ASD initiatives and will have equal representation from the department and PIPSC. By mutual agreement the committee may include other participants. The joint WFA-ASD committee will define the rules of conduct of the committee.

In cases of ASD initiatives, the parties will establish a joint WFA-ASD committee to conduct meaningful consultation on the human resources issues related to the ASD initiative in order to provide information to the employee which will assist him or her in deciding on whether or not to accept the job offer.

1. Commercialisation

In cases of commercialisation where tendering will be part of the process, the members of the joint WFA-ASD committee shall make every reasonable effort to come to an agreement on the criteria related to human resources issues (e.g. terms and conditions of employment, pension and health care benefits, the take-up number of employees) to be used in the

request for proposal (RFP) process. The committee will respect the contracting rules of the federal government.

2. **Creation of a new Agency**

In cases of the creation of new agencies, the members of the joint WFA/ASD committee shall make every reasonable effort to agree on common recommendations related to human resources issues (e.g. terms and conditions of employment, pension, and health care benefits) that should be available at the date of transfer.

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3. **Transfer to existing employers**

In all other ASD initiatives where an employer-employee relationship already exists the parties will hold meaningful consultations to clarify the terms and conditions that will apply upon transfer.

In the cases of commercialisation and creation of new agencies, consultation opportunities will be given to PIPSC; however, if after meaningful consultation agreements are not possible, the department may still proceed with the transfer.

7.2.1 The provisions of this Part apply only in the case of alternative delivery initiatives and are in exception to other provisions of this Appendix. Employees who are affected by alternative delivery initiatives and who receive job offers from the new employer shall be treated in accordance with the provisions of this part and, only where specifically indicated will other provisions of this Appendix apply to them.

7.2.2 There are three types of transitional employment arrangements resulting from alternative delivery initiatives:

(a) Type 1 (Full Continuity)

Type 1 arrangements meet all of the following criteria:

- (i) legislated successor rights apply. Specific conditions for successor rights applications will be determined by the labour legislation governing the new employer;
- (i.ii) the *Public Service Terms and Conditions of Employment Regulations*, the terms of the collective agreement referred to

therein and/or the applicable compensation plan will continue to apply to unrepresented and excluded employees until modified by the new employer;

- (ii) recognition of continuous employment in the public service, as defined in the *Public Service Terms and Conditions of Employment Regulations*, for purposes of determining the employee's entitlements under the collective agreement continued due to the application of successor rights;
 - (iii) pension arrangements according to the Statement of Pension Principles set out in Annex "A", or, in cases where the test of reasonableness set out in that Statement is not met, payment of a lump-sum to employees pursuant to section 7.7.3;
 - (iv) transitional employment guarantee: a two-year minimum employment guarantee with the new employer;
 - (v) coverage in each of the following core benefits: health benefits, long term disability insurance (LTDI) and dental plan;
 - (vi) short-term disability bridging: recognition of the employee's earned but unused sick leave credits up to maximum of the new employer's LTDI waiting period.
- (b) Type 2 (Substantial Continuity)

Type 2 arrangements meet all of the following criteria:

- (i) the average new hourly salary offered by the new employer (= rate of pay + equal pay adjustments + supervisory differential) for the group moving is 85 per cent or greater of the group's current federal hourly remuneration (= pay + equal pay adjustments + supervisory differential), when the hours of work are the same;
- (ii) the average annual salary of the new employer (= rate of pay + equal pay adjustments + supervisory differential) for the group moving is 85 per cent or greater of federal annual remuneration (= per cent or greater of federal annual remuneration (= pay + equal pay adjustments + supervisory differential), when the hours of work are different;

- (iii) pension arrangements according to the Statement of Pension Principles as set out in Annex “A”, or in cases where the test of reasonableness set out in that Statement is not met, payment of a lump-sum to employees pursuant to section 7.7.3;
 - (iv) transitional employment guarantee: employment tenure equivalent to that of the permanent work force in receiving organizations or a two-year minimum employment guarantee;
 - (v) coverage in each area of the following core benefits: health benefits, long-term disability insurance (LTDI) and dental plan;
 - (vi) short-term disability arrangement.
- (c) Type 3 (Lesser Continuity)

A Type 3 arrangement is any alternative delivery initiative that does not meet the criteria applying in Type 1 and 2 transitional employment arrangements.

7.2.3 For Type 1 and Type 2 transitional employment arrangements, the offer of employment from the new employer will be deemed to constitute a reasonable job offer for purposes of this part.

