

## JOINT COMMUNICATION

### **Multi-Employer/UNA Collective Agreement**

### **Guidelines for Administering Pre-Retirement FTE Reduction**

### **Retention Program**

### **November 13, 2007**

These Guidelines are intended to assist the parties in administering the Pre-Retirement FTE Reduction Retention Program (the "Program").

#### **Implementation of the Program**

1. **Description of the Program:** The Program enables eligible Employees to permanently reduce their full-time equivalency (FTE) by up to .2 FTE (provided the FTE goes no lower than .6 FTE) and for a period of up to 2.5 years have Employee and Employer pension contributions continue at the pre-reduction FTE level.
2. **Eligibility Criteria:** In order to be eligible to participate in the Program, an Employee must either be eligible for an unreduced pension (i.e. over age 55 with a combined age and years of service of 85) or have a combined age and years of pensionable service of 80.
3. **Application to participate in the Program:** Employees wishing to participate in the Program should submit their request, in writing, to their supervisor.
4. **Employer Approval:** Employers shall have the right to accept or reject any request to participate in the Program based upon operational requirements such as staff skills mix, individual performance issues, etc. Employers must fully consider all such requests and cannot unreasonably refuse a request to participate in the Program.

#### **Administration of the Program**

1. The Program will be administered as a partial leave of absence in accordance with the LAPP administration rules.
2. LAPP allows contributions to continue during such leave of absence rather than requiring a "buy back" at the conclusion of each year, which is the normal way of administering a pension buy-back. Please refer to the attached *LAPP Administration Information Sheet Re: Leaves of Absence, Buying Leave* for further

information or contact LAPP to make arrangements for the Employee to buy the leave during their partial leave of absence.

3. A maximum of five years (plus up to an additional three years of parental leave) over the course of the Employee's employment is eligible to be bought back as pensionable service. In order for a participating Employee to be eligible to continue to make unreduced contributions to the LAPP under this Program, the partial leave of absence granted pursuant to the Program must not, when combined with other leaves of absence bought back by the Employee under LAPP, exceed the five year maximum. This restriction will only impact an Employee who has previously bought back 4.5 years or more non-parental leave of absence.
4. Subject to these Guidelines and the LAPP administrative rules, the participating Employee and the Employer shall continue to make unreduced regular Employee and Employer contributions to the LAPP during the Employee's participation in the Program.
5. For purposes of this Program only, the Employer shall facilitate the Employee's continued participation in LAPP and continue to make Employer contributions. After a total of one year of LAPP buy back, this can be handled administratively by continuing to deduct the Employee's contributions as if the contributions were still being cost-shared and submitting the full amount (both Employer and Employee contributions) to LAPP. Even though both the Employer and Employee contributions will be submitted, it will show only as Employee contributions for purposes of LAPP. After one year of LAPP buy back, the Employer contributions are a taxable benefit for the Employee.
6. Participation in the Program is limited to a maximum of 2.5 years. At the conclusion of the 2.5 years, the Employee:
  - ▶▶ may retire;
  - ▶▶ may choose to continue to work at the reduced FTE and pension contributions will be reduced to the amount applicable to the reduced FTE; or
  - ▶▶ may exercise other options available to them under the Collective Agreement.