Canada Revenue Agency | Agence du revenu du Canada

SUBMISSION OF THE

CANADA REVENUE AGENCY TO THE

PUBLIC INTEREST COMMISSION

IN RESPECT OF THE

PROGRAM DELIVERY AND ADMINISTRATIVE SERVICES GROUP

Represented by the PUBLIC SERVICE ALLIANCE OF CANADA (PSAC)

CHAIRPERSON:	**Mr. Lorne Slotnick**
MEMBERS:	**Mr. Anthony Boettger** **For the Employer**
	Mr. Joe Herbert **For the Bargaining Agent**

SUBMITTED: **December 19, 2019**

HEARING: **January 6, 2019**
January 20, 2019

Canada

IN THE MATTER OF the Federal Public Sector Labour Relations Act and a dispute affecting the **Public Service Alliance of Canada – Union of Taxation Employees** and Her Majesty In Right of Canada as represented by the **Canada Revenue Agency (CRA)**, in respect of all of the employees of the CRA in the Program Delivery and Administrative Services Group Bargaining Unit as determined by the Public Service Staff Relations Board, now known as the Federal Public Sector Labour Relations and Employment Board, on December 12, 2001.

FOREWORD

This brief is presented without prejudice to the Employer's right to present any additional facts, arguments or counter-proposals it considers appropriate and relevant during the proceedings of this public interest commission.

TABLE OF CONTENTS

APPENDICES

EXECUTIVE SUMMARY

This brief presents the Employer's position concerning the issues in dispute between the Canada Revenue Agency (CRA) and the Public Service Alliance of Canada (PSAC) Program Delivery and Administrative Services (PDAS) group bargaining unit.

Through the process of negotiations, the CRA and the PSAC-PDAS have renewed 5 articles and agreed to modify 22 articles, including 9 articles to reflect gender neutral language. The parties have also agreed to delete 1 article and 2 appendices, as well as add 1 new appendix. There remains 167 items in dispute, including 3 new articles and 5 new appendices proposed by the Bargaining Agent. Further details can be found in **Part IV** of this brief.

For collective bargaining purposes during these negotiations, demographic data used by the Employer and shared with the Bargaining Agent was extracted from the Employer's human resources information system (CAS) and represents information as of November 1, 2016. The Employer has used the same data throughout this brief. The characteristics of this bargaining unit can be summarized as follows:

Number of Employees:	27,575
% Male Employees:	30%
% Female Employees:	70%
Average Salary:	$61,917
Average Age:	45.9
Average Years of Service:	11.8
Expiry Date of Collective Agreement:	October 31, 2016

Current Environment

In the current environment, the importance of addressing the pressures of globalization, increased virtual work arrangements, as well as the advancements in artificial intelligence and automation has become a dominant consideration in all aspects of federal government operations. Such advancements can, and have, impacted work as we know it, and have impacted the nature of work across the federal public service, the expectations of Canadians, and are a

fundamental aspect of the CRA's People First philosophy which focuses on the user experience. These continued technological advancements will continue to impact our workforce, policies, processes, and the fundamental nature of our work at the CRA.

The rapid development of automation and artificial intelligence has enabled technologies to produce higher levels of efficiencies in the workplace. Leveraging these advancements, the CRA is constantly thriving to innovate and improve its services offered to Canadians, to modernize its internal operations, and to provide support to its employees throughout this evolution of work. In 2016, the CRA launched the Service Renewal Initiative to address and support the rapid increase of online tax filing. More and more Canadians are using the CRA's online services. In 2019, over 88% of the tax returns filed were submitted electronically. Workloads traditionally associated with paper-based transactions have been steadily declining. In the past two decades, paper files have gone from 18 million to 4 million. With the Government's commitment to improve service to Canadians, this trend will continue.

As a result, the CRA is responding to this changing environment by looking at its business differently. The Service Renewal Initiative has created a more efficient organization and has fully engaged all employees to prepare for future growth and sustainability.

Under the Service Renewal Initiative, nine processing centres across the country were transitioned in 7 specialized sites:

- 4 sites (Winnipeg, Sudbury, Jonquière and Summerside) remained processing Tax Centres (TCs)
- 3 sites (Surrey, St. John's and Shawinigan) were transitioned into National Verification and Collections Centres (NVCCs)

The CRA has an excellent track record in supporting its employees through periods of transition. As well, the CRA has a proud history of embracing change, due in large part to its high-performing, diverse and unique workforce that willingly adapts to new ways of working. The CRA has gone through major changes in several of our organizations over the past few years, and has

managed to retain more then 85% of all impacted employees and offered new opportunities to many through careful HR planning.

The Service Renewal initiative has changed the way the CRA operates and has improved services to Canadians. It has modernized our collections and verification capacity, optimized our workforce to best meet our priorities, and ensured that the CRA maintains a continued presence in all regions.

Negotiations in the Federal Public Service: the context for the CRA negotiations

The Government of Canada is committed to bargaining in good faith with all federal public sector bargaining agents. The Government's approach remains to negotiate agreements that are reasonable for employees, bargaining agents and Canadian taxpayers. One of the Employer's objectives for the negotiation of the new collective agreement in the current round of bargaining is to enhance the CRA's ability to deliver on its mandate efficiently and in a cost effective manner.

Through meaningful and good faith negotiations, the Government of Canada has reached 34 agreements during this round of bargaining, covering more than 65,000 employees in the federal public service. This includes settlements with 15 different bargaining agents representing 17 bargaining units in the core public administration and 17 employee groups in separate agencies. All 34 agreements cover a four-year period, and include pattern economic increases of 2.0%, 2.0%, 1.5% and 1.5%. These settlements also include market adjustments valued at approximately 1% over the term of the agreements. For most of the 34 groups, these improvements take the form of wage adjustments staggered over two years: 0.8% in year 1 and 0.2% in year 2.

Moreover, the settlements include a number of government-wide improvements that increase the overall value of the new collective agreements. These include the introduction of new leave provisions for domestic violence and caregiving, improvements to the maternity and parental leave and allowance provisions, as well as an expansion to the definition of family that broadens the scope of certain leave provisions.

In addition, all 34 agreements include an identical Memorandum of Understanding (MOU) on the implementation of collective agreements. The MOU outlines the new methodology for calculating retroactive payments and provides longer timelines for implementing the agreements. The MOU also includes accountability measures and reasonable compensation for employees in recognition of the extended timelines.

Given the pay and HR systems in place and the ongoing challenges with pay administration, the Government of Canada has no flexibility to implement agreements on a different basis than what is included in the negotiated MOU. Agreeing to a different implementation process and timelines would represent bad faith bargaining on behalf of the Government, as it would be agreeing to something that it could not fulfill.

Economic Increases

In terms of the economic increases for fiscal years 2016-2017 and 2017-2018, the collective bargaining settlement pattern that emerged for the federal public service was set by the Treasury Board and the Public Service Alliance of Canada in 2018 with collective agreements being reached for 4 bargaining units (PA, TC, EB and SV Groups). These settlements established the pattern for economic increases at 1.25% for both 2016-2017 and 2017-2018. In addition, these groups all received wage adjustments of 0.5% in 2016-2017.

PSAC	Type of Adjustment	2016-2017	2017-2018
	Market Adjustment	0.5%	-
	Economic increase	1.25%	1.25%

As part of the 34 agreements recently signed in the current round of negotiations, on August 23, 2019, the CRA signed a new collective agreement with its other bargaining agent the Professional Institute of the Public Service of Canada - Audit Financial and Scientific Group (PIPSC-AFS) who received pay adjustments as follows:

General economic increase for all classifications:

Effective December 22, 2018 - 2%

Effective December 22, 2019 - 2%

Effective December 22, 2020 - 1.5%

Effective December 22, 2021 - 1.5%

Wage adjustments for all classifications:

Effective December 22, 2018, a wage adjustment of 0.8% applicable to all groups and levels

Effective December 22, 2019, a wage adjustment of 0.2% applicable to all groups and levels

Employer's Objective

We are negotiating in an environment where a well-established pattern of economic increases has emerged and fiscal circumstances are relatively stable. The Employer's objective is therefore to negotiate an agreement that is consistent with other public service settlements and that is fair and reasonable to employees, bargaining agents and Canadian taxpayers.

The Employer is of the opinion that public servants should not be treated as a privileged class in the eyes of Canadian taxpayers. All benefits received in support of the government's focus on advancing social issues in the workplace must be of utility to employees and add value to taxpayers.

The Employer has been subject to the same government decisions as other federal public service organizations and has supported the Government's agenda for fiscal responsibility. As such, the Employer must seriously consider the financial impacts of all the collective agreement improvements proposed by the Bargaining Agent. Separately each Bargaining Agent proposal for a premium increase or the introduction of a new entitlement may appear to be minimal however, when those proposals are combined, the cost to the organization and taxpayers would be significant. This is further demonstrated in **Table 1** which can be found on page 10 of the brief.

Bargaining Agent's Proposals

The Bargaining Agent has submitted an extensive and costly list of proposals in this round of bargaining. This large number of proposals makes it challenging for the parties to identify and focus their work on key priorities. It is the Employer's opinion that a more limited number of proposals would vastly improve the pace of negotiations and the likelihood of a settlement. The Employer respectfully suggests that the Commission issue a direction in that regard, and direct the parties to return to negotiations with a reduced number of proposals prior to the issuance of the Commission's report.

The Bargaining Agent's proposals represent significant cost implications for the Employer. It is estimated that the Bargaining Agent's proposals for salary increases alone would cost **$362.9M** on an ongoing basis. In addition, the Bargaining Agent has tabled a significant number of demands related to increases to leave provisions, new allowances, and other monetary and non-monetary elements that currently do not exist in the current collective agreement and many of which do not exist in other collective agreements in the core public administration (CPA). It is estimated that these demands would result in an extra estimated annual cost to the CRA of **$146.6M**. **Table 1** below illustrates the estimated financial impact of introducing new provisions or increasing current provisions as per the Bargaining Agent's demands.

Table 1: Estimated cost of Bargaining Agent proposals

Bargaining Agent Key Monetary Proposals		**Approximate Annual Ongoing Cost Estimate**
25	Hours of work	Under clause 25.05, the request for additional rest periods of 5 minutes per hour for employees who staff the telephones would cost the Employer approximately **$9.0M** per year.
27	Shift and weekend premiums	Requested increase from $2.25 to $3.50 would cost the Employer approximately **$3.0M** per year.

Bargaining Agent Key Monetary Proposals		Approximate Annual Ongoing Cost Estimate
28	Overtime	Requested increase for meal allowance from $10.50 to $20.00 would cost the Employer approximately **$0.7M** per year.
		Under clause 30.07, the request for all overtime to be paid at double time would cost the Employer approximately **$8.2M** per year.
30	Designated paid holiday	Under paragraph 30.01(k), the requested increase to two additional days off instead of one would cost the Employer approximately **$6.5M** per year.
		Under clause 30.02, the request that all regular working days that fall between Christmas Day and New Year's Day to be considered designated paid holidays would cost the Employer approximately **$19.4M** per year.
34	Vacation leave with pay	Under clause 34.02, the request for the increased quantum for the accumulation of vacation leave credits would cost the Employer approximately **$24.1M** per year.
38 and 40	Maternity and parental leave without pay	Under article 38 to request for top up to 100% would cost the Employer approximately **$17.3M** per year.
41	Leave without pay for the care of the family	Under paragraph 41.04(1), the request for this leave to be topped-up upon receipt of EI benefits would cost the Employer approximately **$19.0M** per year.
42	Leave without pay for family-related responsibilities	Under clause 42.02, the request to increase this leave from 45 hours to 52.5 hours per year would cost the Employer approximately **$6.5M** per year.

Bargaining Agent Key Monetary Proposals		Approximate Annual Ongoing Cost Estimate
		The request for an additional 5 days of leave with pay for birth or adoption of the employee's child would cost the Employer approximately **$1.0M** per year.
46	Bereavement leave	Under clause 46.02, the request for leave with pay to attend, and travel to and from the memorial service of a co-worker would cost the Employer approximately **$0.3M** per year.
		Under clause 46.05, the request for 3 extra days leave with pay to execute duties of the administrator/executor of estate would cost the Employer approximately **$1.8M** per year.
		Under clause 46.01, the request to add 2 additional days leave with pay for bereavement would cost the Employer approximately **$1.2M** per year.
47	Court leave	Under clause 47.01, the request for leave with pay for travel time to and from the proceeding and to be a party to any proceeding listed under within the clause would cost the Employer approximately **$0.1M** per year.
52	Pre-retirement leave	Under clause 52.01, the request for the removal of the cap of 187.5 hours for this leave would cost the Employer approximately **$0.9M** per year.
53	Leave with pay for other reasons	Under clause 53.02, the request to increase the amount of this leave from 15 hours to 22.5 hours would cost the Employer **$6.5M** per year.
		Under clause 53.04, the request for top up to 100% for compassionate care would cost the Employer approximately **$18.8M** per year.

Bargaining Agent Key Monetary Proposals		Approximate Annual Ongoing Cost Estimate
		Under clause 53.XX, the request for the reimbursement of the cost of medical certificates would cost the Employer approximately **$0.1M** per year.
NEW	Retention Allowance for Employees of the Compensation Client Service Centre (CCSC)	The request for an annual allowance of $4,000 ($15.33 daily) for all employees of the CCSC would cost the Employer approximately **$1.4M** per year.
NEW	Domestic Violence Leave	The request for 10 days of leave with pay under this article would cost the Employer approximately **$0.3M** per year.
NEW	Social Justice Fund	The request that the Employer contribute one cent per hour of work for each employee in the bargaining unit to the PSAC social justice fund would cost the Employer approximately **$0.5M** per year.
Appendix "A"	9% wage adjustment	**$156.4 M** per year
	Economic increases	**$206.5M** per year above cost of the established pattern on economic increases over 4 years.
Total: $509.5M		

It is the Employer's position that the Bargaining Agent's proposals are inconsistent with the replication principle, where the results of a third party process should replicate as closely as possible what would have been achieved had the parties negotiated a settlement on their own. The Employer submits that the Bargaining Agent's proposals do not reflect what the parties would have bargained. In addition, the Employer is of the view that the UTE agreement is a mature agreement that does not require major changes.

Labour Market Comparability

Current information indicates that compensation levels for the PDAS group are attuned with, if not ahead of the comparable labour market. In terms of the core public administration, the PDAS salary levels can be considered above market and already exceed those of the PA group (**Table 3**). The economic increases proposed by the Bargaining Agent would result in rates of pay for this bargaining unit being, on average, **21%** (25% for MGs and 19% for SPs) higher at the maximum level than that of its comparator PA group in the core public administration. **Appendix A** of this brief provides a further breakdown of this information.

The CRA's recruitment and retention data and analysis, which is outlined in **PART III** of this brief, demonstrates that the CRA is able to attract and retain a sufficient number of employees to effectively execute its operations and does not demonstrate any recruitment or retention issue exists in this bargaining unit.

When approaching market comparability from a total compensation perspective, the Employer strongly believes this bargaining unit is well positioned when compared to the core public administration. Members of this bargaining unit have access to the same pension and insurance plans as individuals for whom Treasury Board is the employer, and PDAS members also enjoy some benefits that are more generous than those offered to employees in the CPA. **Table 10** further in this brief outlines these enhanced benefits.

INTRODUCTION

This public interest commission has been established for the resolution of the matters in dispute between the CRA and the PSAC-PDAS bargaining unit.

For the public interest commission's review and consideration, this brief contains the following information:

- **Part I** which provides general background information on the CRA and the PSAC-PDAS bargaining unit characteristics, including employee population and payroll;
- **Part II** which outlines the current round of negotiations at the CRA and provides a list of articles that were resolved during the various stages of the negotiation process;
- **Part III** which presents the CRA's position on rates of pay, and discusses the economic environment in which this round of bargaining is taking place;
- **Part IV** which outlines the remaining outstanding issues, other than rates of pay; and
- **Appendices**, contain supporting information related to the material presented.

Legislative Authorities

Section 175 of the *Federal Public Sector Labour Relations Act* (FPSLRA)

The FPSLRA provides for factors that a public interest commission must take into consideration in the conduct of its proceedings and in making a report to the Chairperson.

In accordance with section 175, the factors to be considered include:

(a) the necessity of attracting competent persons to, and retaining them in, the public service in order to meet the needs of Canadians;

(b) the necessity of offering compensation and other terms and conditions of employment in the public service that are comparable to those of employees in similar occupations in the

private and public sectors, including any geographic, industrial or other variations that the public interest commission considers relevant;

(c) the need to maintain appropriate relationships with respect to compensation and other terms and conditions of employment as between different classification levels within an occupation and as between occupations in the public service;

(d) the need to establish compensation and other terms and conditions of employment that are fair and reasonable in relation to the qualifications required, the work performed, the responsibility assumed and the nature of the services rendered; and

(e) the state of the Canadian economy and the Government of Canada's fiscal circumstances

Report not to require legislative implementation

177 (1) The report may not, directly or indirectly, recommend the alteration or elimination of any existing term or condition of employment, or the establishment of any new term or condition of employment, if

(a) the alteration, elimination or establishment would require the enactment or amendment of any legislation by Parliament, except for the purpose of appropriating money required for implementation;

(b) the term or condition is one that has been or may be established under the Public Service Employment Act, the Public Service Superannuation Act or the Government Employees Compensation Act;

(c) the term or condition relates to standards, procedures or processes governing the appointment, appraisal, promotion, deployment, rejection on probation or lay-off of employees; or

(d) in the case of a separate agency, the term or condition relates to termination of employment, other than termination of employment for a breach of discipline or misconduct.

PART I

GENERAL INFORMATION

ORGANIZATIONAL BACKGROUND

The CRA is responsible for the administration of tax programs, as well as the delivery of economic and social benefits and administers certain provincial and territorial tax programs. In addition, the CRA has the authority to enter into new partnerships with the provinces, territories, and other government bodies to administer non-harmonized taxes and other services, at their request and on a cost-recovery basis.

The CRA promotes compliance with Canada's tax legislation and regulations and plays an important role in the economic and social well-being of Canadians. The CRA is committed to working closely with stakeholders, including both bargaining agents, to provide excellent service to clients, and ensuring responsible enforcement of legislation.

The Canada Revenue Agency Act (CRAA) establishes the CRA's mandate, governance framework and statutory authorities. The Minister of National Revenue is responsible for the CRA. The Commissioner of the CRA is also its Chief Executive Officer and is responsible for the day-to-day management and direction of the CRA.

The CRA Board of Management is responsible for overseeing the organization and administration of the CRA and the management of its resources, services, property, personnel and contracts. The Board of Management is composed of a Chair, the Commissioner, 2 federal nominees, 10 provincial nominees and a territorial nominee who are appointed by the Governor in Council. The Commissioner is accountable to the Board of Management for the daily management of the CRA and to the Minister of National Revenue for the administration and enforcement of tax and benefit legislation.

The CRA administers, assesses, and collects hundreds of billions of dollars in taxes annually. The tax revenue it collects is used by federal, provincial, territorial, and First Nations governments to fund programs and services that contribute to the quality of life of Canadians.

The CRA contributes to three of the Government of Canada's outcome areas:

- a transparent, accountable and responsive federal government;

- well-managed and efficient government operations; and
- income security and employment for Canadians.

The size of the CRA work force fluctuates during the year, with the employment of numerous determinate (i.e. term) employees during the peak taxation season, February to June annually. On average, the CRA employs approximately 40,000 employees, three quarters of whom (approximately 29,000) are part of the PDAS group bargaining unit. The remaining unionized work force is represented by the Professional Institute of the Public Service of Canada (PIPSC) as part of the Audit, Financial and Scientific (AFS) Group bargaining unit, which mainly includes auditors, computer science professionals, and financial specialists.

Status of the Canada Revenue Agency

Effective November 1, 1999, the Canada Customs and Revenue Agency was established as a corporate body and in 2005, it was continued as the Canada Revenue Agency by the Canada Revenue Agency Act (CRAA). Pursuant to the CRAA, the CRA is a separate agency under the FPSLRA.

The FPSLRA provides the framework for collective bargaining between the CRA and its employees. The PSAC is the certified bargaining agent for the PSAC-PDAS group. The CRA's authority with respect to personnel management, organization, classification, and terms and conditions of employment is derived from the CRAA, the FPSLRA and the Financial Administration Act (FAA).

Canada Revenue Agency Act (CRAA)

General Authority of the Agency

30 (1) The Agency has authority over all matters relating to

(a) general administrative policy in the Agency;

(b) the organization of the Agency;

(c) Agency real property and Agency immovables as defined in section 73;

(d) human resources management, including the determination of the terms and conditions of employment of persons employed by the Agency; and

(e) internal audit in the Agency.

(2) Notwithstanding the Financial Administration Act, the Agency is not subject to any regulation or requirement established by the Treasury Board under that Act that relates to any matter referred to in subsection (1), except in so far as any part of the regulation or requirement relates to financial management.

Human resources management

51. (1) The Agency may, in the exercise of its responsibilities in relation to human resources management,

(a) determine its requirements with respect to human resources and provide for the allocation and effective utilization of human resources;

(b) determine requirements for the training and development of its personnel and fix the terms and conditions on which that training and development may be carried out;

(c) provide for the classification of Agency positions and employees;

(d) after consulting with the President of the Treasury Board, determine and regulate the pay to which persons employed by the Agency are entitled for services rendered, the hours of work and leave of those persons and any related matters;

(e) provide for the awards that may be made to persons employed by the Agency for outstanding performance of their duties, for other meritorious achievement in relation to those duties and for inventions or practical suggestions for improvements;

(f) establish standards of discipline for its employees and prescribe the financial and other penalties, including termination of employment and suspension, that may be applied for breaches of discipline or misconduct and the circumstances and manner in which and the

authority by which or by whom those penalties may be applied or may be varied or rescinded in whole or in part;

(g) provide for the termination of employment or the demotion to a position at a lower maximum rate of pay, for reasons other than breaches of discipline or misconduct, of persons employed by the Agency and establish the circumstances and manner in which and the authority by which or by whom those measures may be taken or may be varied or rescinded in whole or in part;

(h) after consulting with the President of the Treasury Board, determine and regulate the payments that may be made to Agency employees by way of reimbursement for travel or other expenses and by way of allowances in respect of expenses and conditions arising out of their employment; and

(i) provide for any other matters that the Agency considers necessary for effective personnel management, including terms and conditions of employment not otherwise specifically provided for in this subsection.

Appointment of employees

53. (1) The Agency has the exclusive right and authority to appoint any employees that it considers necessary for the proper conduct of its business.

Staffing program

54. (1) The Agency must develop a program governing staffing, including the appointment of, and recourse for, employees.

Collective agreements

54. (2) No collective agreement may deal with matters governed by the staffing program.

Negotiation of collective agreements

58. Before entering into collective bargaining with the bargaining agent for a bargaining unit composed of Agency employees, the Agency must have its negotiating mandate approved by the President of the Treasury Board.

Federal Public Sector Labour Relations Act (FPSLRA)

Right of employer preserved

7. Nothing in this Act is to be construed as affecting the right or authority of the Treasury Board or a separate agency to determine the organization of those portions of the federal public administration for which it represents Her Majesty in right of Canada as employer or to assign duties to and to classify positions and persons employed in those portions of the federal public administration.

Financial Administration Act (FAA)

Delegation by Governor in Council

11.2 (1) The Governor in Council may delegate to the minister of the Crown responsible for a separate agency, or to its deputy head, any of the powers or functions of the Governor in Council or the Treasury Board in relation to human resources management in that separate agency, subject to any terms and conditions that the Governor in Council directs.

In addition, the CRA is subject to: Part II of the Canada Labour Code (Occupational Health and Safety); the Canadian Human Rights Act (CHRA); the Employment Equity Act (EEA); the Government Employees Compensation Act (GECA); and the Official Languages Act (OLA).

Linkages with the Treasury Board

In the context of collective bargaining, the CRA is a separate agency identified in Schedule V of the FAA. Prior to December 2012, the CRA had the sole authority to enter into a collective agreement with the Bargaining Agent for a bargaining unit composed of CRA employees and did not require Governor in Council approval before entering into a collective agreement. During this

period, the CRA's Board of Management approved its negotiating mandates and exercised oversight over collective bargaining.

Effective December 2012, the CRAA was amended to require that the CRA have its negotiating mandate approved by the President of the Treasury Board before entering into collective bargaining with the Bargaining Agent for a bargaining unit composed of CRA employees. Additionally, the CRA is required by section 112 of the FPSLRA to obtain Governor in Council approval to enter into a collective agreement. Collective bargaining must be done within the mandate approved by the President of the Treasury Board, who maintains an expenditure management role in relation to separate agencies. The Board of Management continues to exercise oversight over collective bargaining and now recommends negotiating mandates to the President of the Treasury Board.

As a result, once a tentative agreement is reached, the CRA must obtain Treasury Board endorsement of the content of the settlement to ensure that it complies with the approved mandate(s). The endorsement is then submitted by the CRA to the Governor in Council to obtain approval to enter into the collective agreement.

As is the case with most other federal government employers, the CRA receives funding from the Treasury Board. The CRA must submit to the Treasury Board an annual financial statement outlining, among other things, its expected expenses and liabilities. In addition, each fiscal year the Minister of National Revenue is required to report to Parliament on the CRA's planned expenditures through its Report on Plans and Priorities and subsequently provides a summary of its accomplishments against the planned resource requirements in the Departmental Performance Report.

As mentioned, the Employer's objective is to reach a collective agreement that is consistent with other public service settlements. To attain this, the CRA works in close collaboration with the TBS not only to maintain harmonious and comparable entitlements to employees via the collective bargaining process, but also to align our various programs and policies where it makes sense.

Union Management Approach

The Union Management Approach is a joint union-management program aimed at creating a culture that fosters resolving disputes at the lowest possible level using an interest based approach that adheres to the CRA core values and which enhances relationships between management and union.

The Employer's Union Management Philosophy highlights the importance that the CRA places on harmonious and transparent union-management relations and is based on the following:

- equality of the parties within the consultative process;
- mutual trust and respect;
- a commitment to be constructive, fair, sensitive and courteous in our dealings with each other
- facilitating constructive decision making and problem solving at the lowest possible level, and;
- knowledge and mutual respect of legislation and national union-management policies and understanding for the functions and objectives of each party.

In collaboration, union representatives and managers play a leadership role in addressing workplace issues at the earliest point in time and at the lowest possible level in our organization. To support this approach, regular union-management consultations are scheduled at the local, regional and national level with the objective of collaboratively resolving emerging issues in workplace.

BARGAINING UNIT COMPOSITION

The PSAC-PDAS bargaining unit was certified by the Public Service Staff Relations Board (now referred to as Federal Public Sector Labour Relations and Employment Board) on December 12, 2001, and is currently composed of two occupational groups; the Services and Programs (SP) group and the Management (MG-SPS) group.

The CRA would like to bring to the attention of this Commission that these groups are distinctive to the CRA, developed and implemented through the Agency Classification System. The MG group was approved for use as a classification standard on October 18, 2001 and the SP group was effective November 1, 2007. These occupational groups were designed to better reflect the CRA's evolved business environment and not simply to mirror the Treasury Board's occupational group structure. Definitions for the SP and MG groups are available in **Appendix B**.

SP Group

Prior to the conversion to the SP occupational group in 2007, employees of the PSAC-PDAS group were classified in the legacy occupational groups of the core public administration (CPA). To be more specific, they included the following sixteen occupational groups:

- Administrative Services (AS)
- Clerical and Regulatory (CR)
- Data Processing (DA)
- Drafting and Illustrations (DD)
- Engineering and Scientific Support (EG)
- Electronics (EL)
- General Labour and Trades (GL)
- General Services (GS)
- General Technical (GT)
- Information Services (IS)
- Office Equipment (OE)
- Organization and Methods (OM)
- Purchasing and Supply (PG)
- Program Administration (PM)
- Non-Supervisory Printing Services (PR)
- Secretarial, Stenographic and Typing (ST)

In the CPA, represented employees in these occupational groups are part of the bargaining unit of one of the following groups:

- Program and Administrative Services (PA);
- Information Services (IS)
- Technical Services (TC);
- Operational Services (SV);
- Electronics (EL);
- Non-Supervisory Printing Services (PR); and
- Audit, Commerce and Purchasing (AV)

Table 2 shows where the majority of previous occupational groups and levels were converted to the SP occupational group and level. The majority of the previous occupational groups and levels belong to the PA Group.

Table 2: Conversion of Previous Occupational Group and Levels to the SP Occupational Group

SP-01	SP-02	SP-03	SP-04	SP-05
CR-01	CR-03	CR-04	AS-01	AS-02
CR-02	DA-PRO-02	DA-PRO-03	CR-05	DA-PRO-05
DA-CON-02	GS-STS-03	GL-MAN-06	DA-PRO-O4	DD-04
GS-PRC-02	GS-STS-04	ST-OCE-03	GT-02	GT-03
	ST-OCE-02	ST-SCY-02	PG-01	IS-02
			PM-01	OM-02
			PR-COM-03	PM-02

SP-06	SP-07	SP-08	SP-09	SP-10
AS-03	AS-04	AS-05	AS-06	AS-07
PG-02	GT-04	GT-05	GT-06	IS-06
PM-03	IS-03	IS-04	IS-05	PG-05
	OM-03	OM-04	OM-05	PM-06
	PG-03	PG-04		
	PM-04	PM-05		

Source: CRA/PSAC-UTE collective agreement expiry date October 31, 2016

MG Group

The intent behind the creation of an MG group classification standard was to recognize the management/supervisory role in jobs at all levels and to make that management role a distinguishing factor in the classification attached to the job. The major jobs included in this unit are team leaders, supervisors and managers.

BARGAINING UNIT CHARACTERISTICS

Employee population and payroll

This brief will use payroll data and group demographics extracted from the Employer's human resources information system (CAS) as of November 1, 2016, as this was the same information extracted during negotiations and shared with the Bargaining Agent. At that time, there were 27, 575 members of the bargaining unit employed within the CRA.

As indicated in the population and payroll summary below in **Table 3,** the bargaining unit payroll for the PSAC-PDAS group was close to **$1.7 billion** with the mean salary for the bargaining unit members being **$61,917**. The SP group comprises 90% of the bargaining unit as a whole with half of the bargaining unit employees occupying positions at the SP-04 and SP-05 levels.