7.2.4 For Type 3 transitional employment arrangements, an offer of employment from the new employer will not be deemed to constitute a reasonable job offer for purposes of this part.

7.3 Responsibilities

7.3.1 Deputy heads will be responsible for deciding, after considering the criteria set out above, which of the Types applies in the case of particular alternative delivery initiatives.

7.3.2 Employees directly affected by alternative delivery initiatives are responsible for seriously considering job offers made by new employers and advising the home department of their decision within the allowed period.

7.4 Notice of alternative delivery initiatives

7.4.1 Where alternative delivery initiatives are being undertaken, departments shall provide written notice to all employees offered employment by the new

employer, giving them the opportunity to choose whether they wish to accept the offer.

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7.4.2 Following written notification, employees must indicate within a period of 60 days their intention to accept the employment offer.

7.5 Job offers from new employers

7.5.1 Employees subject to this Appendix (see Application) and who do not accept the reasonable job offer from the new employer in the case of Type 1 or 2 transitional employment arrangements will be given four months notice of termination of employment and their employment will be terminated at the end of that period or on a mutually agreed upon date before the end of the four month notice period except where the employee was unaware of the offer or incapable of indicating an acceptance of the offer as provided for in subsection 11(2.02) of the *Financial Administration Act* (FAA).

7.5.2 The deputy head may extend the notice of termination period for operational reasons, but no such extended period may end later than the date of the transfer to the new employer.

7.5.3 Employees who do not accept a job offer from the new employer in the case of Type 3 transitional employment arrangements may be declared opting or surplus by the deputy head in accordance with the provisions of the other parts of this Appendix. For greater certainty, those who are declared surplus will be subject to the provisions of section 29 of the *Public Service Employment Act* (PSEA) and section 39 of the *Public Service Employment Regulations* (PSER).

7.5.4 Employees who accept a job offer from the new employer in the case of any alternative delivery initiative will have their employment terminated on the date on which the transfer becomes effective, or on another date that may be designated by the home department for operational reasons provided that this does not create a break in continuous service between the public service and the new employer.

7.6 Application of other provisions of the Appendix

7.6.1 For greater certainty, the provisions of Part II, Official Notification, and section 6.4, Retention Payment, will apply in the case of an employee who refuses an offer of employment in the case of a Type 1 or 2 transitional employment

arrangement. A payment under section 6.4 may not be combined with a payment under the other section.

7.7 Lump-sum payments and salary top-up allowances

7.7.1 Employees who are subject to this Appendix (see Application) and who accept the offer of employment from the new employer in the case of Type 2 transitional employment arrangements will receive a sum equivalent to three months pay, payable upon the day on which the departmental work or function is transferred to the new employer. The home department will also pay these employees an 18-month salary top-up allowance equivalent to the difference between the remuneration applicable to their public service position and the salary applicable to their position with the new employer. This allowance will be paid as a lump-sum, payable on the day on which the departmental work or function is transferred to the new employer.

7.7.2 In the case of individuals who accept an offer of employment from the new employer in the case of a Type 2 arrangement whose new hourly or annual salary falls below 80 per cent of their former federal hourly or annual remuneration, departments will pay an additional six months of salary top-up allowance for a total of 24-months under this section and section 7.7.1. The salary top-up allowance equivalent to the difference between the remuneration applicable to their public service position and the salary applicable to their position with the new employer will be paid as a lump-sum payable on the day on which the departmental work or function is transferred to the new employer.

7.7.3 Employees who accept the reasonable job offer from the successor employer in the case of a Type 1 or Type 2 transitional employment arrangement where the test of reasonableness referred to in the Statement of Pension Principles set out in Annex "A" is not met, that is, where the actuarial value (cost) of the new employer's pension arrangements are less than 6.5 per cent of pensionable payroll (excluding the employer's costs related to the administration of the plan) will receive a sum equivalent to three months pay, payable on the day on which the departmental work or function is transferred to the new employer.

7.7.4 Employees who accept an offer of employment from the new employer in the case of Type 3 transitional employment arrangements will receive a sum equivalent to six months pay payable on the day on which the departmental work or function is transferred to the new employer. The home department will also pay these employees a 12-month salary top-up allowance equivalent to the difference between the remuneration applicable to their public service position and the salary applicable to their position with the new employer. The allowance will be paid as

a lump-sum, payable on the day on which the departmental work or function is transferred to the new employer. The total of the lump-sum payment and the salary top-up allowance provided under this section will not exceed an amount equivalent to one year's pay.