Table 3: Bargaining Unit Payroll

PDAS Bargaining Unit Summary of Payroll and Mean Salary As of March 31, 2019 (November 2015 pay rates)				
Group	**Number of Employees (FTE)[1]**	**% of Population**	**Annual Payroll 2018-2019 ($)[2]**	**Average Salary ($)**
MG-SPS-01	166	0.6%	10,326,429	62,367
MG-SPS-02	502	1.8%	35,567,598	70,782
MG-SPS-03	1,151	4.2%	84,785,378	73,661
MG-SPS-04	237	0.9%	19,889,423	83,815
MG-SPS-05	361	1.3%	34,764,902	96,424
MG-SPS-06	423	1.6%	44,059,216	104,226
Sub-total	**2,840**	**10.4%**	**229,392,947**	**80,782**
SP-01	637	2.3%	25,252,187	39,626
SP-02	1,295	4.8%	58,533,115	45,211
SP-03	3,280	12.1%	164,153,602	50,045
SP-04	8,082	29.7%	451,116,040	55,816
SP-05	5,952	21.9%	366,918,430	61,644
SP-06	1,501	5.5%	101,560,929	67,667
SP-07	1,746	6.4%	126,377,228	72,370
SP-08	1,603	5.9%	135,455,226	84,515
SP-09	171	0.6%	15,865,072	92,567
SP-10	83	0.3%	8,951,166	107,553
Sub-total	**24,351**	**89.6%**	**1,454,182,996**	**59,718**
TOTAL	**27,191**	**100%**	**1,683,575,942**	**61,917**

Notes: 1. Full time equivalents as reported in the annual report less overtime hours.

2. CRA PSAC annual payroll as of March 31, 2019, excluding overtime hours and performance pay. Annual payroll is based on rates of pay effective November 1, 2015.

Demographic Data

NOTE: unless otherwise stated, all demographic data in this section is based on PSAC-UTE represented employees that were holding a MG-SPS or a SP job on November 1, 2016.

The tenure distribution represents the composition of the bargaining unit in terms of indeterminate (permanent) and determinate (term) employees. Due to the nature of the business of the CRA, the Employer engages a large number of term employees. Every year during tax filing season, which essentially runs from February to June, the compliment of term employees increases. As demonstrated in **Table 4** below, the term population represents just over 25% of the bargaining unit's population.

Also of interest, as of November 1, 2016, about 6.2% of this bargaining unit is made up of part-time employees – approximately 1,708 employees.

Table 4: Distribution of Employees by Gender and Type of Employment

Employment type	Permanent	Term	Total	Percentage
Male	6,661	2,465	9,126	33.1%
Female	13,848	4,601	18,449	66.9%
Total	20,509	7,066	27,575	100.0%
%	74.4%	25.6%	100.0%	-

The geographic distribution is demonstrated based on the CRA's geographic operational areas. **Table 5** below demonstrates that as of November 1, 2016, the distribution of the bargaining unit had the highest concentration of employees working in the Ontario region.

Table 5: Distribution of Employees by Type of Employment and Region (based on reporting structure)

Type of Employment	Reporting Structure						Total	
	Atlantic	Quebec	Ontario	Prairies	Pacific	HQ	Number	%
Permanent	1,662	2,271	6,269	3,017	2,547	4,743	20,509	74.4%
Term	1,242	1,235	2,566	934	873	216	7,066	25.6%
Total	2,904	3,506	8,835	3,951	3,420	4,959	27,575	100.0%
%	10.5%	12.7%	32.0%	14.3%	12.4%	18.0%	100.0%	-

As demonstrated in **Table 6** below, as of November 1, 2016 the average age of bargaining unit employees was 45.9, with the female population being slightly older on average than the male population.

Table 6: Average Age and Average Number of Years of Service by Gender and Type of Employment (based on the continuous employment date)

Sex	Number of Employees	Average Age	Average Number of Years of Service
M – permanent	6,661	47.2	14.7
F – permanent	13,848	48.1	15.2
Total - permanent	**20,509**	**47.8**	**15.0**
M – term	2,465	37.5	2.3
F – term	4,601	41.6	2.4
Total - term	**7,066**	**40.2**	**2.4**
M	9,126	44.6	11.3
F	18,449	46.5	12.0
Total	**27,575**	**45.9**	**11.8**

The data in **Table 7** below shows that 45% of the workforce in this bargaining unit had fewer than 10 years of service. On the other end of the scale, approximately 15% of bargaining unit employees had 25 or more years of service. This can partially be explained by the large number of determinate (term) employees in the bargaining unit at a given time. Generally speaking, term employees tend to have fewer years of service.

Table 7: Distribution of Employee by Years of Service

Years of Service	Permanent	Term	Total
Less than 5	1,444	5,197	6,641
5-9	4,496	1,208	5,704
10-14	4,079	348	4,427
15-19	3,950	194	4,144
20-24	2,401	92	2,493
25-29	2,661	18	2,679
30 to 34	1,066	5	1,071
35 and over	412	0	412
No date	0	4	4
Total	20,509	7,066	**27, 575**

PREVIOUS ROUNDS OF NEGOTIATIONS

Prior to the current round of bargaining, the parties had engaged in six rounds of negotiations with the PSAC since the creation of the Agency, in November 1999.

The **first agreement**, signed June 23, 2000, aligned the expiration date for the various occupational groups to October 31, 2000. This collective agreement integrated the various effective dates of the different groups as well as provided various salary and benefit adjustments, including:

- 2% economic increase;
- Restructure for AS-01 to AS-03 and PM-01 to PM-04;
- Lump sum bonuses for others who did not benefit from restructure (ranging from $625 to $800);
- Reduction to hours of work for GL/GS (40 to 37.5 per week) with no reduction in pay;
- Increase to allowances – shift and weekend premiums, as well as meal allowance;
- Introduction of provision for the payment of professional accounting association annual membership fees; and

- Improvements to leaves governing vacation, bereavement, and family-related responsibilities as well as the introduction of Pre-retirement Leave.

During the course of the **second round of negotiations**, the Public Service Staff Relations Board (PSSRB) rendered a decision that certified the PSAC as the bargaining agent for the newly constituted Program Delivery and Administrative Services (PDAS) bargaining unit. Consequently, the parties initiated new negotiations under the revised bargaining unit structure. An agreement was subsequently reached and signed on March 22, 2002, with an expiry date of October 31, 2003. The highlights of this agreement, which provided for a three-year duration, included:

- Annual economic increases of 3.2%, 2.8% and 2.5%;
- Harmonization and restructuring of pay scales for various groups;
- Reduction of GL/GS pay zones from 7 to 2 (with a lump sum bonus of up to $1,000 for employees who did not receive full benefit from the zone reduction);
- Introduction of MG-SPS group rates of pay and performance leave;
- Increase to allowance – shift and weekend premiums;
- Improvements to Vacation, Family-related Responsibilities and Personal leaves, along with leave for management group performance;
- Introduction of "cumulative service" for increment purposes for term employees.

A settlement was reached in the **third round of bargaining** following a conciliation process. This collective agreement, which expired October 31, 2007, was signed on December 10, 2004. This collective agreement provided for a four-year duration, and the significant elements included:

- Annual economic increases of 2.5%, 2.25%, 2.4% and 2.5%;
- Harmonization of MG-SPS rates with MG-AFS and excluded MG rates;
- Introduction of provision allowing reinstatement of sick leave credits for term employees;
- Improvements to Vacation, Family-related Responsibilities, Marriage, Maternity and Parental leaves.

The **fourth collective agreement,** signed December 3, 2007, was achieved at the table and provided a three-year duration expiring October 31, 2010. The original agreement included annual economic increases of 2.5% for each year of the agreement. With the coming into force of the *Expenditure Restraint Act* in March 2009, the CRA was required to reduce the 2.5% economic increase effective November 1, 2009 to 1.5%. Other elements of the agreement included:

- Classification conversion of the SP group with new pay structure;
- Increase to overtime meal allowance and shift and weekend premiums;
- Improvements to Vacation Leave;
- Introduction of Compassionate Care Leave; and
- Introduction of "cumulative service" for increment purposes for indeterminate employees in acting situations.

For the **fifth collective agreement,** the parties were able to reach a settlement after only six days of negotiations. The agreement, which expired October 31, 2012, provided a two-year duration and was signed on October 29, 2010, two days prior to the expiration of the collective agreement that was being renewed. The highlights of the settlement included:

- Annual economic increases of 1.5% each year of the agreement;
- Introduction of a definition of "family" to apply to Leave without Pay for Care of Family, Leave with Pay for Family-Related Responsibilities and Bereavement Leave;
- Introduction of a new provision for rest breaks for part-time employees; and
- Improvements to leaves governing bereavement, family-related responsibilities and personal leaves.

The **sixth collective agreement**, which expired October 31, 2016, provided a four-year duration and was signed on October 25, 2016, seven days prior to the expiration date. On the same day that the agreement expired, the PSAC-UTE served the CRA with a notice to bargain a new collective agreement. The highlights of the settlement included:

- Annual economic increases of 1.5% for 2013 and 2014 and of 0.75% for 2015;
- In consideration for the elimination of severance pay accrual for the purpose of retirement and resignation, an additional increase was given in each of the four years; 0.25% for 2012, 0.5% for 2013, and 0.25% for both 2014 and 2015 – the last 2 years having been decided by a Binding Conciliation Board;
- Introduction of a one-time entitlement of 37.5 hours of vacation leave with pay;
- Continuation of the marriage leave provision until signing of the next collective agreement;
- Bereavement leave with pay was increased by two additional calendar days;
- Introduction of additional leave with pay provided for those on Travel Status Leave;
- Buyout of severance for the purposes of retirement and resignation available to both indeterminate and determinate employees; and
- Change to cumulative service with respect to indeterminate employees who act in a higher occupational group and level; all periods of acting regardless of duration count towards cumulative service.

In summary, the parties were successful in reaching table settlements in four of the six previous rounds of bargaining, two of which were reached prior to the expiration of the collective agreement. The other settlements followed a conciliation process. In each round of bargaining, monetary gains were in line with other federal public service collective agreements, or exceeded benefits accorded other bargaining units.

PART II

CURRENT ROUND OF NEGOTIATIONS

CURRENT ROUND OF NEGOTIATIONS

The Employer's overall negotiation objectives for this round of bargaining are based on the following four pillars:

1. Maintain management rights and flexibilities to support an agile, modern and high-performing workforce to deliver on business objectives and government priorities.
2. Align, with the core public service and internally, where it makes sense.
3. Maintain a positive collective bargaining process.
4. Finalize the process within a reasonable time frame.

The current round of collective bargaining between the parties can be summarized as follows:

- The current collective agreement expired on October 31, 2016, and on the same day, the Bargaining Agent served the CRA with notice to bargain in accordance with section 105 of the FPSLRA.

- An exchange of the parties' respective collective bargaining proposals took place on June 20, 2018, during the first negotiation session.

- The parties met for a total of 6 negotiation sessions between June 2018 and January 2019. During these sessions, discussions focused heavily on the union's priorities related to call centres and hours of work. Although these discussions assisted the parties in better understanding each other's positions, minimal progress was made in terms of agreements.

- During the last session in January 2019, in an effort to increase the pace of negotiations, the parties agreed at the outset to identify and discuss their respective top ten priorities, excluding wage increases. The CRA presented its ten priorities as agreed, but the Bargaining Agent did not, instead presenting 6 themes covering more than 102 of their original demands. It should be noted that the Bargaining Agent's initial set of demands included a total of **176** proposals.

- The Employer noted on several occasions that, given the large amount of outstanding union demands, many of which would be costly to the Employer, it would not be in a position to table an economic proposal until the Bargaining Agent reduced the number of proposals within the context of a global settlement. In return, the Bargaining Agent consistently responded that they were not interested in making any concessions and given this, the union did make any attempt to narrow down their demands.

- Over the course of the 6 negotiation sessions, the CRA put forward 15 concrete and constructive proposals to address some key union issues. Unfortunately, the Bargaining Agent did not initiate any proposals, nor did they act on, or respond to the Employer's proposals in a manner to advance negotiations.

- Despite the efforts made by the CRA, the Bargaining Agent declared impasse on January 24, 2019, and requested the establishment of a Public Interest Commission (PIC) to assist the parties in reaching a collective agreement.

- In response to this request, it was the CRA's position that the parties had not sufficiently bargained. The Employer also argued that there were a large number of issues that could still be negotiated without third party intervention.

- After consideration of the points raised by both parties, the Chairperson of the FPSLREB informed the Employer and the Bargaining Agent of her decision that the parties had not sufficiently bargained, therefore delaying the establishment of a PIC. The Chairperson then directed the parties to return to negotiations with the assistance of a mediator.

- The parties attended two mediation sessions in April and May 2019, during which time very little progress was made.

- That being said, in an effort to assist the Bargaining Agent in reducing the number of outstanding issues and to position the parties to discuss economics, the Employer tabled 3 further proposals (for a total of 18), including a proposal which included withdrawals

from both parties and additional positive responses to Bargaining Agent proposals (i.e. Employer concessions).

- In response, the Bargaining Agent categorically refused to provide a counter-proposal and again asked for a response to their economic proposal.

- The Employer reiterated its position in an effort to help the Bargaining Agent understand that it would not be in a position to table economics until the majority of their cost-related proposals had been addressed. The Employer then indicated that its team remained available to continue negotiations into the evening and would wait for a counter-proposal before moving on to the economic proposal.

- Despite this, and the numerous efforts on the CRA's part to come to further agreements during mediation, on May 9, 2019, the Bargaining Agent declared impasse for a second time, and then proceeded to file a motion to reactivate their initial request for the establishment of a public interest commission with the FPSLREB.

EMPLOYER BARGAINING TEAM

Led by the CRA's Negotiator and supported by a senior advisor from the Human Resources Branch, the Employer bargaining team is comprised of a representative group of managers from stakeholder Branches and each Region of the country.

Marc Bellavance	Chief Negotiator, Human Resources Branch
Patti Sirois	Senior Advisor, Human Resources Branch
Rick Adams	Director, Operational Readiness, CCSD
Terri Fisette	Assistant Director, Verification and Validation, Prairies Region
Charla Hughes	Director, Vancouver Island and North Tax Services Office, Pacific Regi
Emery Kenabantu	Director, Montreal Tax Centre, Quebec Region
Kevin McKenzie	Director General, Business Compliance, Collections and Verification Branch
Corey Montgomery	Assistant Director, Revenue Collections Atlantic Region
Johanne Raby	Special Advisor to the Assistant Commissioner, Audit Evaluation and Risk Branch
Mark Thompson	Director, North Central Ontario TSO, Ontario Region

MATTERS RESOLVED

Table 8 contains the list of articles and clauses that have been resolved in principle along with the nature of the agreement reached by the parties.

Table 8 – Matters resolved

Article	Title	Status
1	Purpose and scope of the agreement	Amended to include gender neutral language
2	Definition of common-law partner	Modified to match the French to the English
3	Application	Amended to include gender neutral language
4	State Security	Renewed
5	Precedence of legislation and the collective agreement	Amended to include gender neutral language
6	Managerial responsibilities	Renewed
8	Dental care plan	Legislative and gender neutral amendments
10	Information	Modified to provide the Bargaining Agent with a list of all employees
11	Check-off	Modified to reflect electronic payment as opposed to by cheque
14	14.02 and 14.09 - Leave for Alliance business	Modified to match the language in the comparator PA Group
15	Labour disputes	Amended to include gender neutral language
16	Illegal strikes	Legislative and gender neutral amendments
19	No discrimination	Legislative amendment
21	Joint consultation	Renewed
26	Shift Principle	Modified to reflect changes to Article 48
28	28.09(a)(i)	Modified to reflect kilometric allowance
30	30.08(c)(i)	Modified to reflect kilometric allowance
34	34.05	Modified to reflect current practice

Article	Title	Status
34	34.18 - On-time entitlement	Modified to remove part of the transitional provision
44	Marriage leave	Deleted
47	47.01(c)(i) - Court leave	Modified to remove the reference to grand jury
48	Personnel selection leave	Modified to reflect the language of the CRA's Procedures for Staffing
54	Restriction on outside employment	Amended to include gender neutral language
55	Statement of duties	Amended to include gender neutral language
57	Membership fees	Amended to include gender neutral language
58	Professional accounting association annual membership fees	Modified to reflect the proper title for the accounting association
59	Wash-up time	Renewed
61	Severance pay	Modified to remove the reference to severance pay
63	Agreement reopener	Renewed
Appendix A	Rates of pay reopener provision	Deleted
Appendix D	MOU with respect to a one-time lump sum payment	Deleted
Appendix G	MOU – Concerning the administration of schedules, including the use of seniority for employees of the Program Delivery and Administrative Services Group	Deleted
New Appendix	Archived provision for the elimination of severance pay for voluntary separation	New Appendix

OUTSTANDING ISSUES

Table 9 below contains the list and the nature of the outstanding items, with the exception of the rates of pay. These issues are discussed in further detail in Part IV of this brief.

Table 9 - Summary of Outstanding Issues

Article	Title	Issue
2	Interpretation and definitions	The **Bargaining Agent** is proposing to expand the definition of family.
9	Recognition	The **Bargaining Agent** is proposing to add new provisions related to the performance of, or contracting out of bargaining unit work.
10	Information	The **Employer** is proposing to have the collective agreement available electronically rather than paper version.
12	Use of Employer's facilities	The **Bargaining Agent** is proposing that representatives be provided access to the Employer's premises for any meetings with Alliance-represented employees.
13	Employee representatives	The **Bargaining Agent** is proposing to: • Remove the requirement for a representative to obtain permission from their manager to assist in in the resolution of a complaint or grievance. • Allow leave with pay to Alliance representatives to deliver union orientation. • Allow employees to have an Alliance representative present in any meeting concerning their employment.
14	Leave with or without pay for Alliance business	The **Bargaining Agent** is proposing to: • Provide leave without pay for employee training provided by the Alliance. • Provide leave without pay to employees who accept assignments with the Alliance.

Article	Title	Issue
		• Provide leave without pay, recoverable by the Employer, for any other union business validated by the Alliance with an event letter.
17	Discipline	The **Employer** is proposing to extend the period for the destruction of disciplinary documents in the employee's file by the length of any period of leave without pay. The **Bargaining Agent** is proposing to • Allow employees to have a representative of the Alliance attend and participate in any meeting concerning their employment. • Introduce language related to stoppage of pay. • Include a reference indicating that call monitoring can not be used for the purposes of performance management.
18	Grievance procedure	The **Employer** is proposing to extend the current period for responding to, and providing a decision related to an employee's grievance.
20	Sexual harassment	The **Bargaining Agent** is proposing to amend the article to include and reflect all forms of harassment, violence and abuse of authority.
24	Technological change	The **Bargaining Agent** is proposing to remove the reference related to the acknowledgment and encouragement of technological change.
25	Hours of work	The **Employer** is proposing to: • Extend the day window from 6am to 6pm instead of 7am to 6pm. • Amend the notice period for the scheduling of shifts to be at least 5 days in advance rather than 7 days.

Article	Title	Issue
		The **Bargaining Agent** is proposing to: • Include a provision allowing extra rest periods for call centre employees. • Amend the flexible hours start time to 6 am rather than the current 7am. • Include language allowing employees to work compressed hours of work, up to 9.5 hours per day, without the concurrence of the Employer. • Amend the definition of shift worker and introduce seniority in shift scheduling. • Include provisions for employees to be paid double time for all hours worked on a designated paid holiday (DPH). • Include the requirement for mandatory consultations with the Alliance when introducing new shift schedules.
27	Shift premiums	The **Bargaining Agent** is proposing to raise shift and weekend premiums from $2.25 to $3.50.
28	Overtime	The **Employer** is proposing to amend language so that overtime is to be offered on an equitable basis among readily available qualified employees who occupy positions at the same group and level as the work to be performed. The **Bargaining Agent** is proposing to: • Amend language that removes the Employer's ability to request that employees work overtime without this overtime having been scheduled in advance. • Increase meal allowance from $10.50 to $20.00 and to remove the required hours for eligibility.

Article	Title	Issue
		• Amend language to allow employees to receive compensation in cash or leave be at their discretion. • Amend language to extend the period in which leave is earned to 12 months after if was earned instead of by September 30th of the fiscal year in which it is earned.
30	Designated paid holidays	The **Bargaining Agent** is proposing to: • Include two additional days each year at the discretion of the employee. • Identify all working days that fall between Christmas Day and New Year's Day as designated paid holidays.
32	Travelling time	The **Bargaining Agent** is proposing to: • Remove the maximum 12 hours pay at straight time rate of pay. • Increase the time off with pay received and the threshold to qualify for the leave.
33	Leave - general	The **Employer** is proposing to: • Allow employees who do not have access to their leave balances to be informed of their vacation and sick leave credits once each fiscal year. • Include leave granted each fiscal year in addition to leave credits earned each month, to help clarify that employees are only entitled to this leave once per fiscal year even if there is a change regardless of their union representation.
34	Vacation leave	The **Employer** is proposing to: • Add a distinction to the difference between "working" 10 days/75 hours in a month and being "paid" for 10 days/75 hours in a month. Employees are now being paid in arrears, which brings forward confusion about the eligibility for

Article	Title	Issue
		vacation leave days in one month for days that were actually worked in the previous month. • Amend language to allow for a carry-over of up to 225 hours as opposed to the current 262.5 hours. The **Bargaining Agent** is proposing to: • Increase the calculation for the accumulation of vacation leave credits. • Remove reference to the exception of an employee who has taken severance in the calculation of continuous or discontinuous service.
35	Sick leave with pay	The **Employer** is proposing to add a distinction to the difference between "working" 10 days/75 hours in a month and being "paid" for 10 days/75 hours in a month. Employees are now being paid in arrears, which brings forward confusion about the earning of sick leave credits in one month for days that were actually worked in the previous month.
36	Medical appointments for pregnant employees	The **Employer** is proposing to amend the allotted half day provided to an exact 3.75 hours to align with the rest of the public service.
37	Injury-on-duty leave	The **Bargaining Agent** is proposing to: • Amend the requirement for granting injury on duty leave with pay from being currently determined by the Employer to certified by a Workers' Compensation authority • Include vicarious trauma or any other illness or injury to the list of reasons that they employee cannot work.
38	Maternity leave without pay	The **Employer** is proposing to: • Amend the provisions to align with legislative changes.

Article	Title	Issue
		The **Bargaining Agent** is proposing to: • Extend the current 12 months Maternity and Parental leave top up to 18 months. • Eliminate the requirement to pay-back maternity and parental allowances in cases where the member is not rehired or does not complete the return-to-work period. • Increase top up to 100%. • Reserve on changes related to QPIP legislative amendments.
40	Parental leave without pay	The **Employer** is proposing to: • Amend the provisions to align with legislative changes. The **Bargaining Agent** is proposing to: • Extend the current 12 months Maternity and Parental leave top up to 18 months. • Increase top up to 100%. • Eliminate the requirement to pay-back maternity and parental allowances in cases where the member is not rehired or does not complete the return-to-work period.
41	Leave with pay for the care of family	The **Bargaining Agent** is proposing to: • Amend the wording to broaden the scope of the article. • Provide top-up for leave without Pay for the Care of Family upon the receipt of EI benefits. • Divide the leave into several periods. • Add language providing that any monies earned during the period of the allowance payment not be deducted from the top-up.

Article	Title	Issue
42	Leave with pay for family-related responsibilities	The **Employer** is proposing to: • Amend the wording to clarify leave for attendance at school functions to that of the employee's child as per the definition of family in 2.01. The **Bargaining Agent** is proposing to: • Expand the amount of hours provided from 45 to 75 hours and for the carry-over of any unused leave. • Expand circumstances for which this leave can be provided. • Add 5 days for needs directly related to birth or adoption of child.
43	Leave without pay for personal needs	The **Bargaining Agent** is proposing to provide this leave once in every 10-year period as opposed to once in their career.
46	Bereavement leave with pay	The **Bargaining Agent** is proposing to provide this leave within two periods and to include aunt, uncle, spouse's aunt and uncle.
47	Court leave	The **Bargaining Agent** is proposing to include travel time to and from a proceeding to be included in the leave with pay granted for court leave – including when the employee is compelled to be a party to any of the proceedings listed in the clause.
52	Pre-retirement leave	The **Bargaining Agent** is proposing to remove the cap of 187.5 hours for pre-retirement leave.
53	Leave with or without pay for other reasons	The **Employer** is proposing to align the language with legislative amendments in the Employment Insurance compassionate care benefits. The **Bargaining Agent** is proposing to: • Include provisions for leave for medical, dental and fertility treatments, including travel to and from appointments. • Increase the amount of leave to 22.5 hours from 15 hours.

Article	Title	Issue
		• Amend to match the language currently found in the comparator PA group and the PIPSC agreements with an inclusion of top up of 100% to the EI benefits. • Include new language pertaining to the requirements of providing a medical certificate and the reimbursement of costs associated.
56	Employee performance review and employee files	The **Employer** is proposing to have the employee performance review and employee files available electronically to represent current practice.
60	Part-time employees	The **Bargaining Agent** is proposing to: • Modify the accrual of vacation leave as per Article 34. • Remove provisions related to operational requirements. • Add language pertaining to the use of seniority for the scheduling of additional hours. • Include language for a penalty for late payments.
62	Pay administration	The **Bargaining Agent** is proposing to include a new penalty for late payments and introduce provisions related to acting pay.
64	Duration	The **Employer** reserved the right to make proposals in relation to this Article.
NEW	Alternate working arrangements	The **Bargaining Agent** is proposing to include language pertaining to telework agreements.
NEW	Domestic violence	The **Bargaining Agent** is proposing new leave provisions for situations involving domestic violence.
Appendix A	Rates of pay	The **Bargaining Agent** is proposing: • That effective November 1st, 2016 (prior to applying economic increase) a wage adjustment of 9% for all groups represented by the PSAC-UTE. • Effective Nov 1, 2016: 1.4%

Article	Title	Issue
		• Effective Nov 1, 2017: 1.6% • Effective Nov 1, 2018: 3.75% • Effective Nov 1, 2019: 3.75%
Appendix C	Work force adjustment	The **Bargaining Agent** is proposing: • Amend definitions provided in the Appendix. • New provisions for retraining. • Increase in education allowance from $15,000 to $20,000. • For the CRA to work with other departments in the core to find RJOs for CRA employees.
Appendix E	Implementation	The **Bargaining Agent** is proposing an implementation period of 90 days.
NEW	Filling of vacancies and transition to permanence	The **Bargaining Agent** is proposing to provide priority to candidates in the bargaining unit when filling vacant positions.
NEW	Temporary positions	The **Bargaining Agent** is proposing that the Employer make every reasonable effort to maximize opportunities for permanent employment.
NEW	Retention Allowance for Employees of the Compensation Client Service Centre	The **Bargaining Agent** is proposing that an annual retention allowance of $4,000 be provided to all employees performing compensation duties at the Compensation Client Service Centre.
NEW	New – Social justice fund	The **Bargaining Agent** is proposing that the Employer contribute one cent per hour of work for each employee in the bargaining unit to the PSAC social justice fund.
NEW	Employee Wellness Support Program	The **Employer** is proposing that the parties agree to implement applicable changes resulting from the conclusions of the joint Treasury Board/PSAC task force on supporting employee wellness.

PART III

RATES OF PAY

INTRODUCTION

Although appropriate compensation should remain competitive to attract and retain employees, it must be affordable within the context of the Government's and the CRA's commitments to fiscal responsibility and to providing services to Canadians. It should also take into consideration the CRA's fiscal situation in the context of competing demands, and the state of the Canadian global economy. The Employer considers its compensation levels to be competitive to maintain its ability to attract and retain employees.

EMPLOYER'S COMPENSATION PRINCIPLES

As an organization, the CRA provides an exemplary level of service both domestically and internationally. This high level of service is built on the foundation of a good working environment and a skilled, productive work force. As can be demonstrated in the Employer's Policy on the Management of Compensation (**Appendix C**)**,** external comparability, internal relativity, and affordability are the overarching principles that guide compensation decisions at the CRA.

The CRA's approach to compensation is in line with the other factors that this Public Interest Commission must consider in the conduct of its proceedings and in making its recommendations; that is:

- salaries should be sufficient to attract and retain a qualified work force;
- compensation is related in a reasonable and acceptable way to appropriate comparator groups;
- compensation will reflect the relative value to the employer of the work performed; and
- fiscal prudence and restraint be exercised out of a sense of responsibility to the Canadian public as taxpayer, and to support relevant Canadian economic policy.

Overall, the CRA strives at all times to respect its responsibilities as a public service employer, as well as its obligations to Canadian taxpayers. It is mindful of the need to compensate employees in a manner which is fair to them, and also ensures appropriate value to the taxpayers who support public service expenditures.

TOTAL COMPENSATION

As can be demonstrated in the Employer's Policy on the Management of Compensation, the CRA defines compensation as a "total compensation" concept. This is essential in relation to external comparability with relevant labour markets where consideration of all elements of compensation, including benefits, must be taken into account.

As a separate agency, the Employer has chosen to maintain the same pension and insurance benefit plans as those provided in the core public administration, including the:

- Public Service Pension Plan;
- Supplementary Death Benefit Plan;
- Public Service Health Care Plan;
- Public Service Dental Care Plan;
- Public Service Management Insurance Plan; and
- Disability/Long-term Disability Insurance Plan.

The Employer is not a member of the National Joint Council (NJC); however, the CRA does provide benefits similar to those found in NJC Directives to which employees in the CPA have access. The provisions of these terms of employment are outlined in Employer policies and directives and even though they do not form part of the collective agreement, from a total compensation perspective, these benefits should be taken into consideration. Of particular interest are entitlements related to the following list of policies:

- bilingualism bonus;
- commuting assistance;
- isolated posts and government housing;
- occupational health and safety;
- relocation; and
- travel.

Note: The above-mentioned policy instruments can be found in Appendix D of this brief.

In relation to the CRA's comparator (PA group) for this bargaining unit, it is important to note that the Employer is not lagging behind in any area of benefit entitlement. In fact, the existing collective agreement between the CRA and PSAC-UTE already contains enhanced benefits or a level of entitlement not found in collective agreements in the CPA. These advantages are outlined in **Table 10** below.

Table 10 - Benefits for which the CRA leads the CPA

Benefit	CRA	CPA (PA)
Leave with pay for family-related responsibilities	45 hours per year	37.5 hours per year
Pre-retirement leave	Up to 187.5 hours (25 days) over five years	Not available
Earlier accrual of higher vacation entitlements	3 weeks and 2 days of leave entitlement after 7 years	Not available – first increase is 4 weeks after 8 years
Cumulative acting for pay increment purposes	Employees eligible for a pay increment at the acting level after 52 weeks of cumulative acting service at the same level	Not available
Meal allowance	$10.50	$10.00
Shift and weekend premiums	$2.25 per hour	$2.00 per hour

RECRUITMENT AND RETENTION

The CRA strives to establish and maintain compensation levels, as well as terms and conditions of employment, that are adequate to attract and retain a competent, qualified work force, sufficient to deliver on the CRA's plans and priorities and ultimately its mandate.

Recruitment

As mentioned, over 90% of the PSAC-PDAS bargaining unit is comprised of employees classified in the SP occupational group. Between 2010 and 2016, the size of the permanent SP workforce

decreased as a result of various budget reduction exercises. The size of the SP group was at its highest in December 2010 with 22,099 permanent employees. The group followed a fairly constant decreasing trend until March 2017, when it reached its lowest level at 18,561 permanent employees, which represented a 16.0% overall decrease.

Following Budget 2016, recruitment at the CRA exceeded departures which resulted in an increase of the SP population. Between March 2017 and October 2019, the size of the SP group workforce increased by 1,946 permanent employees (10.5%). **Appendix E** further outlines the evolution of the number of permanent employees in the SP Group from April 2010 to October 2019.

Table 11 below outlines the growth rate of permanent PSAC-UTE represented employees, from April 1, 2016 to April 1, 2019**.**

Table 11 – Bargaining unit growth rate April 1, 2016 to April 1, 2019

April 2016	April 2017	April 2018	April 2019	1-Year growth	3-Year growth
20,419	20,387	20,941	21,981	5.0%	7.6%

Retention

As one would expect, an employer will lose a portion of its work force every year. When looking at this bargaining unit, the retention rate remained consistent over the three-year period of 2016 to 2019, as seen in **Table 12** below. The analysis was completed based on indeterminate employees only, where continued employment is generally expected.

Table 12 Bargaining unit retention (indeterminate employees) 2016 to 2019

Fiscal Year	One-Year	Two-Year	Three-Year
2016-2017	92.6%	84.3%	76.9%
2017-2018	90.8%	82.7%	-
2018-2019	91.2%	-	-
Average	91.5%	83.5%	76.9%

Source: CAS from April 1, 2016 to April 1, 2019

Due to the nature of the work in the organization, the CRA employs more term employees than any other department or separate agency in the federal public service. Term employment is highest during peak tax season; generally from February to June annually. **Table 13** below, demonstrates the number of term employees hired during tax season and the proportion that were re-hires of individuals who had previously worked as term employees for the CRA. The Employer contends that the number of term rehires demonstrates interest in returning to the CRA for employment year after year.

Table 13 – Number of term employees hired during tax season

2016-2017			**2017-2018**			**2018-2019**		
Re-Hire	Total Recruitment	% Re-Hires	Re-Hire	Total Recruitment	% Re-Hires	Re-Hire	Total Recruitment	% Re-Hire
2,070	**3,942**	**52.5%**	**1,812**	**4,805**	**37.7%**	**2,053**	**5,235**	**39.2%**

The CRA believes that the reason an employee leaves the organization is a valuable retention indicator. As demonstrated in **Appendix F,** from April 1, 2016 to April 1, 2019, the main reason for PSAC represented permanent employees to leave the CRA was for retirement, followed by employees leaving the bargaining unit via professional mobility (i.e. SP to AU or MG-SPS to EX).

As illustrated in **Table 14** below, statistics show that the number of employees leaving the CRA to take employment elsewhere, either in the private sector or another federal public service organization**,** is extremely low; on average just over 119 employees per year. Using the population of the bargaining unit at the beginning of each fiscal year, average of the three fiscal years those employees represent approximately 0.6% of the bargaining unit work force.

Table 14: Indeterminate Employees Leaving for Outside Employment

Fiscal Year	# of Employees on April 1 of FY	Outside Employment		Move to Other Government Department		Retirement		Other		Left PSAC for PIPSC or UNREP	
		# of ees	% of group	# of ees	% of group	# of ees	% of group	# of ees	% of group	# of ees	% of group
2016-2017	20,419	22	0.1%	46	0.2%	947	4.6%	150	0.7%	345	1.7%
2017-2018	20,387	23	0.1%	112	0.5%	1,048	5.1%	319	1.6%	373	1.8%
2018-2019	20,941	30	0.1%	124	0.6%	987	4.7%	191	0.9%	518	2.5%
Average	20,582	**25**	**0.1%**	**94**	**0.5%**	**994**	**4.8%**	**220**	**1.1%**	**412**	**2.0%**

Source: CAS from April 1, 2016 to April 1, 2019

As per the information outlined above, the loss of employees is an average of 1,745 or 8.5% over the course of the 3 fiscal years, with the highest number of departures being due to retirement.

From the Employer's perspective, these figures support the CRA's position that this bargaining unit has not demonstrated any retention issues. This also demonstrates that the CRA is able to recruit and retain a sufficient number of employees to effectively execute its operations and does not suggest any retention issues exist in this bargaining unit.

Just as an example, in November 2019, the CRA held a career fair advertising 36 different job numbers and student positions, including 20 different job numbers for SP positions were advertise. The SP positions ranged from SP-03 to SP-06. The event was advertised via several outlets including the CRA Careers website, GC jobs, GCcolab, local school and career centre online platforms, social media (Twitter, Facebook and LinkedIn). Over 6,000 individuals pre-registered for the event and approximately 1,875 individuals attended the event without pre-registering. This further reinforces that the CRA does not have any issues with attracting individuals for the purposes of recruitment.

It is the CRA's position that there are no demonstrated recruitment or retention issues for the PSAC-PDAS group bargaining unit, and as such, the additional economic proposals by the Bargaining Agent are not warranted. Furthermore, as mentioned, the PSAC-PDAS group

maintains an approximate salary advantage of **21%** when compared to the PSAC PA group in the core public sector. Given this, there is no justification demonstrated that could justify to taxpayers why the CRA should provide economic increases greater than those received by other federal public servants.

INTERNAL RELATIVITY

As stated in the FPSLRA, there is a need to maintain appropriate relationships with respect to compensation between classifications and levels. Moreover, as noted in the Policy on the Management of Compensation, compensation should reflect the relative value to the employer of the work performed, so ranking of occupational groups relative to one another is a useful indicator of whether their relative value and relative compensation align.

During the current round of collective bargaining, there has been no demonstration of issues with regards to internal relativity for the PDAS group.

EXTERNAL COMPARABILITY

In terms of salary, the PDAS group salary levels compare well to those of their external comparators and can even be considered above market.

Table 15 below outlines the applicable bargaining units of the CPA containing the occupational groups from which employees were converted to the SP occupational group. The Employer feels it is important to bring to the Commission's attention that the Border Services, FB Group, does not form part of the occupational group comparison.

Table 15: SP occupational group legacy group evolution

CPA Occupational Group	CPA Bargaining Unit	Bargaining Agent for CPA Bargaining Unit
AS, CR, DA, IS, OE, PM, ST	Program and Administrative Services (PA)	Public Service Alliance of Canada

CPA Occupational Group	CPA Bargaining Unit	Bargaining Agent for CPA Bargaining Unit
DD, EG, GT	Technical Services (TC)	Public Service Alliance of Canada
EL	Electronics (EL)	International Brotherhood of Electrical Workers
GL, GS	Operational Services (SV)	Public Service Alliance of Canada
PG	Audit, Commerce and Purchasing (AV)	Professional Institute of the Public Service of Canada
PR	Non-Supervisory Printing Services (PR-NS)	Communications, Energy and Paperworks Union of Canada
OM		Unrepresented

The CRA submits that comparing wage rates between the CRA and the TBS is the appropriate indicator of external comparability. The legacy groups from the CPA are those with which employees of the SP and MG groups relate to most. In comparing the maximum rate of pay for each level of the SP and MG groups to the former PA group, from which the vast majority of the positions were converted, the CRA leads the PA group at all maximum salary step levels. These findings are clearly illustrated in **Appendix A.**

MAJOR WAGE SETTLEMENTS

The Employer respectfully submits that in contemplating wage increases, the Commission should examine and give particular consideration to the pattern of settlements that have been established through negotiations for federal public sector employees.

In terms of the 2016-2017 and 2017-2018 fiscal years, economic patterns have been set by the TBS and the PSAC with economic increases at 1.25% for both years and a 0.5% market adjustment for 2016-2017.

As mentioned, to date, 34 negotiated settlements have been reached and signed with bargaining units in the federal public service during the current round of negotiations. Recently, the Treasury Board also reached collective agreements for 17 bargaining units represented by several bargaining agents including the Professional Institute of the Public Service (PIPSC). The CRA also signed a collective agreement on August 23, 2019, with its other bargaining agent the PIPSC - Audit Financial and Scientific Group (AFS).

STATE OF THE ECONOMY AND THE GOVERNMENT'S FISCAL SITUATION

As previously mentioned, one of the Employer's objectives for the negotiation of the new collective agreement in the current round of bargaining is to enhance the CRA's ability to deliver on its mandate efficiently and in a cost effective manner.

For any employer, its economic health determines what it is able to pay its employees. For the Government of Canada, and the CRA as a federal public service employer, its financial capacity is the crucial consideration. As such, the state of the economy and the government's fiscal circumstances are critical considerations for the federal government. That being said, even when the national economic health is strong, the Employer must consider the taxpayer and the public interest in the context of the global economic outlook.

This new collective agreement will cover a timeframe of low to moderate economic growth. Moreover, there are negative risks associated with the economic outlook, which could lead to weaker labour markets and lower wage growth than what is now broadly expected. With interest rates at near record lows in major advanced economies and signs of a deteriorating global outlook, a focus on keeping federal government compensation affordable relative to the country's economic performance will allow the Government to pursue its budgetary commitments and better respond to future economic uncertainty.

The following section outlines the Canadian economy and its outlook, labour market conditions for the public service relative to the private sector, and the government's fiscal circumstances. This includes an overview of gross domestic product (GDP) growth, consumer price inflation,

employment growth, risks to the economic outlook, and how the public service compares against the typical Canadian worker, which is the ultimate payer of public services.

Real GDP growth

Real GDP growth, which is the standard measure of economic growth in Canada, provides an indication of the overall demand for goods, services, and labour. Lower real GDP growth reduces demand for employment, which increases unemployment and curbs wage increases.

Real GDP growth recently peaked in 2017 at 3 percent before slowing markedly to 1.9 percent in 2018 (**Table 16**). The outlook for real GDP projects growth further deteriorating to 1.5 percent in 2019 and 1.6 percent in 2020. Over the 2014 to 2017 period, real economic growth averaged 1.9 per cent, higher than the average outlook for growth of 1.7 per cent over the 2018 to 2021 period. The declining growth profile of GDP comes despite the economy's continued reliance on historically low interest rates.

Table 16: Real Gross Domestic Production, Year-over-year growth

Real GDP Growth (y/y)	2016	2017	2018	2019(F)	2020(F)
Statistics Canada	1.1%	3.0%	1.9%	-	-
Consensus Forecasts	-	-	-	1.5%	1.6%
Bank of Canada	-	-	-	1.5%	1.7%

Source: Statistics Canada, Consensus Forecasts October 2019, Bank of Canada MPR October 2019.

While forecasters are basing their modest expectations for growth on the assumption that economic conditions will not further deteriorate, the Canadian economy faces a number of risks that could further compromise growth prospects, weakening the labour market and the government's fiscal balance. Risks that need be taken into particular consideration include the current status of the Free Trade Agreement and the current and forecasted status of the global economy (e.g., United States, China).

The Consumer Price Index

The Consumer Price Index (CPI) tracks the price of a typical basket of consumer goods. Measuring price increases against wage growth demonstrates relative purchasing power over time. Recent inflation has been persistently low, below the 2.0 per cent mid-point of the Bank of Canada's 1.0 to 3.0 per cent target rate since 2011. Inflation exceeded 2.0 per cent for the first time in seven years in 2018, at 2.3 per cent. However, inflation above 2.0 per cent is forecast to be short-lived. According to Consensus Forecasts, inflation is expected to decline to 2.0 per cent in 2019 and further decline to 1.9 per cent in 2020 (**Table 17**). The Bank of Canada's October inflation forecast has a similar profile, with inflation at or below 2.0 per cent until the end of 2021.

Table 17: Canada's Major Economic Indicators, year-over-year growth

Indicator[1]	2016	2017	2018	2019 (F)	2020 (F)	2021(F)
CPI (y/y) Consensus	1.4%	1.6%	2.3%	2.0%	1.9%	2.0%
CPI (y/y) BoC	1.4%	1.6%	2.3%	2.0%	1.8%	2.0%
Unemployment	7.0%	6.3%	5.8%	5.7%	5.7%	n/a

Source: Statistics Canada, Consensus Forecasts (April 2021 long-term forecast and October 2019 for 2019 and 2020 forecast), BoC MPR October 2019.

Working conditions in the Public Sector versus the Private and other Sectors

The public sector enjoys many privileges over what the average private sector worker experiences, with significant advantages in pension and benefit plan coverage and quality, better job tenure and stability, more paid-time off and an earlier average age of retirement.

The federal government supports providing its employees with good benefits and working conditions. Nevertheless, it also has an accountability to the many employees in the private sector whose taxes support the government, and who do not enjoy comparable working conditions in terms of wages, pensions, benefits, and job security.

[1] Data was taken from Statistics Canada and Consensus Forecasts, September 2019

The wage pattern already established with other federal public service bargaining agents is higher than settlements for other provincial public sector employees and recommending above-pattern increases would only further entrench the advantages that the federal public service enjoys over private sector and other public sector workers.

Fiscal Outlook

The Government of Canada has adopted the position that reasonable deficit spending that targets Canada's middle-class can boost economic growth, provided that appropriate trade-offs are made to avoid accumulating excessive debt loads. Higher debt levels lead to higher borrowing costs, and as a result, fewer resources for spending priorities. The government is currently in a deficit situation. The deficit was $14.0[2] billion for fiscal year 2018-19 and Budget 2019 forecasted continued deficits throughout the forecast horizon to fiscal year 2023-24.
The Government's fiscal plan is to continue to invest to grow Canada's economy for the long term, in a fiscally responsible way that preserves Canada's low-debt advantage. To stay on its fiscal track, the government has the responsibility to manage its budget in a manner that serves the public interest.

Fiscal room to maneuver is especially important because very low interest rates restrict monetary policy from responding to an economic down-turn with further rate cuts. The current overnight rate of 1.75 per cent set by the Bank of Canada is more than two and half times lower than the pre-recession peak of 4.5 per cent in August 2007. According to TD Economics, central banks have limited room to provide stimulus in the event of a recession.[3]

Personnel costs, which includes salaries and wages; employer pension contributions; health, dental and disability benefits; and other employer contributions such as employment insurance, workers compensation, pay-in-lieu of leave, bonuses, and severance pay for the federal public service, RCMP and Canadian Forces, of $60.3 billion dollars in 2017-18 were the single largest component of direct program expenses, representing 41 per cent of these costs.[4] Personnel costs

[2] Annual Financial Report of the Government of Canada Fiscal Year 2018–2019, Finance Canada.
[3] TD bank, What to Expect from Central Banks in the Next Global Downturn, October 2019.
[4] Public accounts of Canada 2018, Volume 1.

have increased by $11.7 billion since 2014-15. To put this amount in better context, $11.7 billion dollars would cover almost 62 per cent of the entire cost of the Employment Insurance program for all of Canada for 2018-19[5].

A portion of the increase in personnel costs is attributable to higher 'legacy' costs for the Government's generous pensions and benefits promises due to low and falling interest rates. From the Employer's perspective, employees' total compensation costs have increased significantly beyond just what has been provided in wage increases.

The CRA must manage total compensation costs prudently on behalf of taxpayers, and increasing costs from pensions and benefits need to be considered, as part of wage negotiations, to help mitigate the overall total compensation increase. Higher wages and salaries directly increase other compensation costs that are linked to salaries such as pensions, adding an additional 17% to the wage and salary costs for the public service. While pensions and benefits are not bargained directly at the CRA table, they provide a significant additional monetary benefit in today's labour market.

Replication Principle

As mentioned, the Bargaining Agent's economic proposals for the PDAS Group far exceed the pattern established in the federal public service. They are also well in excess of broader public sector trends across Canada.

Settlements to Date in the Federal Public Service

To date, 34 collective agreements have been reached in the federal public service. All agreements contain base economic increases of 2.0%, 2.0%, 1.5% and 1.5% over a four year period (vast majority from 2018 to 2021), plus targeted wage measures of approximately 1% over the term of the agreement.

5 Employment insurance costs taken from Table 3 of the Annual Financial Report of the Government of Canada for 2018-19

In addition to any group specific improvements, various government-wide measures were included in the settlements. These improvements included 10 days of paid leave for domestic violence, expanded provisions for caregiving leave, extended parental leave and allowance provisions, as well as an expanded definition of family that allows for more flexible use of paid family related leave provisions.

The Employer would be amenable, within the context of an overall negotiated settlement, to replicate the same or equivalent improvements to the members of the PDAS bargaining unit, which would provide for a fair and reasonable collective agreement. The evidence provided in this brief does not suggest or support that the PDAS bargaining unit receive more than the pattern that has been set in the 34 agreements settled during this round of bargaining.

Provincial and Territorial Government Compensation

Wage increases in provincial and territorial governments have been modest during the period of negotiations due to the higher fiscal burden on governments from elevated debt levels and an uncertain economic outlook.

For example, the Government of Ontario has tabled legislation which imposes a 1% maximum on annual compensation increases provided through collective agreements for a 3-year period. The province of Alberta has introduced wage restraint regulations limiting the increases in base salary of executives from April 1st, 2018 to December 31st, 2019. The Alberta Finance Minister has also announced that Alberta will also seek two to five per cent wage rollbacks in arbitration with the vast majority of public sector employees. Manitoba introduced sustainability legislation which came into effect in March 2017 and limits wage increases at 0% for the first two years, 0.75% for the third year, and 1% in the fourth year. Finally, the Government of Newfoundland and Labrador implemented four years of salary freezes from 2016-17 to 2019-20 and the Government of Nova Scotia legislated 0.75% annual wage increases from 2015-16 until 2018-19.

Covering similar periods, the Government of Canada has negotiated economic wage increases of 1.75% annually plus targeted wage measures of approximately 1% over the term of the agreement, with 34 groups in the federal public service. Examining wage increases negotiated in

other Canadian governments supports the fact that the established economic patterns are reasonable and sufficient.

EMPLOYER'S TOTAL ECONOMIC PAY POSITION

With respect to the Employer's economic pay proposal, as mentioned earlier in this brief, the Employer noted on several occasions that, given the Bargaining Agent's large number of outstanding demands which would incur significant costs, the Employer would not be in a position to table an economic proposal until the Bargaining Agent reduced the number of proposals within the context of a total settlement. The Bargaining Agent has not demonstrated movement in this regard and as such, the Employer has not been in a position to table its economic proposal.

As mentioned, economic patterns have been well established by the TBS and the PSAC for fiscal years 2016-2017 and 2017-2018 with economic increases at 1.25% for both years and a 0.5% market adjustment for 2016-2017. Recently, the TBS also reached collective agreements for 17 bargaining units represented by several bargaining agents including the Professional Institute of the Public Service (PIPSC). The CRA also signed a collective agreement on August 23, 2019, with its other bargaining agent the PIPSC - Audit Financial and Scientific Group (AFS).

As demonstrated, the parties are negotiating in an environment where a well-established pattern of economic increases has emerged. The Employer's objective is therefore to reach an agreement that is consistent with other public service settlements.

BARGAINING AGENT'S PAY PROPOSAL

Economic Increases

The Bargaining Agent is proposing the following increases to all rates of pay for all employees in the bargaining unit:

- Effective November 1st, 2016 : 9% wage adjustment
- Effective November 1st, 2016 : 1.40%

- Effective November 1st, 2017 : 1.60%
- Effective November 1st, 2018 : 3.75%
- Effective November 1st, 2019 : 3.75%

As outlined above, the Bargaining Agent is also proposing a wage adjustment of 9% for all its members effective November 1, 2016 in addition to the proposed economic increases for all members. This adjustment is based on a wage comparison between the salaries on November 1, 2016 at the Canada Border Services Agency (CBSA) and the CRA for similar occupations, for which the Bargaining Agent claims, is the non-uniform employees of the FB Group.

Border Services (FB) Group

On April 29, 1999, Parliament passed the Canada Customs and Revenue Agency Act, which established the Canada Customs and Revenue Agency (CCRA) (now the Canada Revenue Agency (CRA)) as a separate agency. The change in status from department to agency, which took place on November 1, 1999, has helped build a modern organization that is committed to leadership, innovation, and client service.

On December 12, 2003, the Government announced the creation of the Canada Border Services Agency (CBSA), which is responsible for Canada's customs operations. Those customs functions, and the employees responsible for them, were transferred from the CCRA to the new organization. Two years later, on December 12, 2005, legislation came into effect continuing the CCRA as the CRA.

The Bargaining Agent attempts to justify its 9.0% wage adjustment proposal by linking the FB occupation group to the PSAC-PDAS group. The Bargaining Agent believes that since FB employees were at one-time part of the CCRA, there is a connection with PSAC-PDAS as they would have shared the same occupational groups and salaries in 2003, over 15 years ago.

Furthermore, the Bargaining Agent contends that employees of the CRA and CBSA are "receiving vastly different salaries even though the work performed is still largely similar across both

agencies". The difference in salary the Bargaining Agent says, is attributed to the introduction of Agency-specific occupational groups by both parties as well as the regular negotiation process.

Affirmation of comparability group

2014 CRA/PSAC-UTE Public Interest Commission Report

The Bargaining Agent presented similar arguments with respect to external comparability at a previous PIC hearing, which took place on October 8, and 9, 2014. The PIC report (**Appendix G**), which contains the summation of the hearing and the findings of the Commission, sided with the CRA's position with respect to comparability (paragraph 27), in which the conclusion of the PIC is clear, the most comparable group for PSAC-PDAS within the CPA is the PA group.

> *"The PIC has carefully considered the submissions of the parties on the issue of seniority or years of service. The factors for a PIC to consider in making its recommendations include the comparability of terms and conditions of employment between occupations within the public service and comparability relative to employees in similar occupations (section 175 of the PSLRA). The majority of the PIC is of the view that the most comparable group within the core public service is the PA group. The employees in the bargaining unit are in occupations that are more similar to those in the PA group than those in the FB or CX bargaining units. The PIC therefore recommends that the collective agreement contain the bargaining agent's proposal for years of service to be used in vacation scheduling, as was recently agreed to in the PA group collective agreement."*

2018 CRA/PSAC-UTE Binding Conciliation Board Report

In 2018 this issue was also brought forward to a binding conciliation board for a final decision on a reopener clause for economic increases, where the Bargaining Agent attempted once again to convince the Board that the appropriate comparator group was the FB Group.

Appendix "A' of the 2016 expired collective agreement between the parties contained a reopener provision providing for the negotiation of the total economic increases effective November 1, 2014 and November 1, 2015. In the event that the parties were unable to reach

agreement on the issue in question, the reopener provision also provided for referral of the dispute to binding conciliation, in accordance with section 182(1) of the Federal Public Sector Labour Relations Act.

In their submission, the Employer cited the findings of the 2014 PIC, chaired by Ian R. Mackenzie, as stated above, which established that the most comparable group within the core public service is the PA Group.

The Bargaining Agent maintained their position that if a comparator is to be found in the broader federal public administration, the most appropriate for this group would be the non-uniformed personnel in the Border Services FB Group, therefore substantiating their proposal for a 3% wage adjustment in addition to 0.5% increases to rates of pay for both 2014 and 2015.

In the final binding decision (**Appendix H**), their was an acknowledgement and acceptance by the Board of the previous PIC's determination that the PA Group is the appropriate comparator. In fact, the Board determined that the wage adjustment of 3% proposed by the Bargaining Agent in line with their comparison to the FB Group, was not sufficiently supported and as such they were not inclined, on the basis of the evidence presented, to award such an increase.

Classification

As noted above, it is the Employer's position that the Bargaining Agent's proposed occupational group comparability study of the PSAC-PDAS group to the FB group is not relevant. The CRA further presents that the Bargaining Agent has provided neither a legitimate nor a persuasive rationale to support its link to the FB group. Regardless of whether employees under the FB occupational group were at one time employees of the CRA, a new classification standard was developed by CBSA to address the unique work of these employees which is distinct from any other occupational group within the public service.

The CRA's Classification section has reviewed the job descriptions of the FB group in comparison with those of the SP and MG-SPS groups. They found that the FB group is not a comparator at all.

In fact, they noted that the CBSA still maintains the same occupational groups, i.e. the PA groups (CR, PM), that have been identified as a comparator.

From a classification perspective, comparing the legacy PM standard, to the CRA's SP standard and MG standard to the CBSA's FB standard was challenging. First and foremost, the FB standard values largely different activities than those carried out by the CRA. The FB standard is built for border activities and not tax administration.

As per the definition of the FB group, (**Appendix I**) the "Border Services Group comprises positions in the Canada Border Services Agency that are primarily involved in the planning, development, delivery, or management of the inspection and control of people and goods entering Canada." This would therefore exclude the work being performed at the CRA by the SP and MG-SPS group, as they are not involved in any of those activities. Consequently, any argument connecting CRA jobs with the FB standard would be difficult at best.

In order to properly address the Bargaining Unit's assertion that it compares to the FB group and not the PA group, the CRA's Classification Section used the following methods to analyze their claim:

- Analysis of the FB–PM/MG progression provided by the Bargaining Agent.
- Examination of the CBSA's conversion guide (including the job consolidation which preceded it).
- Evaluation of CRA jobs using the FB standard by choosing a selection of jobs which cover a range of levels and responsibilities.

Conclusions: Jobs not responsible for border program activities tended to display a drop-off in scoring compared to the progression the Bargaining Agent submitted. Given that the CBSA chose not to convert every job in their Agency to FB, it is a flawed argument to suggest that a significant number of SP/MG-SPS jobs in the CRA compare to FB jobs.

Organizational Context

Organizational context is important to shaping the work accomplished. While under the auspices of the CCRA, the Customs function reported to the Minister of National Revenue. The creation of the CBSA shifted the Customs function to report to the Minister of Public Safety. While the responsibility for duty collection remains, it is no longer the primary purpose of the work. In a previous round of CBSA negotiations, Jean-Pierre Fortin, National President of the Customs and Immigration Union, who represents the FB occupational group, indicated that the role of the border officer has shifted dramatically over the years. Currently there is heavy focus on national security, counterterrorism and law enforcement, including intercepting impaired drivers, **whereas the primary task was previously duty and tax collection**.

From the Employer's perspective, there is simply no evidence to substantiate the Bargaining Agent's assertion that the FB occupational group is an appropriate comparable group for PSAC-PDAS within the CPA. It is the position of the CRA that the information detailed by the Employer demonstrates that the employees of this bargaining unit do not compare to those of the FB group and that the members of the Commission should only consider those employees in the PA occupational group, as the work of those employees is linked far more closely, as demonstrated by the similarities in Group definitions and Group Inclusions (**Appendix J**).

CRA's response to Bargaining Agent's wage proposals

As mentioned, the Bargaining Agent's proposal is significantly higher than the established federal public service pattern.

Respectfully, it is the Employer's position that there is no justification demonstrated, for example, there are no recruitment or retention issues within this bargaining unit, nor has there been any proven comparability with the FB Group. From a total compensation perspective, the employees of this bargaining unit already enjoy benefits and entitlement levels above those afforded to their CPA comparators. Introducing further salary improvements is, in the opinion of the Employer, unjustified.

Given these factors, there is no defensible reason that could justify to taxpayers why the CRA would agree to provide economic increases greater than those received by other federal public servants. The CRA simply cannot absorb the additional cost of the Bargaining Agent's economic proposal, which is estimated to be close to **$362.9M** on an ongoing basis which represents approximately **29.32%** of the actual wage base.

The Employer submits that the Bargaining Agent's economic proposals are not supported by any relevant fact, they are unreasonable and far from the pattern establish for the core public administration. As previously indicated, the Employer did not submit a counterproposal for economic increases. The Employer respectively requests that the Commission provide a recommendation for the Bargaining Agent's economic proposals as well as guidance as for future discussions on this matter.

PART IV

OUTSTANDING ITEMS

OUTSTANDING ISSUES

Although the parties have been successful at reducing some of the issues, there are still a number of outstanding items on the table. As previously outlined in **Table 9,** the following issues still remain unsolved and are being brought before this public interest commission. In this summary, items outlined below in the right column that are highlighted in **bold text** signify proposed changes to the existing collective agreement. Where deletions are proposed, the words are identified by a ~~strikethrough~~ of existing text.

ARTICLE 2 – INTERPRETATION AND DEFINITIONS

Collective Agreement	Bargaining Agent Position
"family" except where otherwise specified in this Agreement, means father, mother (or alternatively stepfather, stepmother, or foster parent), brother, sister, spouse (including common-law partner spouse resident with the employee), child (including child of common-law partner or foster child), stepchild or ward of the employee, grandchild, father-in-law, mother-in-law, grandparents and relative permanently residing in the employee's household or with whom the employee permanently resides.	**"family"** except where otherwise specified in this Agreement, means father, **stepfather**, mother, **stepmother** (~~or alternatively stepfather, stepmother,~~ or foster parent), brother, **stepbrother**, sister, **stepsister**, spouse**/partner** (including common-law partner spouse~~ resident with the employee~~), **fiancé or fiancée,** child (including child of common-law partner or foster child, **miscarried child or still-born child),** stepchild or ward of the employee **or person over whom the employee has legal guardianship,** grandchild, father-in-law, mother-in-law, **son-in-law, daughter-in-law, brother-in-law, sister-in-law,** grandparents, **aunt, uncle, niece, nephew,** and relative permanently residing in the employee's household or with whom the employee permanently resides.