7.7.5 For the purposes of 7.7.1, 7.7.2 and 7.7.4, the term "remuneration" includes and is limited to salary plus equal pay adjustments, if any, and supervisory differential, if any.

7.8 Reimbursement

7.8.1 An individual who receives a lump-sum payment and salary top-up allowance pursuant to subsection 7.7.1, 7.7.2, 7.7.3 or 7.7.4 and who is reappointed to that portion of the public service of Canada specified from time to time in Schedule I to the *Public Service Staff Relations Act* at any point during the period covered by the total of the lump-sum payment and salary top-up allowance, if any, shall reimburse the Receiver General for Canada by an amount corresponding to the period from the effective date of re-appointment to the end of the original period covered by the total of the lump-sum payment and salary top-up allowance, if any.

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7.8.2 An individual who receives a lump-sum payment pursuant to subsection 7.6.1 and, as applicable, is either reappointed to that portion of the public service of Canada specified from time to time in Schedule I to the *Public Service Staff Relations Act* or hired by the new employer, to which the employee's work was transferred, at any point covered by the lump-sum payment, shall reimburse the Receiver General for Canada by an amount corresponding to the period from the effective date of the reappointment or hiring to the end of the original period covered by the lump-sum payment.

7.9 Vacation leave credits and severance pay

7.9.1 Notwithstanding the provisions of this collective agreement concerning vacation leave, an employee who accepts a job offer pursuant to this part may choose not to be paid for earned but unused vacation leave credits, provided that the new employer will accept these credits.

7.9.2 Notwithstanding the provisions of this collective agreement concerning severance pay, an employee who accepts a reasonable job offer pursuant to this part will not be paid severance pay where successor rights apply and/or, in the case of a Type 2 transitional employment arrangement, when the new employer

recognizes the employee's years of continuous employment in the public service for severance pay purposes and provides severance pay entitlements similar to the employee's severance pay entitlements at the time of the transfer.

7.9.3 Where:

- (a) the conditions set out in 7.9.2 are not met,
- (b) the severance provisions of this collective agreement are extracted from this collective agreement prior to the date of transfer to another non-federal public sector employer,
- (c) the employment of an employee is terminated pursuant to the terms of section 7.5.1,

or
- (d) the employment of an employee who accepts a job offer from the new employer in a Type 3 transitional employment arrangement is terminated on the transfer of the function to the new employer

the employee shall be deemed, for purposes of severance pay, to be involuntarily laid off on the day on which employment in the public service terminates.

Annex “A” – Statement of pension principles

1. The new employer will have in place, or Her Majesty in right of Canada will require the new employer to put in place, reasonable pension arrangements for transferring employees. The test of “reasonableness” will be that the actuarial value (cost) of the new employer pension arrangements will be at least 6.5 per cent of pensionable payroll, which in the case of defined-benefit pension plans will be as determined by the Assessment Methodology developed by Towers Perrin for the Treasury Board, dated October 7, 1997. This Assessment Methodology will apply for the duration of this collective agreement. Where there is no reasonable pension arrangement in place on the transfer date or no written undertaking by the new employer to put such reasonable pension arrangement in place effective on the transfer date, subject to the approval of Parliament and a written undertaking by the new employer to pay the employer costs, *Public Service Superannuation Act* (PSSA) coverage could be provided during a transitional period of up to a year.
2. Benefits in respect of service accrued to the point of transfer are to be fully protected.
3. Her Majesty in right of Canada will seek portability arrangements between the Public Service Superannuation Plan and the pension plan of the new employer where a portability arrangement does not yet exist. Furthermore, Her Majesty in right of Canada will seek authority to permit employees the option of counting their service with the new employer for vesting and benefit thresholds under the PSSA.

Annex “B”

Years of Service in the Public Service	Transition Support Measure (TSM) (Payment in weeks' pay)
0	10
1	22
2	24
3	26
4	28
5	30
6	32
7	34
8	36
9	38
10	40
11	42
12	44
13	46
14	48
15	50
16	52
17	52
18	52
19	52
20	52
21	52
22	52
23	52
24	52
25	52
26	52
27	52
28	52
29	52
30	49
31	46
32	43
33	40
34	37
35	34

Years of Service in the Public Service	Transition Support Measure (TSM) (Payment in weeks' pay)
36	31
37	28
38	25
39	22
40	19
41	16
42	13
43	10
44	07
45	04

For indeterminate seasonal and part-time employees, the TSM will be pro-rated in the same manner as severance pay under the terms of this collective agreement.

Severance pay provisions of this collective agreement are in addition to the TSM.