REMARKS:

The Bargaining Agent is proposing to significantly expand the current definition of family.

During the last round of bargaining, the definition of family was expanded in many collective agreements, such as the comparator PA Group agreement, expiry date June 20, 2018, to include

step-brother, step-sister, son-in-law, daughter-in-law. In turn and to note, applicable provisions related to the one (1) day bereavement leave were adjusted to reflect this change as well.

Replication principle

Given these established patterns from the last round of bargaining and within the context of an overall negotiated settlement, the Employer would be amenable to the language negotiated in the PA agreement, expiry date June 20, 2018, included in **Appendix K**, for both Article 2 and Article 46 Bereavement leave with pay.

With regards to the other proposed additions to the definition of family, the Employer contends that employees are provided with many other types of leave entitlements throughout the collective agreement that can be used to cover the individuals that the Bargaining Agent is proposing to add. Furthermore, it is the Employer's opinion that the Bargaining Agent has failed to support their argument and demonstrate a driving need for these costly amendments.

Additionally, such provisions are not found in other collective agreements in the federal public service. Therefore, the Employer respectfully requests that the Commission not include these proposals in its report.

ARTICLE 10 - INFORMATION

Collective Agreement	Employer Position
10.02 The Employer agrees to supply each employee with a copy of this Agreement and will endeavour to do so within one (1) month after receipt from the printer.	**10.02** ~~The Employer agrees to supply each employee with a copy of this Agreement and will endeavour to do so within one (1) month after receipt from the printer.~~ **(a) This Agreement and any amendments thereto, will be available electronically.** **(b) Printed copies of the collective agreement will be provided to the Alliance and all UTE stewards.**

REMARKS:

The Employer is requesting to limit the printing of copies of the collective agreement given that it is readily available to employees on both the Employer's intranet system and on the CRA's external website. This proposal is consistent with the Government's policies and commitments to the environment and towards greening the economy. This proposal is also cost-effective.

The Federal Sustainable Development Strategy (FDS), which is supported by the Federal Sustainable Development Act sets out the Government of Canada's environmental sustainability priorities, establishes goals and targets and identifies actions to achieve them. As required by the Act, departments and agencies are mandated to prepare sustainable development strategies containing objectives and plans within their mandate that contribute to the whole-of-government FDS.

As such, the CRA has developed its own Departmental Sustainable Development Strategy for 2017-2020. To continue reducing greenhouse gas emissions from its operations, the CRA has committed to modernizing its vehicle fleet, procuring green products and services, and promoting sustainable travel practices and other sustainable development information to its employees. In addition, the CRA's strategy goes beyond its FSDS requirements by identifying additional opportunities to integrate sustainable development into its programs, services, and operations.

The CRA pursues sustainable development within the context of its corporate vision and as such has an emphasis on the following:

- **Minimize waste** - reduce and divert solid waste from landfill.
- **Green purchases** - buy goods and services that meet environmental, social, and economic considerations.
- **Paper smart office** - minimize the use of paper in providing services to employees and Canadians.
- **Sustainable travel** - implement a modern travel framework that supports sustainable travel options.
- **Greener office space** - promote efficient energy use, alternative work arrangements, and sustainable office design.

In terms of internal relativity, the CRA/PIPSC-AFS collective agreement has had language for the provision of electronic copies of the collective agreement as the standard since 2011. This has also become the standard for other bargaining units in the core public administration. The PSAC is the only Bargaining Agent to still require printed copies for all of their members.

In 2017, Michael Bendel, Chair of the Public interest Commission for the matters in dispute between the PSAC and the Treasury Board for the Border Services (FB) Group, saw no justification on imposing on the employer the substantial cost of producing printed copies of the collective agreement when it is assumed that all employees have access electronically. The Board also noted that the Employer's proposal had been included in several other collective agreements including but not limited to those of the PIPSC-AFS Group, AV Group, FI Group, CS Group and EC Group.

In the current state of global environmental crisis, the climate benefits of reducing paper consumption are significant. Limiting paper use can reduce impacts on forests, cut energy use and climate change emissions, limit water, air and other pollution and produce less waste. Moving forward, the simple act of limiting the printing of the collective agreement will also help the amount of trash going to landfills and reduce energy use and pollution associated with manufacturing, transporting, and recycling new paper products. As such, the Employer respectfully requests that the Commission include this proposal in its report.

ARTICLE 12 – USE OF EMPLOYER'S FACILITIES

Collective Agreement	Bargaining Agent Position
12.03 A duly accredited representative of the Alliance may be permitted access to the Employer's premises to assist in the resolution of a complaint or grievance, and to attend meetings called by management. Permission to enter the premises shall, in each case, be obtained from the Employer.	**12.03** A duly accredited representative of the Alliance may be permitted access to the Employer's premises to assist in the resolution of a complaint or grievance, and to attend meetings called by management **and/or meetings with Alliance represented employees**. Permission to enter the premises shall, in each case, be obtained from the Employer. **Such permission shall not be unreasonably withheld.**

REMARKS:

The Bargaining Agent is proposing to expand the wording of this clause to provide representatives with significantly broader access rights to the Employer's premises to meet with employees of the bargaining unit for unspecified reasons. This could include meetings that are inconsistent with the Employer's legitimate interests and/or operations.

The Employer submits that agreeing to expanded access rights, as proposed by the Bargaining Agent, would have negative impacts on the Employer's operations, raise legitimate security-related concerns and affect the Employer's ability to properly manage its workplace.

The current language of the collective agreement is standard for federal public service collective agreements.

The Bargaining Agent has failed to provide evidence of situations at the CRA where union representatives have been denied access to the Employer's premises and as such, the Bargaining Agent failed to provide the Employer with a rational to support this additional language.

The Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 13 – EMPLOYEE REPRESENTATIVES

Collective Agreement	Bargaining Agent Position
13.04 a. A representative shall obtain the permission of his or her immediate supervisor before leaving his or her work to investigate employee complaints of an urgent nature, to meet with local management for the purpose of dealing with grievances, and to attend meetings called by management. Such permission shall not be unreasonably withheld. Where practicable, the representative shall report back to his or her supervisor before resuming his or her normal duties. b. Where practicable, when management requests the presence of an Alliance representative at a meeting, such request will be communicated to the employee's supervisor. c. An employee shall not suffer any loss of pay when permitted to leave his or her work under paragraph (a).	**13.04** a. A representative shall ~~obtain the permission of~~ **notify** his or her immediate supervisor before leaving his or her work to investigate employee complaints of an urgent nature, to meet with local management for the purpose of dealing with grievances, and to attend meetings called by management. ~~Such permission shall not be unreasonably withheld.~~ Where practicable, the representative shall report back to his or her supervisor before resuming his or her normal duties. b. Where practicable, when management requests the presence of an Alliance representative at a meeting, such request will be communicated to the employee's supervisor. c. An employee shall not suffer any loss of pay when permitted to leave his or her work under paragraph (a).

REMARKS:

The Bargaining Agent is proposing to amend the provisions of this clause to eliminate the Employer's discretion and ability to consider the operational impact of granting permission to leave the workplace. The proposal is tantamount to a simple notification by the employee to the supervisor that they are leaving on Bargaining Agent business.

The Employer submits that it is entitled to manage its workplace and as such is also entitled to rely on its employees to attend work, to perform the tasks for which they were hired and to be available to provide services to Canadian taxpayers.

Allowing employee representatives to leave work without giving management any discretion to determine if work requirements will allow for their immediate absence is not reasonable and could result in potential disruptions to the Employer's operations and services provided.

The Employer further submits that the current language provides enough flexibility and discretion to allow representatives to attend the circumstances outlined in paragraph 13.04(a). Furthermore, the existing wording "such permission shall not be unreasonably withheld" provides for a reasonable balance between the Employer's needs and those of the Bargaining Agent.

Of note, in May 2018, the TBS issued an Information Bulletin to departments which was adopted at the CRA, recognizing the valuable role of the Bargaining Agent representatives and encouraging the flexible application of the language in this Article, especially as it applies to allowing representatives to assist employees with pay issues.

Given the statements above, the Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
13.05 The Alliance shall have the opportunity to have an employee representative introduced to new employees as part of the Employer's formal orientation programs, where they exist.	**13.05** ~~The Alliance shall have the opportunity to have an employee representative introduced to new employees as part of the Employer's formal orientation programs, where they exist.~~ **The employer shall grant reasonable leave with pay to Alliance representatives and new employees for the purposes of delivering a union orientation.**

REMARKS:

The Bargaining Agent is proposing that leave with pay be provided to new CRA employees and union representatives for the purposes of union orientation.

The Bargaining Agent's proposed amendment does not provide a specific timeframe (i.e. reasonable leave), nor does it establish a framework for the information included in this orientation. Providing leave with pay to all new employees and union representatives for this purpose would have significant economic and operational impacts on the CRA.

"My Guide" is the CRA's official onboarding tool for new employees and it includes an orientation component for which all new employees are provided the opportunity to complete upon commencement of a position with the CRA.

One of the tailored onboarding tasks in My Guide is for new employees to familiarize themselves with their union. Through this task, new employees are encouraged to review their collective agreement and to meet with their union representative within the first month of being in the job. The task provides links to both the collective agreement and the PSAC-UTE website. Employees are also encouraged to speak with their managers should they have any questions regarding the content of My Guide, including the component related to the union.

Every year, during tax filing season, the CRA hires a large number of new employees who undergo training sessions. It has been the Employer's practice to provided to union representatives (15-30 minutes) to introduce themselves to the group of new employees, to provide them with information pertaining to the union's role and responsibilities and to have them sign their union cards.

Although not available in all offices at the CRA, given the sheer size and number of employees, management has confirmed that in most offices, where mass hiring is done for tax filing season, Bargaining Agent representatives are provided with the opportunity to introduce themselves to new employees as part of the Employer's formal orientation programs.

The Employer agrees with, and promotes the importance for new employees to be informed of their roles and responsibilities as well as those of the Bargaining Agent that represents them. That being said, the Employer disagrees that language granting leave outside of the established introduction sessions and provided to complete the My Guide tool be included in the collective agreement.

The Employer respectfully requests that the Commission not include this provision in its report.

ARTICLE 14 – LEAVE WITH OR WITHOUT PAY FOR ALLIANCE BUSINESS

Collective Agreement	Bargaining Agent Position
14.13 When operational requirements permit, the Employer will grant leave without pay to employees who exercise the authority of a representative on behalf of the Alliance to undertake training related to the duties of a representative.	**14.13** **(a)** ~~When operational requirements permit, t~~**T**he Employer will grant leave without pay to employees who exercise the authority of a representative on behalf of the Alliance to undertake training related to the duties of a representative. **(b) The employer shall grant leave without pay, upon request, to employees to undertake training provided by the Alliance.**

REMARKS:

The Bargaining Agent is proposing that the Employer grant leave with pay to all members of the bargaining unit to undertake training provided by the Alliance at any given time without any considerations to operational requirements.

The Employer submits that agreeing to remove the considerations of operational requirements would leave the Employer without any discretion for the granting of this leave and the ability to ensure that operational needs are met before allowing an employee to undertake training provided by the Alliance.

In terms of the proposed language under paragraph 14.13(b), the current wording of the collective agreement has established conditions surrounding leave without pay for Alliance training which clearly stipulate that :

- Leave is granted to employees who exercise the authority of a representative on behalf of the Alliance.
- Leave is granted to undertake a training related to the duties of a representative of the Alliance.

The Bargaining Agent's proposed language would not only broaden the scope of this clause, causing both economic and operational impacts on the Employer and provide leave to any employee who would like to register for courses offered by the Alliance, but would also eliminate the parameters outlined in paragraph 14.13(a).

The current language of the collective agreement is standard for federal public service collective agreements and the Bargaining Agent has not provided any arguments to support a driving need for this change. The Employer therefore respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
NEW	**No interruption of Pay** **14.14 Leave without pay granted to an employee under this Article, with the exception of article 14.16 below, will be with pay; the Alliance will reimburse the Employer for the salary and benefit costs of the employee during the period of approved leave with pay according to the terms established by the joint agreement.**

REMARKS:

The Bargaining Agent is proposing that all leave without pay granted under Article 14 be with pay, with the Alliance providing the Employer with the reimbursement of the salary and benefit costs during the period of leave.

The Employer recognizes that similar provisions have been established in the core public administration for departments feeding directly into the Phoenix system in order to avoid and/or limit the negative compensation effects associated with union leave without pay. As such, agreements were reached between the TBS and the union to avoid these issues by way of jointly establishing terms for the reimbursement of salary and benefits.

That being said, the CRA does not have the same Phoenix-related issues as the rest of the public service in terms of processing union leave without pay, due to the CRA's own Corporate Administrative System (CAS) that feeds into Phoenix, therefore avoiding such issues. Of note, when options for replacing the Phoenix system were discussed, the union launched a campaign supporting CAS for its proven efficiency and reliability.

As of November 14, the percentage of CRA employees with a case over 30 days decreased from 8.7% to 8.4%. This compares with 54.6% of employees in organizations of the CPA serviced by the Public Service Pay Centre.

In addition, the provisions for union leave recovery found in the comparator group and other collective agreements in the CPA create an added administrative burden in the management of these leaves. Given this and the information provided above, this language was not negotiated in the Employer's recent agreement with the PIPSC-AFS Group.

Given that there are no existing deficiencies in the processing of union leave at the CRA, to avoid administrative burdens and inconsistencies in the processing of union leave between Bargaining Agents at the CRA, the Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
NEW	**14.15 Upon request of an employee the employer shall grant leave without pay for Alliance business for the employee to accept an assignment with the Alliance.**
NEW	**Leave without pay for election to an Alliance office** **14.16 The employer will grant leave without pay to an employee who is elected as a full-time official of the Alliance within one (1) month after notice is given to the employer of such election. The duration of such leave shall be for the period the employee holds such office.**

REMARKS:

Under clauses 14.15 and 14.16 the Bargaining Agent is proposing that the Employer provide leave without pay for Alliance business for employees to accept an assignment with the Alliance and for employees who are elected as full-time officials of the Alliance.

As per current procedures, employees in the bargaining unit who are interested in an assignment outside of the CRA, are required to submit a leave request. In most cases, employees request leave without pay for personal needs as per clause 43.01, which provides for both a three month leave period, and a one year leave period, which can be combined for a total period of fifteen months. This leave without pay is subject to operational requirements and is limited in both case to once during the employee's total employment in the public service.

The Bargaining Agent's proposal does not include any of the following:

- Provisions related to the Employer's discretion related to its operational requirements.
- Any minimum or maximum period for the duration of this leave.
- The amount of times that this leave can be used for an assignments with the Alliance.

There are no similar existing provisions in the comparator PA group nor in the CPA for this type of leave. The Bargaining Agent has also failed to provide the Employer with any rational to support this additional language.

In terms of the request under clause 14.16, the Employer has a long standing practice of providing leave to employees who are elected as a full-time official of the Alliance. The Bargaining Agent has not brought forward any concerns with this process nor is this request supported by data to demonstrate the need to amend the collective agreement.

The Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
NEW	**14.17 Leave without pay, recoverable by the employer, shall be granted for any other union business validated by the Alliance with an event letter.**

REMARKS:

The Bargaining Agent is proposing that the Employer authorize leave without pay under Article 14 for any union business, validated by the PSAC-UTE. Currently leave for Alliance business (both with and without pay) is limited to specific reasons under this Article.

The Employer submits that agreeing to the Bargaining Agent's proposal would leave the Employer without any real discretion for the granting of leave without pay, even when it is not reasonable to expect the Employer to grant an employee leave, such as for attending a demonstration against the Employer.

The Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 17 - DISCIPLINE

Collective Agreement	Bargaining Agent Position
17.02 When an employee is required to attend a meeting, the purpose of which is to conduct a disciplinary hearing concerning him or her or to render a disciplinary decision concerning him or her, the employee is entitled to have, at his or her request, a representative of the Alliance attend the meeting. Where practicable, the employee shall receive a minimum of one (1) days' notice of such a meeting.	**17.02** ~~When an employee is required to attend a meeting, the purpose of which is to conduct a disciplinary hearing concerning him or her or to render a disciplinary decision concerning him or her, the employee is entitled to have, at his or her request, a representative of the Alliance attend the meeting.~~ **An employee is entitled to have, at their request, a representative of the Alliance attend and participate in any meeting concerning their employment including, but not limited to, internal affairs or administrative investigations, or any meeting where the purpose is to conduct a hearing or render a decision concerning the employee.** Where practicable, the employee shall receive a minimum of ~~one (1)~~ **two (2)** days' notice of such a meeting.

REMARKS:

The Bargaining Agent is proposing that its representatives be given the opportunity to attend any and all meetings involving their members, again providing them with the complete authority to determine their jurisdiction.

The provisions of the current collective agreement outlined in Article 14 provide Bargaining Agent representatives with leave to cover many specific situations where they are required or asked to provide support to employees while respecting the Employer's operational requirements. The Bargaining Agent's proposed language would infringe upon the Employer's rights to manage its operations and would result in significant economic and operational impacts.

Allowing employees to request the presence and participation of a Bargaining Agent representative in **any** meeting concerning their employment would significantly increase union-related workloads for Bargaining Agent representatives therefore causing a substantial increase in leave for union business. This increase would in turn have operational impacts for the Employer as well as impacts on service delivery.

In the principles of management there are situations where discussions should be conducted between the employee and their manager. The Bargaining Agent's proposed amendments also do not promote and support management and employee relationships, as it gives the impression that the Employer is not to be trusted and is incapable of managing situations in accordance with the CRA's policy instruments.

The current language of the collective agreement is standard for federal public service collective agreements and the Bargaining Agent has not provided any arguments to support a driving need for this change. As such, the Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Employer Position
17.05 Any document or written statement related to disciplinary action, which may have been placed on the personnel file of an employee, shall be destroyed after two (2) years have elapsed since the disciplinary action was taken, provided that no further disciplinary action has been recorded during this period.	**17.05** Any document or written statement related to disciplinary action, which may have been placed on the personnel file of an employee, shall be destroyed after two (2) years have elapsed since the disciplinary action was taken, provided that no further disciplinary action has been recorded during this period. **This period will automatically be extended by the length of any period of leave without pay.**

REMARKS:

The Employer is proposing to extend the retention of the notice of disciplinary action on file by the length of any single period of leave without pay in excess of six months.

The corrective nature of disciplinary measures should provide management with the opportunity to evaluate the employee's behaviour in the workplace and integrate adjustments if and when required, which is only possible if the employee is at work.

An extension due to leave of absence has been introduced in some collective agreements in the past, including the CS, EC, LP, FI, FS and AV agreements and has been successfully introduced in the SP, EL, UT, SH, NR and RO agreements during this round of bargaining.

The Employer respectfully requests that the Commission include this proposal in its report.

Collective Agreement	Bargaining Agent Position
NEW	**17.XX Stoppage of pay and allowances will only be invoked in extreme circumstances when it would be inappropriate to pay an employee.** **Each case will be dealt with on its own merits and will be considered when the employee is:** **a) in jail awaiting trial,** **or** **b) clearly involved in the commission of an offence that contravenes a federal Act or the Code of Conduct, and significantly affects the proper performance of his/her duties. If the employee's involvement is not clear during the investigation, the decision shall be deferred pending completion of the preliminary hearing or trial in order to assess the testimony under oath.**

REMARKS:

The Bargaining Agent's proposal regarding stoppage of pay would severely restrict the Employer's ability to suspend an employee administratively without pay, pending the outcome of an investigation.

The Employer has a rigorous process in place prior to the indefinite administrative suspension of an employee. When conducting an investigation there must first be serious allegations made against an employee supported by significant evidence to warrant investigation. If an investigation is warranted, the next step is to evaluate if the employee should continue to perform their duties during the investigation.

The Directive on Discipline provides procedures for the assessment of risk of the employee performing the duties of their position using a temporary removal criteria. If it is determined that the employee should be removed from their duties, the first step is to assess the possibility of temporarily assigning the employee to other duties within the organization. Such a process limits the number of indefinite administrative suspensions. A very small number of CRA employees have been administratively suspended over the past few years and the vast majority of these cases ended in a disciplinary termination.

As mentioned, the CRA has a rigorous process in place that evaluates the risks in maintaining an employee in the workplace pending an investigation. The majority of cases when an employee is administratively suspended are related to the breach of taxpayer information, and situations where there are serious acts of misconduct that do not necessarily lead to criminal prosecution or imprisonment. As such, the Employer maintains that the current process in place is appropriate and adequately serves to protect the interests of the Employer and Canadian taxpayers.

The current language of the collective agreement is standard across the federal public service.
The Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
NEW	**17.YY At no time may electronic monitoring systems be used as a means to evaluate the performance of employees, or to gather evidence in support of the disciplinary measures unless such disciplinary measures result from the commission of a criminal act.**

REMARKS:

The Bargaining Agent is proposing language which would restrict the Employer's use of electronic monitoring.

The CRA is committed to protecting the privacy and confidentiality of taxpayer information. Monitoring activities to prevent, detect, and deter unauthorized access to taxpayer information is essential in maintaining the integrity and reputation of the organization and the Canadian tax administration. Unauthorized access to, and disclosure of, taxpayer information is one of the leading categories of employee misconduct that the Employer investigates.

The CRA has used different monitoring systems in the past, such as the Audit Trail Record Analysis Tool (ATRAT), a web based application, for the monitoring of employee electronic access to taxpayer information. More recently, the CRA implemented a proactive electronic detection system called Enterprise Fraud Management (EFM) which creates alerts in real time for unauthorized accesses. It is important to note that in most cases, when an employee accesses confidential information, it is either out of curiosity or to use this information for other purposes. When a monitoring system detects an unauthorized access in real time, the Employer has the capacity to intervene with the offending employee before the information can be used. This monitoring is crucial to the CRA in detecting possible unauthorized access by employees.

Also, if a manager has reason to believe that an employee is accessing unauthorized files, or if a taxpayer files a complaint in that regard, an audit trail may be requested. Preventing the Employer from using audit trails for disciplinary reasons other than the commission of a criminal acts would prevent the Employer from taking disciplinary action on the majority of such situations of misconduct.

The Employer is of the opinion that the Bargaining Agent's proposal would unduly limit its natural justice and procedural fairness, and its ability to present evidence as long as it meets the test of reasonableness where electronic and/or video surveillance may be admitted in support of disciplinary measures. In certain circumstances, surveillance evidence can be the best evidence of employee misconduct. In addition, the Bargaining Agent's proposal is particularly broad in scope and could be interpreted as including monitoring internet usage by employees, for example.

The Employer also uses a call monitoring system (Hosted Contact Centre Service) in call centres, which is designed to support agents in providing quality and accurate responses to tax payers and improving services to taxpayers. By monitoring calls, the Employer can also support employees through difficult calls and situations that they may encounter, which is essential in protecting both the Employer and the employee. That being said, although this system is primarily used for training and feedback purposes, the Employer cannot simply ignore evidence of misconduct captured by this system.

For the reasons stated above, the Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 18 – GRIEVANCE PROCEDURE

Collective Agreement	Employer Position
18.12 The Employer shall normally reply to an employee's grievance at any level of the grievance procedure, except the final level, within ten (10) days after the grievance is presented, and within thirty (30) days when the grievance is presented at the final level.	**18.12** The Employer shall normally reply to an employee's grievance at any level of the grievance procedure, except the final level, within ~~ten (10)~~ **twenty (20)** days after the grievance is presented, and within thirty (30) days when the grievance is presented at the final level.
18.13 An employee may present a grievance at each succeeding level in the grievance procedure: a. where the decision or offer for settlement is not satisfactory to the employee, within ten (10) days after that decision or offer for settlement has been conveyed in writing to the employee by the Employer, or b. where the Employer has not conveyed a decision within fifteen (15) days from the date that a grievance is presented at any level, except the final level, the employee may, within the next ten (10) days, submit the grievance at the next higher level of the grievance procedure.	**18.13** An employee may present a grievance at each succeeding level in the grievance procedure: a. where the decision or offer for settlement is not satisfactory to the employee, within ten (10) days after that decision or offer for settlement has been conveyed in writing to the employee by the Employer, or b. where the Employer has not conveyed a decision within ~~fifteen (15)~~ **twenty-five (25)** days from the date that a grievance is presented at any level, except the final level, the employee may, within the next ten (10) days, submit the grievance at the next higher level of the grievance procedure.

REMARKS:

The Employer is proposing to extend the time frame for providing responses to grievances at any level. The Employer would like to bring to the Commission's attention the fact that the Employer does not have any control over the amount of grievances it receives nor the variables on intake of these grievances.

The 10 days delay for a grievance response, as currently provided for in the language of the collective agreement is often a challenge for two main reasons, the complexity of the case and the availability of the union representative and delegated manager to meet. This is even more challenging at the third level of the grievance process where the grievance will be presented to the Assistant Commissioner. In fact, in most cases, multiple grievance extensions have been agreed to because of the parties availability resulting in a systemic issue.

When considering the reference point as the consultation date for the grievance, reasons for delays could include:

- Placing grievance in abeyance pending settlement discussions
- Agreed upon extension requests by the parties
- Availability of other stakeholders to provide the information to answer the grievance
- Delay in obtaining additional information from the Bargaining Agent
- Responsible advisor's workload

Between April 1, 2016 and November 4, 2019, the Employer received approximately 888 grievances, of these, 238 were closed at the first level. The response rates for theses 238 grievances range between 3 to 442 days, again depending on the variables noted above.

As demonstrated, it has become extremely difficult to respond within the collective agreement's prescribed timeframes. An additional 10 days would better reflect the current practice for responding to grievances and would also help in managing the griever's expectations.

As such, the Employer respectfully requests that this proposed amendment be included in the Commission's recommendation.

ARTICLE 20 –SEXUAL HARASSMENT

Collective Agreement	Bargaining Agent Position
Article 20 – Sexual harassment	Article 20 – ~~Sexual~~ harassment **and abuse of authority**
20.01 The Alliance and the Employer recognize the right of employees to work in an environment free from sexual harassment and agree that sexual harassment will not be tolerated in the work place.	**20.01** The Alliance and the Employer recognize the right of employees to work in an environment free from ~~sexual~~ harassment **and abuse of authority** and agree that ~~sexual~~ harassment **and abuse of authority** will not be tolerated in the work place.
NEW	**20.02 Definitions:** **(a) Harassment or violence includes any action, conduct or comment, including of a sexual nature, that can reasonably be expected to cause offence, humiliation, or other physical or psychological injury, or illness to an employee, including any prescribed action, conduct or comment.** **(b) Abuse of authority occurs when an individual uses the power and authority inherent in his/her position to endanger an employee's job, undermines the employee's ability to perform that job, threatens the economic livelihood of that employee or in any way interferes with or influence the career of the employee. It may include intimidation, threats, blackmail or coercion.** **(c) Work place violence constitutes any action, conduct, threat or gesture of a person towards an employee in their work place that can reasonably**

	be expected to cause harm, injury or illness to that employee.
20.02 a. Any level in the grievance procedure shall be waived if a person hearing the grievance is the subject of the complaint. b. If, by reason of paragraph (a), a level in the grievance procedure is waived, no other level shall be waived except by mutual agreement.	~~**20.02**~~ **20.03** a. Any level in the grievance procedure shall be waived if a person hearing the grievance is the subject of the complaint. b. If, by reason of paragraph (a), a level in the grievance procedure is waived, no other level shall be waived except by mutual agreement. **All complaints shall be resolved within 60 calendar days following the initial filing.**
20.03 By mutual agreement, the parties may use a mediator in an attempt to settle a grievance dealing with sexual harassment. The selection of the mediator will be by mutual agreement. **20.04** Upon request by the complainant(s) and/or respondent(s), an official copy of the investigation report shall be provided to them by the Employer, subject to the Access to Information Act and Privacy Act.	~~**20.03**~~ **20.04** By mutual agreement, the parties may use a mediator in an attempt to settle a grievance dealing with ~~sexual~~ harassment. The selection of the mediator will be by mutual agreement **and such selection shall be made within thirty (30) calendar days of each party providing the other with a list of up to three (3) proposed mediators.** ~~**20.04**~~ **20.05** Upon request by the complainant(s) and/or respondent(s), an official copy of the investigation report shall be provided to them by the Employer, subject to the Access to Information Act and Privacy Act.
NEW	**20.06** **a. No employee against whom an allegation discrimination or harassment has been made shall be subject to any disciplinary measure before the completion of any investigation into the matter,**

	but may be subject to other interim measures where necessary. **b. If at the conclusion of any investigation, an allegation of misconduct under this Article is found to be unwarranted, all records related to the allegation and investigation shall be removed from the employee's file.**

REMARKS:

The Bargaining Agent is proposing to convert the article on sexual harassment into a broader harassment and abuse of authority provision. The Commission should be aware that the Employer has a comprehensive Directive on Discrimination and Harassment Free Workplace (**Appendix L**), on which this Bargaining Agent has been consulted, and which provides a detailed definition of harassment.

The CRA Directive focuses on the prevention, as well as the resolution of harassment. The Bargaining Agent's proposal appears to be limited to redress.

Section 8 of the FPSLRA, which deals with union/management committees, specifically lists harassment in the workplace as an issue that can be addressed jointly. Therefore, legislation has already set out a mechanism for the Bargaining Agent to be engaged on this important issue.
In response to the Bargaining Agent's proposed new language in clause 20.06, the Employer submits that the Canada Labour Code, Part II addresses this at section 147, which does not allow the Employer to dismiss, suspend, lay off or demote, impose financial or other penalty, or take any disciplinary action against or threaten to take any such action against an employee because the employee exercised their rights under the Code, i.e., a complaint of harassment or violence.
The Employer would also point out that Article 5 (Precedence of legislation) of the parties' collective agreement states that:

> In the event that any law passed by Parliament, applying to employees, renders null and void any provision of this Agreement, the remaining provisions shall remain in effect for the term of the agreement.

Therefore, it would be redundant to include the Bargaining Agent's proposals at this time since the legislation supersedes the proposed language.

Bill C-65

The Government of Canada has committed to taking action to ensure that federal workplaces are free from harassment and violence. In response to this priority, Parliament introduced, and passed, Bill C-65, An Act to amend the Canada Labour Code (harassment and violence), which applies to federal public servants.

The proposed new regulations, currently in development, streamline and consolidate harassment and violence provisions for all federally regulated workplaces under the *Code* and highlight the importance of harassment and violence prevention, and make it easier for employers and employees to identify their rights and duties – contained in a separate set of regulations. The proposed Regulations will strengthen requirements with respect to preventing and responding to occurrences of harassment and violence and supporting those affected.

The Bargaining Agent has failed to support their argument or to provide any reasoning driving their proposed changes, therefore, the Employer respectfully requests that the Commission not include this proposal in its report.

Lastly, the Employer would like to note that 34 federal public service bargaining units recently negotiated agreements that included a memorandum of understanding with Respect to Workplace Harassment. Forming part of the established pattern, this language introduces a commitment of the respective Employer to consult the respective Bargaining Agent as it develops a new a policy instrument covering both harassment and violence situations. Consultations will include the:

- mechanisms to guide and support employees through the harassment resolution process;

- redress for the detrimental impacts on an employee resulting from an incident of harassment; and
- ensuring that employees can report harassment without fear of reprisal.

In addition, should a Bargaining Agent request, the respective Employer would agree to bilateral discussions and, following such discussions, a report would be provided to the parties.

Taking into consideration the replication principle, the Employer would be amenable to the language included in **Appendix M** within the context of an overall negotiated settlement.

ARTICLE 24 – TECHNOLOGICAL CHANGE

Collective Agreement	Bargaining Agent Position
24.03 Both parties recognize the overall advantages of technological change and will, therefore, encourage and promote technological change in the Employer's operations. Where technological change is to be implemented, the Employer will seek ways and means of minimizing adverse effects on employees which might result from such changes.	**24.03** ~~Both parties recognize the overall advantages of technological change and will, therefore, encourage and promote technological change in the Employer's operations.~~ Where technological change is to be implemented, the Employer will seek ways and means of minimizing adverse effects on employees which might result from such changes.

REMARKS:

The Bargaining Agent is proposing the removal of the wording which requires the two parties to recognize, encourage and promote technological change in the Employer's operations.

In Budget 2017, the Government made a commitment to adopt new ways of serving Canadians. Making better use of digital technologies could improve the ways in which businesses can access government services and make it easier for Canadians to access benefits or tax information online.

The future of work demands a collective effort to achieve diverse and inclusive growth. To support this, it is essential that the Employer and the Bargaining Agent work together to ensure a transition that supports our workforce.

This language has formed part of the collective agreement for many years and the Bargaining Agent has not raised any concern in the past. The bargaining agent has not provided any evidence to support the removal of the first sentence. Given this, the Employer respectfully requests that the Commission recommends that this language remain in the collective agreement.

ARTICLE 25 – HOURS OF WORK

Collective Agreement	Bargaining Agent Position
25.05 The Employer will provide two (2) rest periods of fifteen (15) minutes each per full working day except on occasions when operational requirements do not permit.	**25.05** **a.** The Employer will provide two (2) rest periods of fifteen (15) minutes each per ~~full~~ **each** working day **or major part thereof.** ~~except on occasions when operational requirements do not permit.~~ **b. Employees in Call Centres who are required to staff the telephone lines are entitled to additional rest periods of 5 minutes per hour.**

REMARKS:

Under paragraph 25.05(a), the Bargaining Agent is requesting amendments to the provision of rest periods. As per the collective agreement, subject to operational requirements, employees are provided with two rest periods of 15 minutes per full day of work. This is a well established practice at the CRA and within the core public administration.

The Bargaining Agent is requesting the removal of "full" and the addition of "per each working day or major part thereof". In accordance with the current language of the collective agreement employees must work a full day in order to receive these two rest periods. The removal of this condition would leave the interpretation open to employees receiving two rest periods for shorter workdays.

For example, CRA employees work an average of 7.5 hours per day. With the Bargaining Agent's proposed language, an employee who works only 4 consecutive hours could be eligible for the two rest periods. Not only would this cause inequities within the members of the bargaining unit who are working the full 7.5 hour workday and receiving the same number of rest periods, but this would also result in a loss of productivity for the Employer.

In terms of removing the exception related to operational requirements, it is rare that the Employer would deny an employee their rest periods, and therefore this provision is used only in very exceptional circumstances by the Employer for continuity of service when required.

Under paragraph 25.05(b), the Bargaining Agent is proposing to provide additional rest periods of 5 minutes per hour for employees in call centres. These additional rest periods would be over and above the regular rest periods provided for in 25.05(a).

The Bargaining Agent's proposal would result in each employee who staffs the telephone lines and is working 7.5 hours being provided with an additional 35 minutes of rest periods in a full workday. This proposal would have significant operational and economic impacts on the Employer. To manage these additional rest periods, the Employer would be required to hire addition staff, especially during tax season, which would result in additional costs being close to **$9M** per year.

The Employer is engaged in ongoing initiatives to improve the working conditions of employees working in call centers. For example, the Employer is currently implementing a pilot project to provide call centre employees with the opportunity to telework. The Employer is also conducting an analysis on the different work schedules that can be considered to better accommodate call centre agents while considering the Employer's business requirements.

There is a provision in clause 58.01 of the comparator PA Group collective agreement that provides 5 consecutives minutes not on a call for each hour not interrupted by a regular break or meal period. That being said, the provisions of clause 58.01 of the PA Group collective agreement have not been identified for change in the current round of bargaining between the TBS and the PSAC.

The Employer is therefore of the opinion that there are no current issues with this provision for either party. That being said, the Employer is amenable to discussing the addition of the language currently found in the comparator PA Group collective agreement, as the Commission considers appropriate.

The Employer otherwise respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Employer Position
Day Work **25.06** Except as provided for in clauses 25.09, 25.10, and 25.11: a. the normal work week shall be thirty-seven decimal five (37.5) hours from Monday to Friday inclusive, and **b.** the normal work day shall be seven decimal five (7.5) consecutive hours, exclusive of a lunch period, between the hours of 7 a.m. and 6 p.m.	**Day Work** **25.06** Except as provided for in clauses 25.09, 25.10, and 25.11: a. the normal work week shall be thirty-seven decimal five (37.5) hours from Monday to Friday inclusive, and b. the normal work day shall be seven decimal five (7.5) consecutive hours, exclusive of a lunch period, between the hours of ~~7~~ **6** a.m. and 6 p.m.

REMARKS:

As previously mentioned, under the Service Renewal Initiative, nine processing centres across the country were transitioned into seven specialized sites. As part of this change, calls can now be answered by available agents across the country as they come in.

During tax filing season generally the highest influx of calls come in between 10am and 1pm. The Employer's proposed amendments would result in regions with different time zones being able to provide support to cover off the lunch hours and breaks in other regions and reduce the impacts on incoming calls. For example, 6am in the Pacific region is 10am in the Atlantic region and 10:30 in Newfoundland. Call agents in the Pacific who start taking calls at 6am would be of great support to the Atlantic region where employees would start to take their scheduled 15 minute breaks. This is one example where working with the different time zones can be supportive of the Employer's operations.

The CRA has long standing and well established business hours (8:30am to 4:30pm) in which it provides services to Canadian taxpayers. These hours are extended during tax filing season – often until 9pm with services also provided on Saturdays which provides the Employer with additional flexibilities.

Moving forward with the future of work, these extended hours could be leveraged for other business needs. Employees have also requested start times as early as 6am to better accommodate their personal needs and to avoid heavy commuting. This flexibility would therefore be beneficial to both the Employer and employees.

The CRA has recently agreed to similar wording with the PIPSC-AFS Group, and this amendment would therefore support internal alignment with both collective agreements.

The Employer respectfully requests that the Commission include this proposal in its report.

Collective Agreement	Bargaining Agent Position
25.08 Flexible Hours Subject to operational requirements, an employee on day work shall have the right to select and request flexible hours between 7 a.m. and 6 p.m. and such request shall not be unreasonably denied.	**25.08 Flexible Hours** Subject to operational requirements, an employee on day work shall have the right to select and request flexible hours between ~~7~~ **6** a.m. and 6 p.m. and such request shall not be unreasonably denied.

REMARKS:

The Bargaining Agent has requested to amend the provision related to flexible hours to allow employees to start as early as 6 a.m. rather than 7 a.m. This request is different from that of the Employer found in clause 25.06 as it refers to individual employee requests for an earlier start to the workday.

The current collective agreement provision is consistent with the provision found in the Program and PA group collective agreement (clause 25.08), which the CRA considers the main comparator group for the PDAS bargaining unit. The window for flexible hours falls between 7 a.m. and 6 p.m., which is deemed to be the normal work day in both collective agreements.

The flexible hours provision in the Technical Services (TC) group collective agreement between the Treasury Board Secretariat and the PSAC does allow a start time as early as 6 a.m., however that corresponds with the normal work day for that bargaining unit, which is between 6 a.m. and 6 p.m.

The possibility of a 6 a.m. start time raises a number of concerns for the Employer:

Health and Safety

Providing a safe and healthy work environment for CRA employees is not just a legislated requirement (through the Canada Labour Code, Part II), it is a responsibility that the Employer takes very seriously. The CRA has a number of health and safety related policy instruments designed to provide managers and employees with information and direction in various situations. One example is the Employer's Procedures for First Aid and Automated External Defibrillators, where it outlines that managers are responsible for ensuring that at least one first aid/automated external defibrillator (First Aid/AED) responder is available at all times during each working period at a location where at least six employees are working.

Considering this management responsibility, the impact of implementing the Bargaining Agent's proposal would unfold in one of two ways, as set out in clause 5.2 of the Employer's Procedures for First Aid and Automated External Defibrillators (**Appendix N**);

1. If fewer than six employees at a specific location chose to commence their workday before 7 a.m., there is a risk that there would be no trained responder available in case of a medical emergency, or,

2. If more than six employees chose to commence their workday before 7 a.m., the Employer should ensure at least one First Aid/AED responder is assigned to work those earlier hours as well. In the latter case, requiring a member of this bargaining unit to work outside the normal workday (i.e. between 7 a.m. and 6 p.m.) would result in increased costs to the Employer as the provision of the Late Hour Premium (paragraph 25.12(b)) would apply.

Availability of a responsible manager

The Employer recognizes there are occasions when employees work, with approval, outside the normal hours of work. To address such situations, some CRA branches have developed specific procedures in relation to employees working "silent hours", basically meaning any time after 6 p.m. and on weekends. However, the Employer believes that a responsible manager should be available in the workplace when employees are scheduled to work in order to respond to the daily needs and activities, especially as they relate to health and safety.

Increased cost to support earlier start times

With earlier start times, there is potential for the Employer to incur additional costs (e.g. overtime, shift premiums, late hour premiums) to ensure the appropriate support services are available to employees working those earlier hours. For example, it would be necessary to make sure Information Technology (IT) support is accessible in order to address any system issues that might arise. As another example, in locations where building security resources are present, schedules for security personnel would have to be extended to include coverage during the 6 a.m. to 7 a.m. time period.

Service to public

The CRA is responsible for administering, assessing, and collecting hundreds of billions of dollars in tax revenues annually. The CRA also directly delivers billions of dollars in benefits and tax credits that contribute to the well-being of Canadian families, children, seniors, and persons with disabilities. In the fulfilment of its mandate, contact with taxpayers and/or third parties is a key component of the CRA's everyday business. Although the normal work day hours commence at 7 a.m., in some office locations the Employer has established schedules that result in core business hours commencing later than 7 a.m. These schedules are designed to deliver a more efficient service to taxpayers when there are shifts in client demands.

Building accessibility

Not all buildings in which CRA offices are located are open or accessible before 7 a.m. To accommodate earlier start times it could be necessary in some locations to re-negotiate real property

agreements. In some cases, the facilities are shared with other government organizations, and earlier access times could have a horizontal impact.

This being said, the Employer is amenable to discussing this proposal in conjunction with its proposed amendment for the extension of day work under clauses 25.06 and 25.12. Otherwise, the Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
25.09 Variable Hours a. Notwithstanding the provisions of clause 25.06, upon request of an employee and the concurrence of the Employer, an employee may complete the weekly hours of employment in a period of other than five (5) full days provided that over a period of fourteen (14), twenty-one (21), or twenty-eight (28) calendar days, the employee works an average of thirty-seven decimal five (37.5) hours per week.	**25.09 Variable Hours** a. Notwithstanding the provisions of clause 25.06, upon request of an employee ~~and the concurrence of the Employer~~, an employee may complete the weekly hours of employment in a period of other than five (5) full days provided that over a period of fourteen (14), twenty-one (21), or twenty-eight (28) calendar days, the employee works an average of thirty-seven decimal five (37.5) hours per week **and a maximum of 9.5 hours per day.**

REMARKS:

The Bargaining Agent is proposing that employees be provided with the ability to decide, unilaterally, the type of flexible hour schedule they work. The Bargaining Agent is also requesting the addition of an option to work a maximum of 9.5 hours per day.

The Employer submits that the current provisions, by which an employee makes a request and submits it for the Employer's approval is reasonable and consistent with the language found in other collective agreements in the core public administration, and allows the Employer to consider operational and organizational requirements.

The Employer contends that the addition of the statement regarding "9.5 hours per day" would in fact change the original intent of this article. The current collective agreement allows employees to

complete their weekly hours of employment in a period of other than five (5) full days provided that over a period of fourteen (14), twenty-one (21) or twenty-eight (28) calendar days, the employee works an average of 37.5 hours per week.

The presence of the three specific periods gives us an indication of intent in maximum hours of work, e.g. an employee would have to work 8.33 hours per day for 9 days if they wanted to have one day off in a 14 day period. In the present proposal, an employee working 9.5 hours per day would be entitled to just over one day off in a seven (7) day period.

Allowing employees to work such long hours, especially in our call centres causes concern regarding health and safety of employees. The Bargaining Agent has already recognized this in their proposal for paragraph 25.05(b) where they have proposed providing additional rest periods of 5 minutes per hour for employees in call centres. These additional rest periods would be over and above the regular rest periods provided for in paragraph 25.05(a).

The variations proposed by the Bargaining Agent do not exist in other public service collective agreements. In addition, the Bargaining Agent did not present any compelling arguments to convince the Employer of the need to amend the article as they have requested.

These changes would cause an excessive burden on the Employer and significantly restrict management's rights in scheduling hours of work that meet operational requirements. The Employer respectfully requests that the Commission not include these proposals in its report.

Collective Agreement	Bargaining Agent Position
25.12 a. An employee on day work whose hours of work are changed to extend before or beyond the stipulated hours of 7:00 a.m. and 6:00 p.m., as provided in paragraph 25.06(b), and who has not received at least seven (7) days' notice in advance	**25.12** a. An employee on day work whose hours of work are changed to extend before or beyond the stipulated hours of 7:00 a.m. and 6:00 p.m., as provided in paragraph 25.06(b), and who has not received at least seven (7) days' notice in advance

of the starting time of such change, shall be paid for the first (1st) day or shift worked subsequent to such change at the rate of time and one-half (1 1/2) for the first seven decimal five (7.5) hours and double (2) time thereafter. Subsequent days or shifts worked on the revised hours shall be paid for at straight-time, subject to Article 28, Overtime.	of the starting time of such change, shall be paid for the first (1st) day or shift worked subsequent to such change at the rate of time and one-half (1 1/2) for the first seven decimal five (7.5) hours and double (2) time thereafter. Subsequent days or shifts worked on the revised hours shall be paid for at straight-time, subject to Article 28, Overtime.
b. Late Hour Premium An employee who is not a shift worker and who completes his work day in accordance with the provisions of paragraph 25.11(b) shall receive a Late Hour Premium of seven dollars ($7) per hour for each hour worked before 7:00 a.m. and after 6:00 p.m. The Late Hour Premium shall not apply to overtime hours	b. Late Hour Premium An employee who is not a shift worker and who completes his work day in accordance with the provisions of paragraph 25.11(b) shall receive a Late Hour Premium of seven dollars ($7) per hour for each hour worked before 7:00 a.m. and after 6:00 p.m. The Late Hour Premium shall not apply to overtime hours
	c. Where hours of work subject to late hour premium are to be worked, the Employer shall create a master schedule of a minimum of fifty-six (56) days covering the hours to be worked and the employees working the hours. Such schedules shall be posted a minimum fourteen (14) days in advance.
	d. Prior to establishing a schedule consistent with (c) above, the Employer will canvass all employees in the work area for volunteers to work the hours.

	e. Should more than one employee meeting the qualifications required to work the hours, years of service as define in subparagraph 34.03(a)(i) will be used as the determining factor to assign the hours. **f. In the event there are insufficient volunteers, the Employer shall engage in meaningful consultation with the Alliance with respect to the assignment of the hours consistent with 25.11(b).**

REMARKS:

The Bargaining Agent has requested several amendments to this clause of the collective agreement.

The first request is for additional provisions to clause 25.12 with respect to the late hour premium and the scheduling of hours or work. On occasion, employees are called upon to begin work earlier or finish their work day later than the daytime hours scheduled between 7am and 6pm as per clause 25.06 of the collective agreement. In these cases, the contract provides for three obligations on the part of the Employer:

1) to consult with the union prior to scheduling these hours;
2) to demonstrate the operational requirements for these hours; and
3) to offer a $7 premium for all hours worked before 7a.m. and after 6p.m.

The Bargaining Agent is proposing to include language in paragraph 25.12(c) related to the creation of a master schedule of a minimum of 56 days (10 weeks) which is to be posted 14 days in advance. This would be an additional burden to the Employer and, in most situations is unrealistic and restrictive. For example, there may be instances when the Employer requires employees to work late hours due to special circumstances or a high volume of work for a period less than 56 days. In these situations, it is not always possible to provide a schedule 10 weeks in advance.

Another example is in relation to call centres, the Employer must take into consideration the peaks in programs where changes in hours of work are required and given the nature of the work in call centres, management is not always afforded that much time to plan ahead. There could be instances where the Employer could meet the 56 days but in most cases it wouldn't be possible.

Under paragraph **25.12(d)**, the Bargaining Agent has requested that the Employer canvass all employees in the work area for volunteers to work the hours. The Employer can confirm that this is already a practice in place in many offices. In a call centre setting, the Employer needs a balance of knowledge and skill sets. The Employer generally seeks volunteers and considers the preference of indeterminate employees prior to hiring or rehiring term employees to fill positions as required. This current practice allows management to ensure a diverse team of employees is scheduled throughout its hours of operation, most especially with regards to less desirable hours of work. In doing so, it facilitates knowledge transfer between employees. Newer employees often require the support of experienced colleagues, which also serves as a learning and development opportunity.

Under paragraph **25.12(e)**, the Bargaining Agent seeks to introduce new provisions related to the establishment and reopening of shift schedules. The addition of these provisions would have many detrimental impacts on the CRA including:

- the elimination of essential flexibility for the Employer in the assignment of work,
- the creation of an unnecessary and substantial burdens on the scheduling process; and,
- significant negative impacts on the recruitment and retention of our current and future workforce.

These proposed changes in the practice for shift scheduling would create unnecessary administrative burdens and restrictions in the management and scheduling of hours of work. Having had a shift scheduling practice in place for many years, the Employer has a long history of best practices of balancing not only business requirements but also employee preferences and various required accommodations.

Using years of service as the determining factor in scheduling would be detrimental and counter-productive for CRA's dynamic and modern workforce and does not find validity or value added in our modern business office environment.

The effect of such an addition would result, for example, in the same group of employees with the most years of service having sole access to their preferred individual hours of work at the expense of all opportunities for any less entitled employees. This would significantly undermine the moral of a major portion of current employees who would lose any opportunities for flexibility enjoyed by those with more years of service. This would disadvantage if not actually discriminate against our newer workforce with fewer years of service, many of whom are visible minorities and women who make up approximately **40%** of the bargaining unit as demonstrated in **Table 18** below.

Table 18 – Years of services for CRA employees that are visible minorities

Years of Service	# of Visible Minorities
0 - 4	3,644
5 - 9	2,399
10 - 14	2,236
15 - 19	1,444
20 - 24	586
24 - 29	608
30 - 34	193
35 - 39	40
Other	1
Grand Total	**11,151 (40%)**

The Employer would like to bring to the Commission's attention that the bargaining unit is **70% female**. The Bargaining Agent's proposal would disadvantage parents, usually women, who may use additional leave such as care of family, as this leave does not count towards their service for seniority

purposes to the extent where these employees may reconsider their employment with the CRA. This would not be limited to the existing workforce, but it would make the CRA unattractive for those who want to join a modern organization, and not one that rewards the arbitrary factor of years of service over skill and effort.

There is also a portion of employees working on different programs throughout the year, some of which offer shifts only during the day. An employee working in different programs will acquire new skillsets, knowledge and experience and this versatility and development adds value to the workforce and the employee. If the Employer were to only use years of service to assign hours of work, these employees may not have access to the same job opportunities as those with more years of service, resulting in a loss of this versatility to both the Employer and the employee.

Years of service provisions reward employees not for their engagement and effort to perform their work but rather on the length of time they have been in the federal public service. The new generation entering the workplace has serious expectations for work-life balance. The same is true for the existing workforce who also want to improve their work life balance. The only way to be able to achieve this and to accommodate our workforce in the best possible way is to maintain and improve our best practices. This will not be achieved by dividing our workforce into two arbitrary and immutable categories; those with more time in the workforce and those with less.
If this provision is introduced, the CRA would be the only core public administration office environment to entertain years of service for scheduling hours of work, which again, would make it unattractive for recruitment of the modern workforce. This would not only undermine the merit-based human resources regime but would also not be supportive of the government's position on equity and fairness.

Under paragraph **25.12(f)**, the Bargaining Agent is requesting further consultations in situations where there are insufficient volunteers for the proposed hours of work. The CRA has a well established timeframe for its tax filing season – generally February to April every year. In order to respect and promote collaboration and transparency, every year, a matrix for the scheduling of hours

of work for the upcoming filing is drafted by the Assessment Services and Benefits Branch, and shared with the Bargaining Agent for consultation.

During negotiations, the Bargaining Agent indicated that there is favoritism in scheduling but has failed to provide any evidence in support of said favoritism. Moreover, both parties participated in a working group that addressed the questions related to scheduling and shared the same conclusion in a joint report, in which there was no mention of favoritism as an issue in relation to scheduling.

The CRA has an HR regime based on merit which allows for the recognition of the quality of work, the performance, the knowledge, the experience and the abilities of employees for promotion and advancement. The Employer's use of performance and specific skillsets for the purpose of scheduling employees may be perceived as favoritism by a minority of employees. Even when the Employer makes every possible effort to accommodate its employees' preferences, there will always be some employees that may not end up with their preferred hours.

For these reasons, the Employer respectfully requests that the Commission not include these proposals in its report.

Collective Agreement	Employer Position
25.12 a. An employee on day work whose hours of work are changed to extend before or beyond the stipulated hours of 7:00 a.m. and 6:00 p.m., as provided in paragraph 25.06(b), and who has not received at least seven (7) days' notice in advance of the starting time of such change, shall be paid for the first (1st) day or shift worked subsequent to such change at the rate of time and one-half (1 1/2) for the first seven decimal five (7.5) hours and double (2) time thereafter. Subsequent days or shifts worked on the revised hours shall be paid for at straight-time, subject to Article 28, Overtime. b. Late Hour Premium An employee who is not a shift worker and who completes his work day in accordance with the provisions of paragraph 25.11(b) shall receive a Late Hour Premium of seven dollars ($7) per hour for each hour worked before 7:00 a.m. and after 6:00 p.m. The Late Hour Premium shall not apply to overtime hours	**25.12** a. An employee on day work whose hours of work are changed to extend before or beyond the stipulated hours of ~~7:00~~ **6** a.m. and 6~~:00~~ p.m., as provided in paragraph 25.06(b), and who has not received at least seven (7) days' notice in advance of the starting time of such change, shall be paid for the first (1st) day or shift worked subsequent to such change at the rate of time and one-half (1 1/2) for the first seven decimal five (7.5) hours and double (2) time thereafter. Subsequent days or shifts worked on the revised hours shall be paid for at straight-time, subject to Article 28, Overtime. b. Late Hour Premium An employee who is not a shift worker and who completes his work day in accordance with the provisions of paragraph 25.11(b) shall receive a Late Hour Premium of seven dollars ($7) per hour for each hour worked before ~~7:00~~ **6** a.m. and after 6~~:00~~ p.m. The Late Hour Premium shall not apply to overtime hours

REMARKS:

In line with its request under clause 25.06 to extend the day window, the Employer is also requesting to make such amendments to the provisions under clause 25.12. The late hour premium is provided to employees when working outside of the normal hours of work as per clause 25.05. Amending these hours of work would then also require an amendment to the late hour premium provisions.
The Employer respectfully requests that the Commission include this proposal in its report.

Collective Agreement	Bargaining Agent Position
Shift Work **25.13** When, because of the operational requirements, hours of work are scheduled for employees on a rotating or irregular basis, they shall be scheduled so that employees, over a period of not more than fifty-six (56) calendar days: a. on a weekly basis, work an average of thirty-seven decimal five (37.5) hours and an average of five (5) days; b. work seven decimal five (7.5) consecutive hours per day, exclusive of a one-half (1/2) hour meal period; c. obtain an average of two (2) days of rest per week; d. obtain at least two (2) consecutive days of rest at any one time, except when days of rest are separated by a designated paid holiday which is not worked; the consecutive days of rest may be in separate calendar weeks.	**Shift Work** **25.13** When, because of the operational requirements, hours of work are scheduled for employees on a rotating or irregular basis, **or on a non-rotating basis where the employer requires employees to work later than 6p.m. and/or earlier than 7a.m.**, they shall be scheduled so that employees, over a period of not more than fifty-six (56) calendar days: a. on a weekly basis, work an average of thirty-seven decimal five (37.5) hours and an average of five (5) days; b. work seven decimal five (7.5) consecutive hours per day, exclusive of a one-half (1/2) hour meal period; c. obtain an average of two (2) days of rest per week; d. obtain at least two (2) consecutive days of rest at any one time, except when days of rest are separated by a designated paid holiday which is not worked; the consecutive days of rest may be in separate calendar weeks.

REMARKS:

The Bargaining Agent's proposal for the definition of shift work under this clause adds the reference to employees working on a "non-rotating" basis where the Employer requires them to work hours later than 6:00 p.m. and/or earlier than 7:00.a.m.

It is the Employer's opinion that the use of rotating shift schedules provides equity amongst employees working these schedules. Generally speaking, an evening shift is less desirable than a day shift, however in some cases, employees prefer to work the evening shift. For the majority of employees, rotating through the various shifts is acceptable as all employees are treated equitably.

It is important for employees to be aware that if they are required to work a shift as per 25.13, this shift could be scheduled on a rotating basis, which assists the Employer in managing employee expectations.

The current provision is consistent with the language of the comparator PA group. The Employer submits that the Bargaining Agent has not demonstrated any need for this change. The Employer respectively requests that the Commission not include this change in the collective agreement.

Collective Agreement	Bargaining Agent Position
25.17 Except as provided for in clauses 25.22 and 25.23, the standard shift schedule is: a. 12 midnight to 8 a.m.; 8 a.m. to 4 p.m.; 4 p.m. to 12 midnight; or alternatively b. 11 p.m. to 7 a.m.; 7 a.m. to 3 p.m.; 3 p.m. to 11 p.m.	**25.17 Shift Schedule** **a. If the Employer reopens a shift schedule, or is a shift becomes vacant, the Employer will determine the qualifications required prior to canvassing all employees covered by this specific schedule.** **Should more than one employee meeting the qualifications required select the same shift on the schedule, years of service as defined in subparagraph 34.03(a)(i) will be used as the determining factor to allocate the shift.** **b. When establishing a new schedule, the Employer will canvass all employees covered by the specific schedule for volunteers to fill all shifts.** **Should more than one employee meet the qualifications required select the same shift, years**

	of service as defined in subparagraph 34.03(a)(i) will be used as the determining factor to allocate the shift.

REMARKS:

The Bargaining Agent seeks to introduce new provisions related to the establishment of shift schedules. The addition of these provisions would cause a substantial burden to the Employer in terms of the requirement to canvass all employees covered by a specific schedule and for volunteers to fill the required shifts.

Similarly to the Bargaining Agent's request under 25.12(d), the Employer already has a practice of seeking volunteers and considering the preference of indeterminate employees in scheduling hours of work prior to hiring or rehiring term employees to fill positions as required. As such, the Employer wishes to reiterate the arguments presented for the Bargaining Agents proposed amendments to 25.12.

Similarly to its request under **25.12(e)**, the Bargaining Agent seeks to introduce new provisions related to the establishment and reopening of shift schedules. The addition of these provisions would have many detrimental impacts on the CRA including:

- the elimination of essential flexibility for the Employer in the assignment of work,
- the creation of an unnecessary and substantial burdens on the scheduling process; and,
- significant negative impacts on the recruitment and retention of our current and future workforce.

These proposed changes in the practice for shift scheduling would create unnecessary administrative burdens and restrictions in the management and scheduling of hours of work. Having had a shift scheduling practice in place for many years, the Employer has a long history of best practices of balancing not only business requirements but also employee preferences and various required accommodations.

Using years of service as the determining factor in scheduling would be detrimental and counter-productive for CRA's dynamic and modern workforce and does not find validity or value added in our modern business office environment.

The effect of such an addition would result, for example, in the same group of employees with the most years of service having sole access to their preferred individual hours of work at the expense of all opportunities for any less entitled employees. This would significantly undermine the moral of a major portion of current employees who would lose any opportunities for flexibility enjoyed by those with more years of service. This would disadvantage if not actually discriminate against our newer workforce with fewer years of service, many of whom are visible minorities and women (**Table 18**).

In addition, this would disadvantage parents, usually women, who may use additional leave such as care of family, as this leave does not count towards their service for seniority purposes to the extent where these employees may reconsider their employment with the CRA. This would not be limited to the existing workforce, but it would make the CRA unattractive for those who want to join a modern organization, and not one that rewards the arbitrary factor of years of service over skill and effort.

There is also a portion of employees working on different programs throughout the year, some of which offer shifts only during the day. An employee working in different programs will acquire new skillsets, knowledge and experience and this versatility and development adds value to the workforce and the employee. If the Employer were to only use years of service to assign hours of work, these employees may not have access to the same job opportunities as those with more years of service, resulting in a loss of this versatility to both the Employer and the employee.

Years of service provisions reward employees not for their engagement and effort to perform their work but rather on the length of time they have been in the federal public service. The new generation entering the workplace has serious expectations for work-life balance. The same is true for the existing workforce who also want to improve their work life balance. The only way to be able to achieve this and to accommodate our workforce in the best possible way is to maintain and improve our best practices. This will not be achieved by dividing our workforce into two arbitrary and immutable categories; those with more time in the workforce and those with less.

If this provision is introduced, the CRA would be the only core public administration office environment to entertain years of service for scheduling hours of work, which again, would make it unattractive in terms of recruitment of the modern workforce. This would not only undermine the merit-based human resources regime but would also not be supportive of the government's position on equity and fairness.

The language found in the FB Group's collective agreement is indicative to employees that work shifts in an environment of 24/7 operations. Unlike the CBSA, the CRA's operations do not run 24/7, but rather has core business hours. During tax filing season, when there are required operational needs, the Employer will schedule evenings and Saturdays. The Bargaining Agent's proposed language would therefore not support the Employer's operational requirements.

This change in practice for shift scheduling would cause an excessive burden on the Employer and significantly restrict management's rights in scheduling hours of work that meet operational requirements.

The Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Employer Position
25.17 Except as provided for in clauses 25.22 and 25.23, the standard shift schedule is: a. 12 midnight to 8 a.m.; 8 a.m. to 4 p.m.; 4 p.m. to 12 midnight; or alternatively b. 11 p.m. to 7 a.m.; 7 a.m. to 3 p.m.; 3 p.m. to 11 p.m.	**25.17** Except as provided for in clauses 25.22 and 25.23, the standard shift schedule is: a. 12 midnight to 8 a.m.; **12:30 a.m. to 8:30 a.m.** ; 8 a.m. to 4 p.m.; **8:30 a.m. to 4:30 p.m.**; 4 p.m. to 12 midnight; **4:30 p.m. to 12:30 a.m.** or alternatively **b.** 11 p.m. to 7 a.m.; **11:30 p.m. to 7:30 a.m.**; 7 a.m. to 3 p.m. **7:30 a.m. 3:30 p.m**.; 3 p.m. to 11 p.m**.; 3:30 p.m. to 11:30 p.m.**

REMARK:

The Employer is seeking additional shifts to be included under clause 25.17.

As previously mentioned, in 2016, the CRA launched the Service Renewal Initiative to address and support the rapid increase of online tax filing. Under this initiative, nine processing centres across the country were transitioned in 7 specialized sites. This transition brought with it the need for employees to desk share, therefore requiring the establishment of a day shift scheduled from 7:00am to 3:00pm and an evening shift scheduled from 3:30 to 11:30p.m. Due to the fact that a significant number of employees are required to share desks, there is a need for a 30 minute period of time to allow for one employee to leave and the next one to prepare for their shift in the same work space.

Although currently the Employer does have the right to schedule employees to work shifts from 3:00p.m. to 11:00p.m. and 4:00p.m. to 12:00a.m., the additional shift of 3:30 p.m. to 11:30p.m. is not accounted for in the collective agreement and therefore requires national consultation with the Bargaining Agent. This creates an additional burden on the Employer as these consultations are time consuming and also infringe upon the Employer's rights to manage its workforce.

At the same time, this shift is beneficial to employees as it would provide them with the flexibility to start earlier and also allow them to return home earlier each night. As this new shift is not unilaterally

needed for all programs, it has required constant consultations with the Bargaining Agent as per the provision in 25.11 (b).

While the Employer recognizes the necessity and benefits to consulting with the Bargaining Agent at the national level under certain conditions, due to the ongoing need for specific shift schedules, the Employer would like to facilitate this process where possible for efficiency purposes.

The Employer respectively requests that the Commission recommend these additional shifts in its report.

Collective Agreement	Employer Position
25.20 a. An employee who is required to change his or her scheduled shift without receiving at least seven (7) days' notice in advance of the starting time of such change in his or her scheduled shift, shall be paid for the first (1st) shift worked on the revised schedule at the rate of time and one-half (1 1/2) for the first seven decimal five (7.5) hours and double (2) time thereafter. Subsequent shifts worked on the revised schedule shall be paid for at straight-time, subject to Article 28, Overtime.	**25.20** a. An employee who is required to change his or her scheduled shift without receiving at least ~~seven (7)~~ **five (5)** days' notice in advance of the starting time of such change in his or her scheduled shift, shall be paid for the first (1st) shift worked on the revised schedule at the rate of time and one-half (1 1/2) for the first seven decimal five (7.5) hours and double (2) time thereafter. Subsequent shifts worked on the revised schedule shall be paid for at straight-time, subject to Article 28, Overtime.

REMARKS:

The Employer is proposing to reduce the notification period for changing shifts. The current 7 days' advance notice is operationally too long and negatively impacts management's flexibility to manage its staff.

The proposed shorter notice period would also benefit employees, as it will provide greater flexibility to accommodate short notice requests, such as leave requests. As such, the Employer respectfully requests that the Commission include this proposal in its report.

Collective Agreement	Bargaining Agent Position
25.27 **e. Designated Paid Holidays (clause 30.07)** **i.** A designated paid holiday shall account for seven decimal five (7.5) hours. **ii.** When an employee works on a Designated Paid Holiday, the employee shall be compensated, in addition to the pay for the hours specified in subparagraph (i), at time and one-half (1 1/2) up to his or her regular scheduled hours worked and at double (2) time for all hours worked in excess of his or her regular scheduled hours.	**25.27** **e. Designated Paid Holidays (clause 30.07)** **i.** A designated paid holiday shall account for seven decimal five (7.5) hours. **ii.** When an employee works on a Designated Paid Holiday, the employee shall be compensated, in addition to the pay for the hours specified in subparagraph (i), ~~at time and one-half (1 1/2) up to his or her regular scheduled hours worked and~~ at double (2) time for all hours ~~worked in excess of his or her regular scheduled hours~~.

REMARKS:

The Bargaining Agent is proposing that all hours worked during a Designated Paid Holiday be paid to employees at double time.

The current language of the collective agreement is standard for public service collective agreements, and entertaining this amendment would cause significant horizontal pressures on the rest of the public service and internal pressures for the CRA's other Bargaining Agent.

The Bargaining Agent has presented an ideological demand that they have failed to support with data and to prove that there is a driving need to introduce such amendments to the collective agreement. As such, the Employer respectfully requests that the Commission not include this proposal in their report.

Collective Agreement	Bargaining Agent Position
NEW	**25.XX** **The Employer shall not introduce new shift work without mutual agreement between the Employer and the Alliance.**

REMARKS:

Clauses 25.11 and 25.23 of the collective agreement already provides requirements for the Employer to consult with the Alliance:

- to establish if hours of work other than those provided in clause 25.06 are required to met the needs of the public and/or the efficient operation of the service;
- if hours of work are to be changed so that they are different from those specified in clause 25.06; and
- if shift schedules differ from those established in clauses 25.13 and 25.17.

The Employer is of the opinion that the current language of the collective agreement provides sufficient requirements for consultation with the union with regards to hours of work. Such amendments would impose further requirements on the Employer and infringe upon the Employer's right to manage its employees and operations.

The Employer objects to the language in the Bargaining Agent's proposals as it imposes restrictions on the Employer by demanding that the Employer obtain the Bargaining Agent's agreement on the scheduling of hours of work.

The Employer submits that determining hours of work is a management prerogative and a management right that is not subject to mutual agreement of the parties. As such, this amendment would be a violation of the following:

- Section 7 of the FPSLRA which provides the Employer with the right to determine the organization and to assign duties to employees of the CRA.

- Paragraph 51. (1)(a) of the Canada Revenue Agency Act (CRAA), as it interferes with the CRA's ability to exercise its responsibilities in determining its operational requirements and provide for the allocation and effective utilization of its human resources under this paragraph.
- Clause 25.15 of the collective agreement which states that the staffing, preparation, posting and administration of shift schedules are the responsibility of the Employer.

Given this, the Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 27 – SHIFT PREMIUMS

Collective Agreement	Bargaining Agent Position
27.01 Shift Premium An employee working on shifts will receive a shift premium of two dollars and twenty-five cents ($2.25) per hour for all hours worked, including overtime hours, between 4:00 p.m. and 8:00 a.m. The shift premium will not be paid for hours worked between 8:00 a.m. and 4:00 p.m.	**27.01 Shift Premium** An employee working on shifts will receive a shift premium of ~~two dollars and twenty-five cents ($2.25)~~ **three dollars and fifty cents ($3.50)** per hour for all hours worked, including overtime hours, between 4:00 p.m. and 8:00 a.m. The shift premium will not be paid for hours worked between 8:00 a.m. and 4:00 p.m.
27.02 Weekend Premium a. An employee working on shifts during a weekend will receive an additional premium of two dollars and twenty-five cents ($2.25) per hour for all hours worked, including overtime hours, on Saturday and/or Sunday. b. Where Saturday and Sunday are not recognized as the weekend at a mission abroad, the Employer may substitute two (2) other contiguous days to conform to local practice.	**27.02 Weekend Premium** a. An employee working on shifts during a weekend will receive an additional premium of ~~two dollars and twenty-five cents ($2.25)~~ **three dollars and fifty cents ($3.50)** per hour for all hours worked, including overtime hours, on Saturday and/or Sunday. b. Where Saturday and Sunday are not recognized as the weekend at a mission abroad, the Employer may substitute two (2) other contiguous days to conform to local practice.

REMARKS:

The Bargaining Agent is proposing the increase to both the shift and weekend premium from $2.25 to $3.50 an hour.

The current language of the collective agreement already provides a better benefit than those between the PSAC and the Treasury Board. The collective agreements for the PA, SV, TC, EB and FB

Groups all provide a premium of $2.00 per hour. In terms of internal relativity, the CRA has just recently negotiated to increase the premium to $2.25 for the PIPSC-AFS Group.

This increase would have a significant economic impact on the Employer. As demonstrated in Table 19 below, the cost of increasing the premium from $2.25 to $3.00 an hour would be over **$3.0M** per annum which is a 56% increase of 2018-2019 expenditures.

Table 19 – Shift and Weekend Premiums – Cost Impact Analysis

Fiscal Year	Number of Employees	Number of Occurrences	Expenditures	Estimated Incremental Cost	Total Cost
2016-2017	1,966	34,403	$1,133,334	$629,630	**$1,792,964**
2017-2018	3,787	69,013	$3,481,564	$1,934,202	**$5,415,766**
2018-2019	4,888	95,576	$5,325,662	$2,958,701	**$8,284,363**

The CRA considers this proposal unreasonable and is not prepared to increase the shift premium to that which would benefit CRA employees even more than it already does when compared to other groups in the CPA. This would cause significant horizontal pressure on the rest of the public service.

As such, the Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 28 – OVERTIME

Collective Agreement	Employer's Position
28.03 **a.** Assignment of Overtime Work Subject to the operational requirements, the Employer shall make every reasonable effort to avoid excessive overtime and to offer overtime work on an equitable basis among readily available qualified employees.	**28.03** **a.** Assignment of Overtime Work Subject to the operational requirements, the Employer shall make every reasonable effort to avoid excessive overtime and to offer overtime work on an equitable basis among readily available qualified employees **who occupy positions at the same group and level as the work to be performed.**

REMARKS:

The Employer is proposing additional language to paragraph 28.03(a) to ensure that management considers the group and level of the work to be performed when assigning overtime work. This addition would support and ensure that overtime hours are being assigned and paid at the rate of pay which is equivalent to the value of the work to be performed. Under the current language, nothing prevents an employee from claiming the eligibility to work overtime assignments that are usually performed by another classification level. This can have significant economic impacts on the Employer.

The Employer respectfully requests that the Commission include this provision in its report.

Collective Agreement	Bargaining Agent Position
28.05 Overtime Compensation on a Day of Rest **Subject to paragraph 28.02 (a):** c. when an employee is required to report for work and reports on a day of rest, the employee shall be paid the greater of: i. compensation equivalent to three (3) hours' pay at the applicable overtime rate for each reporting to a maximum of eight (8) hours' compensation in an eight (8) hour period, or compensation at the applicable overtime rate;	**28.05 Overtime Compensation on a Day of Rest** **Subject to paragraph 28.02 (a):** c. ~~when an employee is required to report for work and reports~~ **when the employer schedules an employee to work and the employee reports** on a day of rest, the employee shall be paid the greater of: i. compensation equivalent to three (3) hours' pay at the applicable overtime rate for each reporting to a maximum of eight (8) hours' compensation in an eight (8) hour period, or compensation at the applicable overtime rate;

REMARKS:

The Bargaining Agent is proposing to change the requirements for overtime compensation for an employee who is reporting to work on a day of rest.

This provision is specific to situations where the Employer requires an employee to report to work on a day of rest and includes the specific compensation, as well as the maximum reporting time. The Bargaining Agent is seeking to change this application from "when an employee is required to work" to "when an employee is scheduled to work". This amendment would result in the removal of the maximum reporting time provided for in the collective agreement granting additional overtime in situations where an employee is reporting to work on short notice.

There is a significant difference between an employee being scheduled in advance to work overtime, which gives them time to make necessary arrangements, and an employee who receives an unexpected call to report to work. The language of the current collective agreement provides compensation for each of these scenarios in recognition of the difference in the impact on the employee.

The Bargaining Agent has not provided evidence to support this change. The current language is similar to what is found in other collective agreements in the core public administration, including the comparator PA Group and other bargaining agent agreements for the CRA.

The Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
28.07 Compensation in Cash or Leave With Pay a. Overtime shall be compensated in cash except where, upon request of an employee and with the approval of the Employer, or at the request of the Employer and the concurrence of the employee, overtime may be compensated in equivalent leave with pay. b. The Employer shall endeavour to pay cash overtime compensation by the sixth (6th) week after which the employee submits the request for payment. c. The Employer shall grant compensatory leave at times convenient to both the employee and the Employer. d. Compensatory leave with pay earned in the fiscal year and not used by the end of September 30 of the following fiscal year will be paid for in cash at the employee's hourly rate of pay as calculated from the classification prescribed in the certificate of appointment of his or her substantive position on September 30.	**28.07 Compensation in Cash or Leave With Pay** a. **Upon request of an employee**, ~~O~~**o**vertime **shall be compensated in cash or leave at the applicable overtime rate at the employee's discretion.** ~~except where, upon request of an employee and with the approval of the Employer, or at the request of the Employer and the concurrence of the employee, overtime may be compensated in equivalent leave with pay.~~ b. The Employer shall endeavour to pay cash overtime compensation by the sixth (6th) week after which the employee submits the request for payment. c. The Employer shall grant compensatory leave at times convenient to both the employee and the Employer. d. Compensatory leave with pay earned in the fiscal year and not used **within 12 months of the date earned** ~~by the end of September 30 of the following fiscal year~~ will be paid for in cash at the employee's hourly rate of pay as calculated from the classification prescribed in

e. At the request of the employee and with the approval of the Employer, accumulated compensatory leave may be paid out, in whole or in part, once per fiscal year, at the employee's hourly rate of pay as calculated from the classification prescribed in the certificate of appointment of his or her substantive position at the time of the request.	the certificate of appointment **during the period for which this period of leave was earned** ~~of his or her substantive position on September 30.~~ **e.** At the request of the employee ~~and with the approval of the Employer~~, accumulated compensatory leave may be paid out, in whole or in part, once per fiscal year, at the employee's hourly rate of pay as calculated from the classification prescribed in the certificate of appointment of his or her substantive position at the time of the request.

REMARKS:

The Bargaining Agent is proposing that employees be provided with the ability to decide whether accumulated overtime should be compensated in cash or in leave with pay, and to extend the period in which leave is earned to 12 months after it was earned instead of a fixed date prior to September 30th of the following fiscal year.

The Employer submits that the current provisions, by which an employee makes a request and submits it for the Employer's approval is reasonable, and consistent with the language found in other collective agreements. This allows the Employer to consider operational and organizational requirements.

A large number of employees in this bargaining unit work in call centres where scheduling hours of work is an essential component in effectively managing activities and ensuring there are sufficient resources to provide services to Canadians on a daily basis. The management of employee absences is an integral part of managing the work schedule. In this environment, it is not always practical to approve the accumulation of compensatory leave when it is expected that the usage of such leave may not be feasible.

The Employer believes that managing employee expectations is important for a healthy workplace and submits that removing management's discretion opens the door for disappointment for employees who choose to be compensated for overtime in equivalent leave and are unable to use it due to operational realities. In the Employer's view, there is no justification to make the proposed change.

In terms of the proposed amendments to extend the period in which leave is earned to 12 months after if was earned instead of by September 30th of the following fiscal year, would have significant impacts on the Employer. Such impacts include:

- Significant impacts on system requirements in terms of having to run the pay program for compensatory leave every week instead of once per year - also causing an increase in workload for Compensation.
- Introducing complex changes to an existing function – causing impacts on IT and potential cost implications for the Employer.
- Adapting the process to employees of the bargaining unit who take assignments with the PIPSC-AFS which may cause inconsistencies in application.

It is the Employer's opinion that the Bargaining Agent has failed to support their argument with data that demonstrates a driving need for this change. As such, the Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
28.08 Meals a. An employee who works three (3) or more hours of overtime immediately before or immediately following the employee's scheduled hours of work shall be reimbursed his or her expenses for one (1) meal in the amount of ten dollars and fifty cents ($10.50) except where free meals are provided. b. When an employee works overtime continuously extending four (4) hours or more beyond the period provided in paragraph (a), the employee shall be reimbursed for one (1) additional meal in the amount of ten dollars and fifty cents ($10.50) for each additional four (4) hour period of overtime worked thereafter, except where free meals are provided. c. Reasonable time with pay, to be determined by the Employer, shall be allowed the employee in order that the employee may take a meal break either at or adjacent to the employee's place of work. For further clarity, this meal period is included in the hours referred to in paragraphs (a) and (b) above. Meal allowances under this clause shall not apply to an employee who is in travel status which entitles the employee to claim expenses for lodging and/or meals.	**28.08 Meals** a. An employee who works ~~three (3) or more hours of~~ overtime immediately before or immediately following the employee's scheduled hours of work shall be ~~reimbursed his or her expenses~~ **compensated** for one (1) meal in the amount of ~~ten dollars and fifty cents ($10.50)~~ **twenty dollars ($20.00)** except where free meals are provided. b. When an employee works overtime continuously extending four (4) hours or more beyond the period provided in paragraph (a), the employee shall be ~~reimbursed~~ **compensated** for one (1) additional meal in the amount of ~~ten dollars and fifty cents ($10.50)~~ **twenty dollars ($20.00)** for each additional four (4) hour period of overtime worked thereafter~~, except where free meals are provided~~. c. Reasonable time with pay, ~~to be determined by the Employer,~~ shall be allowed the employee in order that the employee may take a meal break either at or adjacent to the employee's place of work. For further clarity, this meal period is included in the hours referred to in paragraphs (a) and (b) above.

	Meal allowances under this clause shall not apply to an employee who is in travel status which entitles the employee to claim expenses for lodging and/or meals.

REMARKS:

The Bargaining Agent is proposing to increase the meal allowance from $10.50 to $20.00.

The current language provides a better benefit than the majority of other collective agreements between the Public Service Alliance of Canada and the Treasury Board. The CRA considers this proposal unreasonable and is not prepared to increase the meal allowance to that which is double the amount provided to its comparator groups in the CPA, as demonstrated in **Table 20** below.

Table 20 – Overtime Meal Allowance Comparison

Employer	Group	Collective Agreement Expiry Date	Allowance
Treasury Board	PSAC (PA)	June 20, 2018	$10.00
	PSAC (SV)	August 4, 2018	$10.00
	PSAC (TC)	June 21, 2018	$10.00
	PSAC (FB)	June 20, 2018	$12.00
	PSAC (EB)	June 30, 2018	$9.00
CRA	PIPSC-AFS	December 21, 2021	$12.00

Table 21 below outlines the number of occasions employees were paid overtime meal allowance over the course of the past three fiscal years. Based on these figures, the estimated cost for this increase would be **$0.7M,** which is a 90% increase of 2018-2019 expenditures.

Table 21 - Overtime Meal Allowances Cost Impact Analysis ($10.50 to $20.00)

Fiscal Year	Number of Employees	Number of Occurrences	Expenditures	Estimated Incremental Cost
2016-2017	5,391	24,642	$446,325	$403,818
2017-2018	6,846	38,040	$753,584	$681,814
2018-2019	6,690	35,860	$721,863	$653,114

The Employer submits that the Bargaining Agent's proposal is not reflective of the current established negotiated settlement pattern in the federal public service. That being said, the Employer has recently negotiated an increase to $12.00 for this meal allowance with the PIPSC-AFS. The cost for this increase, as demonstrated in **Table 22 below**, would be much more reasonable and would align with the amount negotiated for in the CPA.

Table 22 - Overtime Meal Allowances Cost Impact Analysis ($10.50 to $12.00)

Fiscal Year	Number of Employees	Number of Occurrences	Expenditures	Estimated Incremental Cost
2016-2017	5,391	24,642	$446,325	$63,761
2017-2018	6,846	38,040	$753,584	$107,655
2018-2019	6,690	35,860	$721,863	$103,123

As such, the Employer is amenable to discussions regarding the increase to $12.00, however, due to the significant impacts this increase would have not only on the CRA but on the rest of the public service, the Employer respectfully requests that the Commission not include the increase to $20.00 in its report.

Collective Agreement	Bargaining Agent Position
28.09 Transportation Expenses a. When an employee is required to report for work and reports under the conditions described in paragraphs 28.05(c), and 28.06(a), and is required to use transportation services other than normal public transportation services, the employee shall be reimbursed for reasonable expenses incurred as follows:	**28.09 Transportation Expenses** ~~a. When an employee is required to report for work and reports~~ **When the employer schedules an employee to work and the employee reports** under the conditions described in paragraphs 28.05(c), and 28.06(a), and is required to use transportation services other than normal public transportation services, the employee shall be reimbursed for reasonable expenses incurred as follows:

REMARKS:

The Bargaining agent is proposing to change the requirement for transportation expenses for an employee who is reporting to work on a day of rest. This provision is specific to situations where the Employer would require an employee to report to work on a day of rest and includes the applicable specific transportation expenses.

Similarly to the Bargaining Agent's request under clause 28.05, it is seeking to change the application of this clause from "when an employee is required to work" to "when an employee is scheduled to work". This would result in transportation expenses being paid whether or not the employee is reporting to work on short notice, or if the overtime was scheduled in advance. There is however a difference between these two scenarios where in one, an employee whose overtime is scheduled in advance would make arrangements for their transportation like any other day when they report to work. The intent of the current provision is to provide transportation expenses when a employee is called in to report to work on short notice and has not had the opportunity to plan for their transportation.

The Bargaining Agent's proposal would result in additional costs for the Employer as all situations when an employee works overtime on a day of rest would then qualify for transportation expenses.

The Bargaining Agent has not provided evidence to support this change. The current language is similar to what is found in other collective agreements in the core public administration including the comparator group and the PIPSC-AFS.

The Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
NEW	**Consequential proposals – linked to Article 28:** **Work Performed on a Designated Holiday** **30.07** (a) When an employee works on a holiday~~, he or she~~ **the employee** shall be paid ~~time and one-half (1 1/2)~~ for all hours worked ~~up to seven decimal five (7.5) hours and~~ at double (2) time ~~thereafter~~, in addition to the pay that the employee would have been granted had ~~he or she~~ **the employee** not worked on the holiday, or (b) upon request, and with the approval of the Employer, the employee may be granted: (i) a day of leave with pay (straight-time rate of pay) at a later date in lieu of the holiday, and (ii) pay at ~~one and one-half (1 1/2)~~ **double time** the straight-time rate of pay for all hours worked ~~up to seven decimal five (7.5) hours~~, and ~~(iii) pay at two (2) times the straight-time rate of pay for all hours worked by him or her on the holiday in excess of seven decimal five (7.5) hours.~~ **Designated Holidays** **60.08** Subject to paragraph 25.23(d), when a part-time employee is required to work on a day which is prescribed as a designated paid holiday for a full-time employee in clause 30.01, the employee shall be paid at ~~time and one-half (1 1/2)~~ **double time of the straight-time rate of pay for all hours worked**. ~~up to seven~~

REMARKS:

Similarly to the Bargaining Agent's proposal under clause 25.27, this is another request that all hours worked during a Designated Paid Holiday be paid to employees at double time. The Employer would like to refer the Commission to its arguments under said clause in order to address the Bargaining Agent's proposals for clauses 30.07 and 60.08.

As such, the Employer requests that the Commission not include this proposal in its report.

ARTICLE 30 – DESIGNATED PAID HOLIDAYS

Collective Agreement	Bargaining Agent Position
30.01 Subject to clause 30.02, the following days shall be designated paid holidays for employees: a. New Year's Day b. Good Friday c. Easter Monday d. the day fixed by proclamation of the Governor in Council for celebration of the Sovereign's Birthday e. Canada Day f. Labour Day g. the day fixed by proclamation of the Governor in Council as a general day of Thanksgiving h. Remembrance Day i. Christmas Day j. Boxing Day k. one (1) additional day in each year that, in the opinion of the Employer, is recognized to be a provincial or civic holiday in the area in which the employee is employed or, in any area where, in the opinion of the Employer, no such additional day is recognized as a provincial or civic holiday, the first (1st) Monday in August **l.** one (1) additional day when proclaimed by an Act of Parliament as a national holiday.	**30.01** Subject to clause 30.02, the following days shall be designated paid holidays for employees: a. New Year's Day b. Good Friday c. Easter Monday d. the day fixed by proclamation of the Governor in Council for celebration of the Sovereign's Birthday e. Canada Day f. Labour Day g. the day fixed by proclamation of the Governor in Council as a general day of Thanksgiving h. Remembrance Day i. Christmas Day j. Boxing Day ~~k. one (1)~~ **two (2)** additional day**s** in each year **at the discretion of the employee.** ~~that, in the opinion of the Employer, is recognized to be a provincial or civic holiday in the area in which the employee is employed or, in any area where, in the opinion of the Employer, no such additional day is recognized as a provincial or civic holiday, the first (1st) Monday in August~~

	l. one (1) additional day when proclaimed by an Act of Parliament as a national holiday.
NEW	**30.02 In addition to the designated paid holidays provided for under 30.01, all regular working days that fall between Christmas Day and New Year's Day shall be considered designated paid holidays.**

REMARKS:

The Bargaining Agent has proposed to increase the number of designated paid holidays from the current eleven, to include an additional day each year to be taken at the discretion of the employee, as well as all days that fall between Christmas Day and New Year's Day.

The current language of the collective agreement is standard across the federal public service. The Employer is of the view that the proposal to increase the number of statutory holidays, including all working days that fall between Christmas and New Years day, is not warranted and would be very costly to the Employer in terms of productivity and replacement costs. The cost of the additional statutory holiday would be **$6.5M** and the cost for the working days between Christmas and New Year's would be **$19.4M**.

The Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 32 – TRAVELLING TIME

Collective Agreement	Bargaining Agent Position
32.06 If an employee is required to travel as set forth in clauses 32.04 and 32.05: a. on a normal working day on which the employee travels but does not work, the employee shall receive his or her regular pay for the day; b. on a normal working day on which the employee travels and works, the employee shall be paid: i. his regular pay for the day for a combined period of travel and work not exceeding his or her regular scheduled working hours, and ii. at the applicable overtime rate for additional travel time in excess of his or her regularly scheduled hours of work and travel, with a maximum payment for such additional travel time not to exceed twelve (12) hours' pay at the straight-time rate of pay; c. on a day of rest or on a designated paid holiday, the employee shall be paid at the applicable overtime rate for hours traveled to a maximum of twelve (12) hours' pay at the straight-time rate of pay.	**32.06** If an employee is required to travel as set forth in clauses 32.04 and 32.05: a. on a normal working day on which the employee travels but does not work, the employee shall receive his or her regular pay for the day; b. on a normal working day on which the employee travels and works, the employee shall be paid: i. his regular pay for the day for a combined period of travel and work not exceeding his or her regular scheduled working hours, and ii. at the applicable overtime rate for additional travel time in excess of his or her regularly scheduled hours of work and travel, ~~with a maximum payment for such additional travel time not to exceed twelve (12) hours' pay at the straight-time rate of pay;~~ c. on a day of rest or on a designated paid holiday, the employee shall be paid at the applicable overtime rate for hours traveled ~~to a maximum of twelve (12) hours' pay at the straight-time rate of pay~~.

REMARKS:

The Bargaining Agent is requesting the removal of the maximum payment for additional travel on a normal day during which an employee travels for work, as well as for hours traveled on a day of rest. The current language of the collective agreement provides for a maximum of 12 hours pay at the straight time rate of pay in both situations.

Although such situations are infrequent in nature, the Employer must maintain the maximum of hours that would be paid. The removal of the maximum payment in these situations would have significant cost-related impacts on the Employer.

The Employer acknowledges that there has been a recent increase in the maximum amount of hours in both the comparator PA Group and the PIPSC-AFS collective agreements. As such, the Employer is amenable to discussing a similar increase in the PDAS collective agreement.

Otherwise, the Employer requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
32.08 Travel-Status Leave a. An employee who is required to travel outside his or her headquarters area on government business, as these expressions are defined by the Employer, and is away from his permanent residence for forty (40) nights during a fiscal year shall be granted seven decimal five (7.5) hours of time off with pay. The employee shall be credited seven decimal five (7.5) hours of additional time off with pay for each additional twenty (20) nights that the employee is away from his or her permanent residence, to a maximum of eighty (80) additional nights.	**32.08 Travel-Status Leave** a. An employee who is required to travel outside his or her headquarters area on government business, as these expressions are defined by the Employer, and is away from his permanent residence for ~~forty (40)~~ **twenty (20)** nights during a fiscal year shall be granted seven decimal five (7.5) hours of time off with pay. The employee shall be credited seven decimal five (7.5) hours of additional time off with pay for each additional twenty (20) nights that the employee is away from his or her permanent

b. The number of hours off earned under this clause shall not exceed thirty-seven decimal five (37.5) hours in a fiscal year and shall accumulate as compensatory leave with pay. c. This leave with pay is deemed to be compensatory leave and is subject to paragraphs 28.07(c) and (d). The provisions of this clause do not apply when the employee travels in connection with courses, training sessions, professional conferences and seminars, unless the employee is required to attend by the Employer.	residence, to a maximum of ~~eighty (80)~~ one **hundred (100)** additional nights. b. The number of hours off earned under this clause shall not exceed ~~thirty-seven decimal five (37.5)~~ **forty-five (45)** hours in a fiscal year and shall accumulate as compensatory leave with pay. c. This leave with pay is deemed to be compensatory leave and is subject to paragraphs 28.07(c) and (d). The provisions of this clause do not apply when the employee travels in connection with courses, training sessions, professional conferences and seminars, unless the employee is required to attend by the Employer.

REMARKS:

The Bargaining Agent is proposing a significant expansion to the provisions of clause 32.08. It is the Employer's position that this proposal contradicts the fundamental reasons for which this provision was originally negotiated, which was to recognize and compensate employees that were away from their residence for what was considered to be an excessive number of nights. The travel status leave provision was never intended as an incentive to award short-term or infrequent travel.

The data on the usage of this provision clearly indicates that most employees who have acquired travel status leave did not reach the maximum of the current language. There is therefore no demonstrated need or rationale to increase the current quantum of travel status leave.

The current language of the collective agreement is standard and can be found in the agreements for other groups in the core public administration, notably the comparator PA Group. The Technical Services (TC) and the Electronic (EL) Groups currently provides a higher quantum. That being said, the

employees in these groups have a clear need for this increase given that they undertake extensive and long-term travel in the performance of their duties and responsibilities. This comparison can not be found with the PDAS Group.

The Employer requests that the Commission not include this proposal in its report.

ARTICLE 33 – LEAVE - GENERAL

Collective Agreement	Employer Position
33.03 An employee is entitled, once in each fiscal year, to be informed upon request, of the balance of his or her vacation and sick leave credits.	~~**33.03** An employee is entitled, once in each fiscal year, to be informed upon request, of the balance of his or her vacation and sick leave credits.~~

REMARKS:

The Employer is proposing to remove this clause as employees in the workplace have unlimited access to the balance of their vacation and sick leave credits via the Employee Self-Service System (ESS) and therefore there is no need for employees to request this balance.

In its recent agreement with the PIPSC-AFS, the Employer agreed to modify this language in order to provide leave balances to employees that are absent from the workplace. The Employer would be amenable to provide similar language to the Bargaining Agent.

Otherwise, the Employer requests that the Commission not include this proposal in its report.

Collective Agreement	Employer Position
33.08 An employee shall not earn leave credits under this Agreement in any month for which leave has already been credited to him or her under the terms of any other collective agreement to which the Employer is a party or under other rules or regulations of the Employer.	33.08 An employee shall not earn **or be granted** leave credits under this Agreement in any month **nor in any fiscal year** for which leave has already been credited **or granted** to ~~him or her~~ **the employee** under the terms of any other collective agreement to which the Employer is a party or under other rules or regulations of the Employer.

REMARKS:

Both of the CRA collective agreements contain similar leave provisions, including 15 hours per year of leave with pay for reasons of a personal nature (clause 53.02 of the parties' current collective

agreement) and 45 hours of leave with pay for family-related responsibilities (Article 42 of the parties' current collective agreement).

Historically, when moving from one bargaining agent to another at the CRA (e.g., acting opportunity, promotion) an employee's personal leave and family-related responsibility (FRR) leave balances were not impacted and, as such, any previously used leave remained deducted from the employee's bank.

Recently, following a change in bargaining units (from PSAC-UTE to PIPSC-AFS), a CRA employee challenged this application and filed a grievance requesting to receive new personal and FRR leave balances even though this employee had already used some of their allotted leave. Following the Employer's grievance denial, the case was referred to the FPSLREB.

A decision was rendered that changed the CRA's long standing practice (**Appendix O**). In this decision, it was found that due to the lack of express limitation to the leave entitlement, employees changing bargaining agents are "entitled to renewed leave" in their "new agreement in the same fiscal year."

The Employer respectively submits that this application is unreasonable, unfair, inequitable, and results in additional cost for the Employer. Further, it is the Employer's opinion that this decision, as evidenced by the long standing practice, did not align with the intent of the provisions negotiated by the parties.

Following the adjudicator's reasoning, the Employer submits that there should be clear language in the collective agreement that prevents the duplication of this type of leave simply by changing one's bargaining unit.

The Employer is proposing this amendment in order to clarify that employees are only entitled to leave (whether earned or granted) once per fiscal year even if there is a change in their union affiliation.

With consideration to the adjudicators noting in this finding that this issue should be resolved at the bargaining table, the Employer recently agreed to language with the PIPSC-AFS Group to include leave granted each fiscal year in addition to leave credits earned each month or fiscal year to make it clear

that employees are only entitled to leave granted or earned once per fiscal year even if there is a change in their union representation.

In terms of relativity and practice, the Employer respectfully requests that the Commission include this proposal in its report.

ARTICLE 34 – VACATION LEAVE WITH PAY

Collective Agreement	Employer's position
34.02 An employee shall earn vacation leave credits for each calendar month during which he or she receives pay for either ten (10) days or seventy-five (75) hours at the following rate:	34.02 An employee shall earn vacation leave credits for each calendar month during which he or she receives pay for either ten (10) days or seventy-five (75) hours **for that given month** at the following rate:

REMARKS:

The Employer is seeking to add additional language to this provision for clarification purposes. Employees refer to this clause for vacation credit acquisition and more specifically, the conditions for receiving a vacation credit in a given month when the employee has only been present at work for a portion of the time.

As with other federal government departments, Employees at CRA have been paid in arrears since May 2014. Since this change, there has been some confusion with the interpretation of this provision by employees. The conditions for the accumulation of credits are found within the phrase "receives pay" without any other specification. As a result, some employees believe that receiving pay in their bank account on a specific date is what becomes the determining factor in acquiring vacation credits for that month. The reality is quite different. In fact, an employee must be entitled to compensation for 10 days' pay in a given month to obtain the leave credit, which has nothing to do with the actual day on which they receive pay in their bank account.

To further illustrate this situation, the Employer will refer to the months of August, September and October 2018. Paydays are highlighted in yellow on the calendars below (**Table 23**). The deposit that employees receive on September 19 represents the 10 days from August 23 to September 5, and includes days in both August and September. In another scenario, if an employee was to begin LWOP at end of day on Friday August 24, and not return to work until Monday October 15, they would still "receive pay" in the month of September – the pay for August 23 and 24 would be deposited on

September 19. But since they were on LWOP for the entire month of September, they would not be eligible for leave credits for the month of September, even though they "received pay" in the month, they would not have met the 10 day/75 hour requirement to earn a credit for September. The fact that the employee "received pay" in their bank on September 19 leads some to argue that they are entitled to a vacation credit for September.

Table 23 – Pay Day Calendar

August						
S	**M**	**T**	**W**	**T**	**F**	**S**
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		
September						
S	**M**	**T**	**W**	**T**	**F**	**S**
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
October						
S	**M**	**T**	**W**	**T**	**F**	**S**
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

On the other hand, if an employee was newly hired on October 18, they would have 10 days/75 hours of work in October, but they would not be paid until November. By relying on the phrase "receives pay" to determine whether or not an employee is entitled to a credit, an employee in this situation would not receive any credits for October, even though they met the requirements, because they did not "receive pay" in October.

The Compensation Client Service Centre has received numerous questions in relation to this article. Despite further explanation, some employees are still confused about their eligibility. The collective agreement should be written in plain and clear language for the reader to understand and avoid any confusion. This is currently not the case and the intent is not to change the application but simply to add clarification. The Employer is confident that the addition of "for that given month" would better clarify the eligibility for the vacation credit and avoid any confusion.

During our discussions, the Bargaining Agent expressed concerns regarding the terminology "receives pay" in the provision for a new employee with a starting date in the middle of the month. The Employer is open to discussing a change in this terminology as the ultimate goal is to provide clarification without any effect on the intent of eligibility.

The Employer respectively request that the Commission include this proposal in its report.

Collective Agreement	Bargaining Agent Position
34.02 An employee shall earn vacation leave credits for each calendar month during which he or she receives pay for either ten (10) days or seventy-five (75) hours at the following rate: a. nine decimal three seven five (9.375) hours until the month in which the anniversary of the employee's seventh (7th) year of service occurs; b. ten decimal six two five (10.625) hours commencing with the month in which the employee's seventh (7th) anniversary of service occurs; c. twelve decimal five (12.5) hours commencing with the month in which the employee's eighth (8th) anniversary of service occurs; d. thirteen decimal seven five (13.75) hours commencing with the month in which the employee's sixteenth (16th) anniversary of service occurs; e. fourteen decimal four (14.4) hours commencing with the month in which the employee's seventeenth (17th) anniversary of service occurs; f. fifteen decimal six two five (15.625) hours commencing with the month in which the employee's eighteenth (18th) anniversary of service occurs;	**Replace 34.02(a) with the following:** **34.02 An employee shall earn vacation leave credits for each calendar month during which he or she receives pay for either ten (10) days or seventy-five (75) hours at the following rate:** **a. nine decimal three seven five (9.375) hours until the month in which the anniversary of the employee's second (2nd) year of service occurs;** **b. an employee shall, beginning with the month in which the employee's 2nd anniversary of service occurs, earn annually one (1) additional day (7.5 hours) of vacation leave credits, to a maximum of thirty (30) days vacation credits, beginning with the month in which each anniversary of service occurs;** **c. beginning with the month in which an employee's thirtieth (30th) anniversary of service occurs, said employee shall earn annually one-half (1/2) day (3.75 hours) of vacation leave credits beginning with the month in which each anniversary of service occurs.**

g. seventeen decimal five (17.5) hours commencing with the month in which the employee's twenty-seventh (27th) anniversary of service occurs; **h.** eighteen decimal seven five (18.75) hours commencing with the month in which the employee's twenty-eighth (28th) anniversary of service occurs;	

REMARKS:

The Bargaining Agent is proposing to amend the rate of accumulation of vacation leave credits, effectively increasing vacation leave entitlements beyond what can be found in other collective agreements. The Bargaining Agent is also seeking additional language for an increase in the accumulation of vacation credits after an employee has more than twenty-nine (29) years of service. **Table 24** below outlines the Bargaining Agent's proposed accumulation of vacation leave.

Table 24 – **Proposed accumulation of vacation leave credits**

Current Collective Agreement		**PSAC-UTE Proposal**	
Years of Service	**Days of Entitlement**	**Years of Service**	**Days of Entitlement**
0-6	15	0-2	15
7	17	3	16
8	20	4	17
9	20	5	18
10	20	6	19
11	20	7	20
12	20	8	21
13	20	9	22
14	20	10	23
15	20	11	24

16	22	12	25
17	23	13	26
18	25	14	27
19	25	15	28
20	25	16	29
21	25	17-29	30
22	25	30	30.5
23	25	31	31
24	25	32	31.5
25	25	33	32
26	25	34	32.5
27	28	35	33
28 and beyond	30		

It is the submission of the Employer that the existing provisions of the collective agreement are sufficient and consistent with its other federal public service collective agreements; in fact the CRA is already ahead of the CPA, providing an additional 2 days in the 7th year.

In the Employer's opinion, an increase to the quantum of vacation leave entitlements is intended to recognize employee dedication to the public service; the longer you work the more leave you will earn. The implementation of the Bargaining Agent's proposal would significantly accelerate the earning of vacation leave.

There is a cash value associated with earned vacation leave credits therefore the more leave an employee earns the larger the liability for the CRA and the federal government as a whole. Based on data from the Employer's leave system, and using the average salary for this bargaining unit at the time the current collective agreement expired, the increased liability for the CRA would be approximately **$24.1M**.

The Bargaining Agent does not present a compelling reason to substantiate its proposal for this significant benefit improvement. As such, the Employer requests that the Bargaining Agent's proposal not be included in the Commission's report.

Collective Agreement	Bargaining Agent Position
34.03 a. For the purpose of clause 34.02 only, all service within the public service, whether continuous or discontinuous, shall count toward vacation leave except where a person who, on leaving the public service, takes or has taken severance pay. However, the above exception shall not apply to an employee who receives severance pay on lay-off and is re-appointed to the public service within one (1) year following the date of lay-off. For greater certainty, severance termination benefits taken under clauses 61.04 to 61.07, or similar provisions in other collective agreements, do not reduce the calculation of service for employees who have not left the public service.	**34.03** a. For the purpose of clause 34.02 only, all service within the public service, whether continuous or discontinuous, shall count toward vacation leave ~~except where a person who, on leaving the public service, takes or has taken severance pay. However, the above exception shall not apply to an employee who receives severance pay on lay-off and is re-appointed to the public service within one (1) year following the date of lay-off. For greater certainty, severance termination benefits taken under clauses 61.04 to 61.07, or similar provisions in other collective agreements, do not reduce the calculation of service for employees who have not left the public service~~.

REMARKS:

The Bargaining Agent is proposing to remove the exception related to employees who have left the public service and taken severance pay.

With consideration to changes made to similar collective agreement provisions within the core public administration as well as CRA's other bargaining agent during the last and current rounds of collective bargaining, notably references to changes to severance termination benefits, the CRA would be amenable to discussing similar changes within the context of an overall negotiated settlement.

Collective Agreement	Employer Position
34.11 Carry-Over and/or Liquidation of Vacation Leave a. Where in any vacation year, an employee has not been granted all of the vacation leave credited to him or her, the unused portion of his or her vacation leave, up to a maximum of two hundred and sixty two decimal five (262.5) hours, shall be carried over into the following vacation year. All vacation leave credits in excess of two hundred and sixty two decimal five (262.5) hours shall be automatically paid in cash at his or her hourly rate of pay as calculated from the classification prescribed in his or her certificate of appointment of his or her substantive position on the last day of the vacation year. b. Notwithstanding paragraph (a), if on March 31, 1999, or on the date an employee becomes subject to this Agreement after March 31, 1999, an employee has more than two hundred and sixty two decimal five (262.5) hours of unused vacation leave credits, a minimum of seventy five (75) hours per year shall be granted or paid in cash by March 31 of each year, commencing on March 31, 2000, until all vacation leave credits in excess of two hundred and sixty two decimal five (262.5) hours have been liquidated. Payment shall be in one (1) instalment per year and shall be at the employee's hourly rate of pay as	**34.11 Carry-Over and/or Liquidation of Vacation Leave** a. Where in any vacation year, an employee has not been granted all of the vacation leave credited to him or her, the unused portion of his or her vacation leave, up to a maximum of two hundred and ~~sixty two~~ **twenty** ~~decimal~~ five ~~(262.5)~~**(225)** hours, shall be carried over into the following vacation year. All vacation leave credits in excess of two hundred and ~~sixty two~~ twenty ~~decimal~~ five ~~(262.5)~~**(225)** hours shall be automatically paid in cash at his or her hourly rate of pay as calculated from the classification prescribed in his or her certificate of appointment of his or her substantive position on the last day of the vacation year. b. Notwithstanding paragraph (a), if on March 31, 1999, or on the date an employee becomes subject to this Agreement after March 31, 1999, an employee has more than two hundred and ~~sixty two~~ **twenty** ~~decimal~~ five ~~(262.5)~~**(225)** hours of unused vacation leave credits, a minimum of seventy five (75) hours per year shall be granted or paid in cash by March 31 of each year, commencing on March 31, 2000, until all vacation leave credits in excess of two hundred and ~~sixty two~~ **twenty** ~~decimal~~ five ~~(262.5)~~ **(225)** hours have been liquidated. Payment shall be in one (1) instalment per year and shall be at the employee's hourly rate of pay as calculated from

calculated from the classification prescribed in his or her certificate of appointment of his or her substantive position on March 31 of the applicable previous vacation year.	the classification prescribed in his or her certificate of appointment of his or her substantive position on March 31 of the applicable previous vacation year.
34.17 Appointment from a Schedule I or IV Employer The Employer agrees to accept the unused vacation leave credits up to a maximum of two hundred and sixty-two decimal five (262.5) hours of an employee who resigns from an organization listed in Schedule I or IV or the Financial Administration Act in order to take a position with the Employer if the transferring employee is eligible and has chosen to have these credits transferred.	**34.17 Appointment from a Schedule I or IV Employer** The Employer agrees to accept the unused vacation leave credits up to a maximum of two hundred and ~~sixty-two~~ **twenty** ~~decimal~~ five ~~(262.5)~~ **(225)** hours of an employee who resigns from an organization listed in Schedule I or IV or the Financial Administration Act in order to take a position with the Employer if the transferring employee is eligible and has chosen to have these credits transferred.

REMARKS:

The Employer is requesting to amend clauses 34.11 and 34.17 to allow for a carry-over of up to 225 hours as opposed to the current 265.5 hours provided for in the current collective agreement.

This proposal is in line with paragraph 34.05(a) which states that "Employees are expected to take all their vacation leave during the vacation year in which it is earned." The Employer takes this statement very seriously as it supports employee well-being. The purpose of vacation leave is to provide employees with a chance to rest and rejuvenate. To support this, as part of the Employer's well-being model, employees are encouraged to have positive individual health habits by taking health breaks, working reasonable hours and scheduling and taking allotted vacation time.

Allowing employees to carry over high vacation banks brings with it an added financial liability for the Employer. However, in this case, as illustrated in the table below, recent statistics have demonstrated that only just over 7.5% of employees in the bargaining unit have more than 225 hours banked, with

the majority of employees (over 68%) having less than 112 hours banked. This is encouraging and demonstrates that the vast majority of employees are making healthy decisions in this area.

Hours	# of Employees	% of total
Over 225.00	2,410	7.57%
Over 187.5 to 225	990	3.11%
Over 150 to 187.5	1,226	3.85%
Over 112.5 to 150	1,861	5.85%
Up to 112.5	21,938	68.93%
No Vacation Entitlement	3,402	10.69%
Grand Total	**31,827**	

The Employer does, however, find it troubling that the Bargaining Agent is proposing that employees need additional vacation leave entitlements, while at the same time, are not in favour of putting measures in place to encourage them to use this same leave. As such, the Employer respectfully requests that the Commission include these proposals in its report.

ARTICLE 35 – SICK LEAVE WITH PAY

Collective Agreement	Employer Position
35.01 a. An employee shall earn sick leave credits at the rate of nine decimal three seven five (9.375) hours for each calendar month for which the employee receives pay for at least ten (10) days. b. A shift worker shall earn additional sick leave credits at the rate of one decimal two five (1.25) hours for each calendar month during which he or she works shifts and he or she receives pay for at least ten (10) days. Such credits shall not be carried over in the next fiscal year and are available only if the employee has already used one hundred and twelve decimal five (112.5) hours sick leave credits during the current fiscal year.	**35.01** a. An employee shall earn sick leave credits at the rate of nine decimal three seven five (9.375) hours for each calendar month for which the employee receives pay for at least ten (10) days **for that given month**. b. A shift worker shall earn additional sick leave credits at the rate of one decimal two five (1.25) hours for each calendar month during which he or she works shifts and he or she receives pay for at least ten (10) days **for that given month**. Such credits shall not be carried over in the next fiscal year and are available only if the employee has already used one hundred and twelve decimal five (112.5) hours sick leave credits during the current fiscal year.

REMARKS:

The Employer is seeking additional language to this provision for clarification purposes. Employees refer to this clause for sick leave credit acquisition and more specifically, the conditions for receiving a sick leave credit in a given month when the employee has only been present for a portion of the time.

As with other federal government departments, Employees at the CRA, have been paid in arrears since May 2014. Since this change, there has been some confusion with the interpretation of this provision. The conditions for the accumulation of credits are found within the phrase "receives pay" without any other specification. As a result, some employees believe that receiving pay in their bank

on a specific date is what becomes the determining factor in acquiring sick leave credits for that month. The reality is quite different. In fact, an employee must be entitled to compensation for 10 days' pay in a given month to obtain the leave credit, which has nothing to do with the actual day on which they receive a pay in their bank.

The Compensation Client Service Centre has received numerous questions in relation to this article. Despite further explanation, some employees are still confused about their eligibility. The collective agreement should be written in plain and clear language for the reader to understand and avoid any confusion. This is currently not the case and the Employer's intent is not to change the application, but to simply add clarification. The Employer is confident that the addition of "for that given month" would better clarify the eligibility for the vacation credit and avoid any further confusion.

During our discussions, the Bargaining Agent expressed concerns regarding the terminology "receives pay" especially with regards to new employees with a starting dates in the middle of the month. The Employer is open to discussing a change in this terminology as the ultimate goal is to provide clarification without any effect on the intent of eligibility.

We refer you to the Employer's submission under clause 34.02 for further supporting information. The Employer respectively requests that the Commission recommend the clarification of the language in this provision.

ARTICLE 36 – MEDICAL APPOINTMENTS FOR PREGNANT EMPLOYEES

Collective Agreement	Employer Position
36.01 Up to half (1/2) a day of reasonable time off with pay will be granted to pregnant employees for the purpose of attending routine medical appointments.	**36.01** Up to ~~half (1/2)~~ **three decimal seven five (3.75) hours** a day of reasonable time off with pay will be granted to pregnant employees for the purpose of attending routine medical appointments.

REMARKS:

The Employer is proposing to amend the allotted half day currently provided to an exact 3.75 hours both to align with the rest of the public service and to align with the current reference to time used throughout the collective agreement, which is in hours rather than in days. This alignment would also be consistent with the equivalent provision found in the PIPSC-AFS collective agreement. This amendment would not affect the application or eligibility of this provision.

The Employer requests that the Commission include this proposal in their report.

ARTICLE 37 – INJURY-ON-DUTY-LEAVE

Collective Agreement	Bargaining Agent Position
37.01 An employee shall be granted injury-on-duty leave with pay for such period as may be reasonably determined by the Employer when a claim has been made pursuant to the Government Employees Compensation Act, and a Workers' Compensation authority has notified the Employer that it has certified that the employee is unable to work because of: a. personal injury accidentally received in the performance of his or her duties and not caused by the employee's willful misconduct, or b. an industrial illness or a disease arising out of and in the course of the employee's employment, if the employee agrees to remit to the Receiver General of Canada any amount received by him or her in compensation for loss of pay resulting from or in respect of such injury, illness, or disease providing, however, that such amount does not stem from a personal disability policy for which the employee or the employee's agent has paid the premium.	**37.01** An employee shall be granted injury-on-duty leave with pay for such period as ~~may be reasonably determined by the Employer~~ **certified by a Workers' Compensation authority** when a claim has been made pursuant to the Government Employees Compensation Act, and a Workers' Compensation authority has notified the Employer that it has certified that the employee is unable to work because of: a. personal injury accidentally received in the performance of his or her duties and not caused by the employee's willful misconduct, or b. an industrial illness, **vicarious trauma, or any other illness, injury** or ~~a~~ disease arising out of and in the course of the employee's employment, if the employee agrees to remit to the Receiver General of Canada any amount received by him or her in compensation for loss of pay resulting from or in respect of such injury, illness, or disease providing, however, that such amount does not stem from a personal disability policy for which the employee or the employee's agent has paid the premium.

REMARKS:

The Bargaining Agent is proposing to remove the Employer's discretion in determining how long an employee should remain on injury-on-duty leave with pay as well as to expand the criteria for eligibility for benefits provided by the *Government Employee's Compensation Act* (GECA).

The Employer respectfully submits that the Commission does not have the jurisdiction to deal with the Bargaining Agent's proposal at clause 37.01 b. pursuant to subparagraphs 177(1)(a) and 177(1)(b) of the Federal Public Sector Labour Relations Act:

177. (1) The report may not, directly or indirectly, recommend the alteration or elimination of any existing term or condition of employment, or the establishment of any new term or condition of employment, if

(a) the alteration, elimination or establishment would require the enactment or amendment of any legislation by Parliament, except for the purpose of appropriating money required for implementation;
(b) the term or condition is one that has been or may be established under the Public Service Employment Act, the Public Service Superannuation Act or the Government Employees Compensation Act;
(c) the term or condition relates to standards, procedures or processes governing the appointment, appraisal, promotion, deployment, rejection on probation or lay-off of employees; or
(d) in the case of a separate agency, the term or condition relates to termination of employment, other than termination of employment for a breach of discipline or misconduct.

The Employer also submits that under the Bargaining Agent's proposal, the employee would remain on leave with pay, paid by the Employer, until such times as it is determined that they can return to work. This period could extend past 130 days, which is the standard the Employer follows by its own policy. This would also mean that the employee's other benefits would continue to accumulate during this time, such as vacation leave.

In addition, by requiring that the leave continue for as long as the WCB certifies that the employee is unable to work would effectively eliminate worker's compensation salary benefits altogether. This proposal would unduly affect the Employer's authority to terminate the employment of an employee for reasons other than misconduct, pursuant to subparagraph 51(1)(g) of the Canada Revenue Agency Act.

It is the Employer's position that there is no need or justification to delete the language and provide ongoing full pay for work-related injury, illness or disease. The current practice and existing policy clearly provide a benefit well beyond that of other public and private sector Employers. The current language is identical to what is included in all collective agreements in the CPA and it is consistent with the Employer's guidelines applicable to all employees.

The Employer has an internal structure through the GECA which is managed by provincial Workers' Compensation Boards where each province has plans an d systems in place to assist injured or ill employees when they are absent from work.

Therefore, the Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 38 – MATERNITY LEAVE WITHOUT PAY

Collective Agreement	Bargaining Agent Position
	The Union reserves the right to make further proposals related to the Quebec Parental Insurance Plan legislative amendments. **38.01 Maternity leave without pay** a. An employee who becomes pregnant shall, upon request, be granted maternity leave without pay for a period beginning before, on or after the termination date of pregnancy and ending not later than eighteen (18) weeks after the termination date of pregnancy. b. Notwithstanding paragraph (a): i. where the employee has not yet proceeded on maternity leave without pay and her newborn child is hospitalized or ii. where the employee has proceeded on maternity leave without pay and then returns to work for all or part of the period while her newborn child is hospitalized, the period of maternity leave without pay defined in paragraph (a) may be extended beyond the date falling eighteen (18) weeks after the date of termination of pregnancy by a period equal to that portion of the period of the child's hospitalization while the employee was not on maternity leave, to a maximum of eighteen (18) weeks. c. The extension described in paragraph (b) shall end not later than fifty-two (52) weeks after the termination date of pregnancy. d. The Employer may require an employee to submit a medical certificate certifying pregnancy. e. An employee who has not commenced maternity leave without pay may elect to: i. use earned vacation and compensatory leave credits up to and beyond the date that her pregnancy terminates; ii. use her sick leave credits up to and beyond the date that her pregnancy terminates, subject to the provisions set out in Article 35: Sick Leave With Pay. For purposes of this subparagraph, the terms "illness" or "injury" used in Article 35: Sick Leave With Pay, shall include medical disability related to pregnancy. f. An employee shall inform the Employer in writing of her plans to take leave with and without pay to cover her absence from work due to the pregnancy at least four (4) weeks before the initial date of continuous leave of absence while

termination of pregnancy is expected to occur unless there is a valid reason why the notice cannot be given.

g. Leave granted under this clause shall be counted for the calculation of "continuous employment" for the purpose of calculating severance pay and "service" for the purpose of calculating vacation leave. Time spent on such leave shall be counted for pay increment purposes.

38.02 Maternity allowance

a. An employee who has been granted maternity leave without pay shall be paid a maternity allowance in accordance with the terms of the Supplemental Unemployment Benefit (SUB) Plan described in paragraphs (c) to (i), provided that she:

i. has completed six (6) months of continuous employment before the commencement of her maternity leave without pay,

ii. provides the Employer with proof that she has applied for and is in receipt of maternity benefits pursuant to section 22 of the Employment Insurance Act, or Quebec Parental Insurance Plan in respect of insurable employment with the Employer, and

iii. has signed an agreement with the Employer stating that:

A. she will return to work on the expiry date of her maternity leave without pay unless the return to work date is modified by the approval of another form of leave;

~~B. following her return to work, as described in section (A), she will work for a period equal to the period she was in receipt of maternity allowance;~~

~~C. should she fail to return to work in accordance with section (A), or should she return to work but fail to work for the total period specified in section (B), she will be indebted to the Employer for an amount determined as follows:~~

$$\text{(allowance received)} \times \frac{\text{(remaining period to be worked following her return to work)}}{\text{[total period to be worked as specified in (B)]}}$$

~~D. the repayment provided for in (C) will not apply in situations of:~~
~~(i) death,~~
~~(ii) lay off,~~
~~(iii) early termination due to lack of work or discontinuance of a function of a specified period of employment that would have been sufficient to meet the obligations specified in section (B),~~
~~(iv) the end of a specified period of employment, if the employee is rehired by the Agency, an organization listed in Schedules I or IV of the *Financial Administration Act,* the Canadian Food Inspection~~

~~Agency, or Parks Canada, within ninety (90) days following the end of the specified period of employment, and who fulfils the obligations specified in section (B),~~
~~(v) having become disabled as defined in the *Public Service Superannuation Act*; or~~
~~(vi) the employee is appointed to a position with an organization listed in Schedules I or IV of the *Financial Administration Act*, the Canadian Food 47~~

~~**b.** For the purpose of sections (a)(iii)(B), and (C), periods of leave with pay shall count as time worked. Periods of leave without pay during the employee's return to work will not be counted as time worked but shall interrupt the period referred to in section (a)(iii)(B), without activating the recovery provisions described in section (a)(iii)(C).~~

b.~~(c)~~ Maternity allowance payments made in accordance with the SUB Plan will consist of the following:

i. where an employee is subject to a waiting period ~~of two (2) weeks~~ before receiving Employment Insurance maternity benefits, ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of her weekly rate of pay for each week of the waiting period, less any other monies earned during this period, and

ii. for each week that the employee receives a maternity benefit pursuant to section 22 of the Employment Insurance or Quebec Parental Insurance plan, the difference between the gross weekly amount of the Employment Insurance, or Quebec Parental Insurance Plan, maternity benefit she is eligible to receive and ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of her weekly rate of pay, less any other monies earned during this period which may result in a decrease in Employment Insurance, or Quebec Parental Insurance Plan, benefit to which she would have been eligible if no extra monies had been earned during this period, and

iii. where an employee has received the full fifteen (15) weeks of maternity benefit pursuant to section 22 of the Employment Insurance Act and thereafter remains on maternity leave without pay, she is eligible to receive a further maternity allowance for a period of one (1) week, one hundred per cent (100%) of her weekly rate of pay for each week, less any other monies earned during this period.

c. At the employee's request, the payment referred to in subparagraph 38.02(~~c~~ **b**)(i) will be estimated and advanced to the employee. Adjustments will be made once the employee provides proof of receipt of Employment Insurance or Québec Parental Insurance Plan maternity benefits.

d. The maternity allowance to which an employee is entitled is limited to that provided in paragraph (~~c~~ **b**) and an employee will not be reimbursed for

any amount that she may be required to repay pursuant to the Employment Insurance Act or the Parental Insurance Act in Québec.

e. The weekly rate of pay referred to in paragraph (~~c~~ **b**) shall be:

i. for a full-time employee, the employee's weekly rate of pay on the day immediately preceding the commencement of maternity leave without pay;

ii. for an employee who has been employed on a part-time or on a combined full-time and part-time basis during the six (6) month period preceding the commencement of maternity leave, the rate obtained by multiplying the weekly rate of pay in subparagraph (i) by the fraction obtained by dividing the employee's straight time earnings by the straight time earnings the employee would have earned working full-time during such period.

f. The weekly rate of pay referred to in paragraph (~~f~~ **e**) shall be the rate to which the employee is entitled for her substantive level to which she is appointed.

g. Notwithstanding paragraph (~~g~~ **f**), and subject to subparagraph (~~f~~ **e**)(ii), if on the day immediately preceding the commencement of maternity leave without pay an employee has been on an acting assignment for at least four (4) months, the weekly rate shall be the rate she was being paid on that day.

h. Where an employee becomes eligible for a pay increment or pay revision that would increase the maternity allowance while in receipt of the maternity allowance, the allowance shall be adjusted accordingly.

i. Maternity allowance payments made under the SUB Plan will neither reduce nor increase an employee's deferred remuneration or severance pay.

38.03 Special maternity allowance for totally disabled employees

a. An employee who:

i. fails to satisfy the eligibility requirement specified in subparagraph 38.02(a)(ii) solely because a concurrent entitlement to benefits under the Disability Insurance (DI) Plan, the Long Term Disability (LTD) Insurance portion of the Public Service Management Insurance Plan (PSMIP) or the Government Employees Compensation Act prevents her from receiving Employment Insurance or Quebec Parental Insurance Plan maternity benefits,
and

ii. has satisfied all of the other eligibility criteria specified in paragraph 38.02(a), other than those specified in sections (A)~~ and (B) ~~of subparagraph 38.02(a)(iii),

shall be paid, in respect of each week of maternity allowance not received for the reason described in subparagraph (i), the difference between ~~ninety-three~~

	~~per cent (93%)~~ **one hundred per cent (100%)** of her weekly rate of pay and the gross amount of her weekly disability benefit under the DI Plan, the LTD plan or through the Government Employees Compensation Act. b. An employee shall be paid an allowance under this clause and under clause 38.02 for a combined period of no more than the number of weeks while she would have been eligible for maternity benefits pursuant to section 22 of the Employment Insurance Act or the Quebec Parental Insurance Plan had she not been disqualified from Employment Insurance or Québec Parental Insurance Plan maternity benefits for the reasons described in subparagraph (a)(i).

REMARKS:

The Bargaining Agent is seeking to modify Article 38 Maternity leave without pay by removing return to work provisions and increasing the maternity top-up allowance from ninety-three per cent (93%) to one hundred per cent (100%).

In terms of increased allowance and removing the return to work provision, increasing the allowance to 100% would again add significant additional costs to the Employer. The bargaining agent has not provided justification for these proposed changes, and the Employer is of the view that they are not unwarranted.

With regards to the Bargaining Agent's proposal to amend subparagraph 38.02(c)(i) by deleting "two (2) weeks", the Employer tabled similar language on January 24, 2019, and is, therefore, amenable to such a change. The Bargaining Agent's proposal to amend subparagraph 38.02(c)(iii) is also similar to the Employer's proposed language, with the exception of the increase to the maternity top-up allowance. Given this, the Employer is also amenable to this Bargaining Agent proposal with the exception of the maternity top-up allowance increase.

The above-noted Employer's proposed language and the above-noted portions of the Bargaining Agent's proposal align with language negotiated in many collective agreements in the federal public service (e.g., the PA agreement) during the last round of bargaining, as well as aligns with changes made to the *Employment Insurance Act* during that time.

The Employer would like to note that 34 federal public service bargaining units recently negotiated agreements that include the language in **Appendix P**. Forming part of the established pattern, this language introduces additional improvements to the definition of Employer in the provisions on maternity (clause 38.02(a)(iii)(A) & (C)) to expand the definition of "Employer" for the purposes of the return to work obligation to any organization listed in Schedule I, Schedule IV or Schedule V of the Financial Administration Act.

Also to note, to support stakeholder (i.e., employees) comprehension, the Employer has made minor editorial amendments to further align with language included in recently negotiated collective agreements across federal public service. For example, proposed language in section 38.02(a)(ii)(C), includes content formerly included in provisions 38.02(a)(ii)(D)(i), (ii), (iii) and (iv).

Taking into consideration the replication principle, the Employer would be amenable to discussing the language in **Appendix P** within the context of an overall negotiated settlement.

ARTICLE 40 – PARENTAL LEAVE WITHOUT PAY

Collective Agreement	Bargaining Agent Position
	The Union reserves the right to make further proposals related to the Quebec Parental Insurance Plan legislative amendments. **40.01 Parental leave without pay** a. Where an employee has or will have the actual care and custody of a new-born child (including the new-born child of a common-law partner), the employee shall, upon request, be granted parental leave without pay for a single period of up to ~~thirty-seven~~ **sixty-three** (~~37~~**63**) consecutive weeks in the ~~fifty-two~~ **eighty- six** (~~52~~ **86**) week period beginning on the day on which the child is born or the day on which the child comes into the employee's care. b. Where an employee commences legal proceedings under the laws of a province to adopt a child or obtains an order under the laws of a province for the adoption of a child, the employee shall, upon request, be granted parental leave without pay for a single period of up to ~~thirty-seven~~ **sixty-three** (~~37~~**63**) consecutive weeks in the ~~fifty-two~~ **eighty-six** (~~52~~ **86**) period beginning on the day on which the child comes into the employee's care. c. Notwithstanding paragraphs (a) and (b) above, at the request of an employee and at the discretion of the Employer, the leave referred to in the paragraphs (a) and (b) above may be taken in two periods. d. Notwithstanding paragraphs (a) and (b): i. where the employee's child is hospitalized within the period defined in the above paragraphs, and the employee has not yet proceeded on parental leave without pay, or ii. where the employee has proceeded on parental leave without pay and then returns to work for all or part of the period while his or her child is hospitalized, the period of parental leave without pay specified in the original leave request may be extended by a period equal to that portion of the period of the child's hospitalization while the employee was not on parental leave. However, the extension shall end not later than one hundred and four (104) weeks after the day on which the child comes into the employee's care. e. An employee who intends to request parental leave without pay shall notify the Employer at least four (4) weeks in advance of the expected date of the birth of the employee's child (including the child of a common law partner), or the date the child is expected to come into the employee's care pursuant to paragraphs (a) and (b). f. The Employer may: i. defer the commencement of parental leave without pay at the request of the employee;

ii. grant the employee parental leave without pay with less than four (4) weeks' notice;
iii. require an employee to submit a birth certificate or proof of adoption of the child.

g. Leave granted under this clause shall count for the calculation of "continuous employment" for the purpose of calculating severance pay and "service" for the purpose of calculating vacation leave. Time spent on such leave shall count for pay increment purposes

40.02 Parental allowance

a. An employee who has been granted parental leave without pay, shall be paid a parental allowance in accordance with the terms of the Supplemental Unemployment Benefit (SUB) Plan described in paragraphs (c) to (i), providing he or she:
   i. has completed six (6) months of continuous employment before the commencement of parental leave without pay,
   ii. provides the Employer with proof that he or she has applied for and is in receipt of parental, paternity or adoption benefits pursuant to section 23 of the Employment Insurance or the Quebec Parental Insurance Plan in respect of insurable employment with the Employer, an
   iii. has signed an agreement with the Employer stating that:

      A. the employee will return to work on the expiry date of his or her parental leave without pay, unless the return to work date is modified by the approval of another form of leave;
      ~~B. Following his or her return to work, as described in section (A), the employee will work for a period equal to the period the employee was in receipt of the parental allowance, in addition to the period of time referred to in section 38.02(a)(iii)(B), if applicable;~~
      ~~C. should he or she fail to return to work in accordance with section (A) or should he or she return to work but fail to work the total period specified in section (B), he or she will be indebted to the Employer for an amount determined as follows:~~

$$\text{(allowance received)} \times \frac{\text{(remaining period to be worked following his or her return to work)}}{\text{[total period to be worked as specified in (B)]}}$$

      ~~E. the repayment provided for in (C) will not apply in situations of:~~
      ~~(i) death,~~
      ~~(ii) lay off,~~

~~(iii) early termination due to lack of work or discontinuance of a function of a specified period of employment that would have been sufficient to meet the obligations specified in section (B),~~
~~(iv) the end of a specified period of employment, if the employee is rehired by the Agency, an organization listed in Schedules I or IV of the *Financial Administration Act,* the Canadian Food Inspection Agency, or Parks Canada, within ninety (90) days following the end of the specified period of employment, and who fulfils the obligations specified in section (B),~~
~~(v) having become disabled as defined in the *Public Service Superannuation Act*; or~~
~~(vi) the employee is appointed to a position with an organization listed in Schedules I or IV of the *Financial Administration Act*, the Canadian Food 47~~

~~b. For the purpose of sections (a)(iii)(B), and (C), periods of leave with pay shall count as time worked. Periods of leave without pay during the employee's return to work will not be counted as time worked but shall interrupt the period referred to in section (a)(iii)(B), without activating the recovery provisions described in section (a)(iii)(C).~~

b. Parental Allowance payments made in accordance with the SUB Plan will consist of the following:

i. where an employee is subject to a waiting period ~~of two weeks~~ before receiving Employment Insurance parental benefits, ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of his or her weekly rate of pay for each week of the waiting period, less any other monies earned during this period;

ii. for each week the employee receives parental, adoption or paternity benefit under the Employment Insurance or the Québec Parental Insurance Plan, he or she is eligible to receive the difference between ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of his or her weekly rate and the parental, adoption or paternity benefit, less any other monies earned during this period which may result in a decrease in his or her parental, adoption or paternity benefit to which he or she would have been eligible if no extra monies had been earned during this period;

iii. where an employee has received the full eighteen (18) weeks of maternity benefit and the full thirty-two (32) weeks of parental benefit under the Québec Parental Insurance Plan and thereafter remains on parental leave without pay, she is eligible to receive a further parental allowance for a period of two (2) weeks, ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of her weekly rate of pay for each week, less any other monies earned during this period;

iv. where an employee has received the full sixty-one (61) weeks of parental benefit pursuant to section 23 of the Employment Insurance Act and

	thereafter remains on parental leave without pay, he or she is eligible to receive a further parental allowance for a period of one (1) week, one hundred per cent (100%) of his or her weekly rate of pay for each week, less any other monies earned during this period, unless said employee has already received the one (1) week of allowance contained in 38.02(~~c~~ b)(iii) for the same child. **c.** At the employee's request, the payment referred to in subparagraph 40.02(~~c~~ **b**)(i) will be estimated and advanced to the employee. Adjustments will be made once the employee provides proof of receipt of Employment Insurance or Québec Parental Insurance Plan parental benefits. **d.** The parental allowance to which an employee is entitled is limited to that provided in paragraph (~~c~~ **b**) and an employee will not be reimbursed for any amount that he or she is required to repay pursuant to the Employment Insurance Act or the Quebec Parental Insurance Plan. **e.** The weekly rate of pay referred to in paragraph (~~c~~ **b**) shall be: i. for a full-time employee, the employee's weekly rate of pay on the day immediately preceding the commencement of maternity or parental leave without pay; ii. for an employee who has been employed on a part-time or on a combined full-time and part-time basis during the six (6) month period preceding the commencement of maternity or parental leave without pay, the rate obtained by multiplying the weekly rate of pay in subparagraph (i) by the fraction obtained by dividing the employee's straight time earnings by the straight time earnings the employee would have earned working full-time during such period. **f.** The weekly rate of pay referred to in paragraph (~~f~~ **e**) shall be the rate to which the employee is entitled for the substantive level to which he or she is appointed. **g.** Notwithstanding paragraph (~~g~~ **f**), and subject to subparagraph (~~f~~ **e**)(ii), if on the day immediately preceding the commencement of parental leave without pay an employee is performing an acting assignment for at least four (4) months, the weekly rate shall be the rate the employee was being paid on that day. **h.** Where an employee becomes eligible for a pay increment or pay revision that would increase the parental allowance while in receipt of parental allowance, the allowance shall be adjusted accordingly. **i.** Parental allowance payments made under the SUB Plan will neither reduce nor increase an employee's deferred remuneration or severance pay. **j.** The maximum combined, shared maternity and parental allowances payable under this collective agreement shall not exceed ~~fifty-two~~ **seventy-eight** (~~52~~**78**) weeks for each combined maternity and parental leave without pay.

	40.03 Special parental allowance for totally disabled employees a. An employee who: i. fails to satisfy the eligibility requirement specified in subparagraph 40.02(a)(ii) solely because a concurrent entitlement to benefits under the Disability Insurance (DI) Plan, the Long-term Disability (LTD) Insurance portion of the Public Service Management Insurance Plan (PSMIP) or through the Government Employees Compensation Act prevents the employee from receiving Employment Insurance or Québec Parental Insurance Plan benefits, and ii. has satisfied all of the other eligibility criteria specified in paragraph 40.02(a), other than those specified in sections (A) ~~and (B)~~ of subparagraph 40.02(a)(iii), shall be paid, in respect of each week of benefits under the parental allowance not received for the reason described in subparagraph (i), the difference between ~~ninety-three per cent (93%)~~ **one hundred per cent (100%)** of the employee's rate of pay and the gross amount of his or her weekly disability benefit under the DI Plan, the LTD plan or via the Government Employees Compensation Act. b. An employee shall be paid an allowance under this clause and under clause 40.02 for a combined period of no more than the number of weeks while the employee would have been eligible for parental, paternity or adoption benefits pursuant to section 23 of the Employment Insurance Act or the Quebec Parental Insurance Plan, had the employee not been disqualified from Employment Insurance or Québec Parental Insurance Plan benefits for the reasons described in subparagraph (a)(i).

REMARKS:

The Bargaining Agent is seeking to modify clauses 40.01 Parental leave without pay, 40.02 Parental Allowance, and 40.03 Special parental allowance for totally disabled employees by removing return to work provisions, increasing the parental allowance from ninety-three per cent (93%) to one hundred per cent (100%), and increasing the current and only option of duration of Parental leave without pay.

In terms of increased allowance and removing the return to work provision, increasing the allowance to 100% would again add significant additional costs to the Employer. The bargaining agent has not provided justification for these proposed changes, and the Employer is of the view that they are not unwarranted.

With regards to the Bargaining Agent's proposal to amend subparagraph 40.02(c)(i) by deleting "two (2) weeks", the Employer tabled similar language on January 24, 2019. In addition, this language aligns with language negotiated in many collective agreements in the federal public service (e.g., the PA agreement) during the last round of bargaining, as well as aligns with changes made to the *Employment Insurance Act* during that time. Given all this, the Employer is amenable to this Bargaining proposal.

The Employer would like to note that 34 federal public service bargaining units recently negotiated agreements containing the language provided in **Appendix Q.** Forming part of the pattern established, the below language introduces additional improvements, including:

- Two options for parental leave without pay:
    - Standard Option (current): up to 37 consecutive weeks of leave without pay in the 52 week period; or
    - Extended Option: up to 63 consecutive weeks of leave without pay in the 78 week period.
- Two options for parental allowance (top-up) for employees under the Employment Insurance (EI) Plan:
    - Standard Option (current): parental allowance (top-up) of up to 93% of an employee's weekly rate of pay for a maximum of 37 weeks; or
    - Extended Option: parental allowance (top-up) of up to 55.8% of an employee's weekly rate of pay for a maximum of 63 weeks.
- Extra weeks of allowance (top-up) when employees share parental benefits:
    - Standard Option: Employees can share up to 40 weeks (5 extra weeks) of parental allowance (top-up). Eligible employees who choose the Standard Option are entitled to a maximum combined, shared, maternity and Standard parental allowances (top-up) of up to 57 weeks for each combined maternity and parental leave without pay; or
    - Extended Option: Employees under the EI plan can share up to 69 weeks (8 extra weeks) of parental allowance (top-up). Eligible employees who choose the Extended Option are entitled to a maximum combined, shared, maternity and Extended

parental allowances (top-up) of up to 86 weeks for each combined maternity and parental leave without pay.

- Amended formula for reimbursement of Extended parental allowance (top-up) proportional to allowance received.
- Greater mobility for employees: the list of organizations for which an employee on maternity or parental leave without pay can return to work has been expanded to facilitate the return of the employee to any organization listed in Schedule I, Schedule IV or Schedule V of the Financial Administration Act.

These improvements and amendments are consistent with the intent of more recent changes to the *Employment Insurance* Act. Notably, on December 2017, the employment insurance parental benefits regime was changed to provide parents two options:

1. Standard parental benefits, 35 weeks with a benefit rate of 55%; or
2. Extended parental benefits, 61 weeks with a benefit rate of 33%.

In addition, the 2018 Federal budget announced a new "use-it-or-lose-it" parental sharing benefit for non-birthing parents, including fathers, same-sex partners or adoptive parents. These changes came into force in March 2019.

The introduction of a top-up of 55.8% under the extended parental allowance option is cost neutral relative to benefits provided prior to the changes to Employment Insurance, which introduced extended parental benefits. In this fashion, the extended leave and reduced top-up allowance ensures the overall allowance paid remains the same, regardless of whether the employee chooses the standard leave period or the extended leave period.

It should be noted that Quebec residents are ineligible for maternity or parental benefits offered through the Employment Insurance Plan as the province of Quebec administers its own maternity, parental, paternity and adoption benefits program through the Quebec Parental Insurance Plan (QPIP). Given this, under clause 40.02 of below-noted negotiated language, employees who apply for

parental, paternity or adoption benefits under the QPIP, will fall under the Standard parental allowance provisions:

- Employees will receive a top-up to these benefits to 93% of their weekly rate of pay less any other monies earned during this period that decreases the parental benefits;
- where two employees have shared the parental leave and have received thirty-two (32) weeks of parental benefits and five (5) weeks of paternity benefit or have shared thirty-seven (37) weeks of adoption benefits, and either employee thereafter remains on parental leave without pay, that employee is eligible to receive a further parental allowance for a period of up to two (2) weeks at 93% of their weekly rate of pay less any other monies earned during this period;
- Maximum combined shared maternity and standard parental allowances payable shall not exceed fifty-seven (57) weeks for each combined maternity and parental leave without pay.

Also to note, to support stakeholder (i.e., employees) comprehension, the Employer has made minor editorial amendments to this language to further align with language included in recently negotiated collective agreements across federal public service. For example, proposed language in section 40.02(a)(ii)(C), includes content formerly included in provisions 40.02(a)(ii)(D)(i), (ii), (iii) and (iv).

Taking into consideration the replication principle as well as the guiding principles for setting compensation in the federal government, the Employer would be amenable to discussing the language set out in **Appendix Q** within the context of an overall negotiated settlement.

ARTICLE 41 – LEAVE WITHOUT PAY FOR THE CARE OF FAMILY

Collective Agreement	Bargaining Agent Position
Article 41 – Leave without pay for the care of family	Article 41 – Leave without pay ~~for the care of~~ **reasons related to the** family
41.02 An employee shall be granted leave without pay for the care of family in accordance with the following conditions:	**41.02** An employee shall be granted leave without pay for ~~the care of~~ **reasons related to the** family in accordance with the following conditions:
41.04 All leave taken under Leave Without Pay for the long-term Care of a Parent or Leave Without Pay for the Care and Nurturing of Children provisions of previous Program Delivery and Administrative Services collective agreements or other agreements will not count towards the calculation of the maximum amount of time allowed for care of family during an employee's total period of employment in the public service.	**41.04** All leave taken under Leave Without Pay for the long-term Care of a Parent or Leave Without Pay for the Care and Nurturing of Children provisions of previous Program Delivery and Administrative Services collective agreements or other agreements will not count towards the calculation of the maximum amount of time allowed for ~~care of~~ **reasons related to the** family during an employee's total period of employment in the public service. **1. To ensure leave without pay for the care of family is topped-up upon receipt of EI benefits.** **2. That the leave may be divided into several periods.** **3. That any monies earned during the period of the allowance payment not be deducted from the top-up.**

REMARKS:

The Bargaining Agent is seeking to broaden the scope of this article to include any and all matters related to the family rather than specifically for the care of the family.

The Employer submits that the wording of this article was originally negotiated for the 2010-2012 collective agreement and replaced the previous Articles 41 (Leave Without Pay for the Care and Nurturing of Children) and Article 42 (Leave Without Pay for the Long Term Care of Parents).

The current wording pertaining to the "care of family" is consistent with what is provided for in other collective agreements in the core public service. The language proposed by the Bargaining Agent does not exist in other collective agreements in the core public administration. In addition, the current collective agreement already provides for a variety of different leaves that could be used for needs related to family members, for example, leave with pay for family-related responsibilities, leave without pay for personal needs and compassionate care leave.

Under clause 41.04, the Bargaining Agent is proposing that this leave be topped-up where employees are in receipt of Employment Insurance (EI) benefits. However, current EI benefits related to care of family are already covered under other articles within the current collective agreement wording (e.g., clause 53.04 Compassionate care leave). Based on only the minimum amount of leave allowed under this article, which is 3 weeks, the only calculation we could estimate would be to provide 100% salary replacement. The cost for this amount would be **$19M**.

The Bargaining Agent is also proposing that this leave be divided in several periods and that monies earned during the period of the allowance payment not be deducted from the top-up.

The Employer submits that there is nothing in the current wording of the collective agreement that would limit the ability of an employee to benefit from several periods of leave for care of family. The only criteria regarding time indicates that the minimum period taken shall be 3 weeks and that the total leave granted during an employee's career cannot exceed 5 years. As a result, the Employer submits that this proposal is not necessary.

In terms of the top-up, since there are no additional employment insurance benefits available to employees in relation to care of family other than what has already been presented, additional allowances for the purpose of a top up are not implicated.

Given the reasons stated above, the Employer respectfully requests that the Commission not include these proposals in its report.

ARTICLE 42 – LEAVE WITH PAY FOR FAMILY-RELATED RESPONSIBILITIES

Collective Agreement	Bargaining Agent Position
42.01 The total leave with pay which may be granted under this Article shall not exceed forty-five (45) hours in a fiscal year.	**42.01** **(a)** The total leave with pay which may be granted under ~~this Article~~ **42.02** shall not exceed ~~forty-five (45)~~ **fifty-two and one-half (52.5)** hours in a fiscal year. **(b) Any leave not used in a fiscal year shall be carried forward and made available to employees in the next fiscal year.** **(c) Upon request of the employee, the supervisor may advance up to fifty-two and one-half (52.5) hours of leave under this article per fiscal year.**
42.02 Subject to clause 42.01, the Employer shall grant leave with pay under the following circumstances: a. to take a family member for medical or dental appointments, or for appointments with school authorities or adoption agencies, if the supervisor was notified of the appointment as far in advance as possible; b. to provide for the immediate and temporary care of a sick member of the employee's family and to provide an employee with time to make alternate care arrangements where the illness is of a longer duration;	**42.02** Subject to clause 42.01, the Employer shall grant leave with pay under the following circumstances: a. ~~to take a family member for medical or dental appointments, or~~ for appointments with school authorities or adoption agencies~~, if the supervisor was notified of the appointment as far in advance as possible~~; b. to provide for the ~~immediate and temporary~~ care of a sick member of the employee's family and to provide an employee with time to make alternate care arrangements where the illness is of a longer duration;

c. for the care of a sick member of the employee's family who is hospitalized; d. to provide for the immediate and temporary care of an elderly member of the employee's family; e. for needs directly related to the birth or to the adoption of the employee's child; f. to provide time to allow the employee to make alternate arrangements in the event of fire or flooding to the employee's residence; g. to provide for the immediate and temporary care of a child where, due to unforeseen circumstances, usual childcare arrangements are unavailable. This also applies to unexpected school closures for children aged fourteen (14) and under, or to children over the age of fourteen (14) who have special needs; h. seven decimal five (7.5) hours out of the forty-five (45) hours stipulated in this clause may be used: A. to attend school functions, if the supervisor was notified of the functions as far in advance as possible; **B.** to attend an appointment with a legal or paralegal representative for non-employment related matters, or with a financial or other professional representative, if the supervisor was	c. for the care of a sick member of the employee's family who is hospitalized; d. to provide for the ~~immediate and temporary~~ care of an elderly member of the employee's family; ~~e. for needs directly related to the birth or to the adoption of the employee's child;~~ f. to provide time to allow the employee to make alternate arrangements in the event of fire or flooding to the employee's residence; g. to provide for the immediate and temporary care of a child where,~~ due to unforeseen circumstances,~~ usual childcare arrangements are unavailable. This also applies to ~~unexpected~~ school closures, **bus cancellations, school strikes, day-care closures or strikes** for children aged fourteen (14) and under, or to children over the age of fourteen (14) who have special needs; **h. to visit a terminally ill family member;** i. ~~seven decimal five (7.5)~~ fifteen (15) hours out of the ~~forty-five (45)~~ **fifty-two and one-half (52.5)** hours stipulated in this clause may be used: A. to attend school functions, if the supervisor was notified of the functions as far in advance as possible; to attend an appointment with a legal or paralegal representative for non-employment related matters, or with a financial or other professional representative, if the supervisor was notified of the appointment as far in advance as possible.

notified of the appointment as far in advance as possible.	

REMARKS:

The Bargaining Agent is requesting an increase to the quantum of leave with pay for family-related responsibilities from 45 hours to 52.5 hours, which represents an extra day. The Bargaining Agent is also proposing that this leave be carried forward if not used and that the leave be advanced at the request of the employee.

The Employer submits that the 45 hours provided to CRA employees in the current collective agreement is already higher than the 37.5 provided for in most other CPA collective agreements. Based on the average use of this type of leave, the Bargaining Agent's proposals would be very costly to the Employer – close to **$6.5 M** per year ongoing. This proposal would also have significant impacts on the CRA's operations.

The Bargaining Agent has also requested several amendments to clause 42.02 related to the expansion of the circumstances for which this leave can be granted. These include:

- paragraph 42.02(a) - the ability for employees to attend appointments with school authorities or adoption agencies without notifying their supervisors in advance of the appointment.
- paragraph 42.02(b) - the removal of "for the immediate and temporary" care of a member of the employee's family.
- paragraph 42.02(e) - the removal of this clause and to add an additional provision for need directly related to the birth of to the employee's child.
- paragraph 42.02(g) – the removal of "due to unforeseen circumstances" and the addition of reasons for this leave.
- paragraph 42.02(h) – the addition of "to visit a terminally ill family member" to the list of circumstances for which the leave shall be granted.
- paragraph 42.02(i) – increase the limited cap for school functions and appointment with legal or paralegal representative, from 7.5 hours to 15 hours.

For all of the requests made under clause 42.02, the Employer submits that such changes would unreasonably broaden the scope as well as remove the purpose and meaning of the provisions of the clause. The Employer submits that there is no justification for the expansion of the provisions of this clause. Furthermore, the Bargaining Agent's proposed language is not found in any other CPA collective agreement, including that of the comparator PA Group.

It is the Employer's opinion that the Bargaining Agent has failed to support their arguments with data that demonstrates a driving need for this change. The Bargaining Agent's proposals are also not found in any CPA collective agreements.

For the reasons stated above, the Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Employer Position
42.01 The total leave with pay which may be granted under this Article shall not exceed forty-five (45) hours in a fiscal year.	**42.01** **(a)** The total leave with pay which may be granted under this Article shall not exceed forty-five (45) hours in a fiscal year. **(b) Term employees shall be entitled to the leave with pay provided under this Article in the same proportion as the number of months worked in a fiscal year compared with twelve (12) months.**

REMARKS:

Similar to the request made under clause 53.02, the Employer is proposing to include a new paragraph to clause 42.01 in order to change the entitlement of this leave for term employees who are not in the workforce for a full year.

Currently, this clause provides that all employees in the bargaining unit be granted 45 hours (6 days) of family-related leave with pay in a fiscal year, with no distinction made for term employees. This

results in term employees employed for less than a full year receiving the entire benefit. Not only does this have operational and economic impacts on the Employer, but also causes inequities between members of the bargaining unit.

The most significant impact occurs when the Employer hires a large number of new employees for tax filing season. Given that this period occurs between February and June, new term employees are recruited in January and February. This means that as soon as they join the workforce, despite the fact that there are only a few weeks left before the end of the fiscal year, and in accordance with the wording of the current provision, they are entitled to 6 days of family-related responsibility leave. In doing so, these new employees could take this leave before March 31, which creates a substantive pressure on the workforce during this peak period.

To illustrate this issue, the call centres hires approximately 500 new employees each year. Given that each of these employees receives 6 days of leave, this represents thousands of days of leave that need to be schedule during the CRA's busiest time. Additionally, as of April 1st, these employees will be credited an additional 6 days of leave which will need to be scheduled.

This has operational and economic impacts on the Employer as these employees are hired to work for a peak season and are provided with 12 days of family-related leave with pay over the course of their contract. The Employer must also take into consideration the leave requests of indeterminate employees. Consequently, the Employer must hire more employees to cover all this leave and, must therefore incur many additional costs such as salary, benefits and training.

As mentioned, this causes inequities between the members of the bargaining unit as full time indeterminate employees must work the full year in order to receive 6 days. This is also inequitable compared to a part time employee who would receive a proration of this leave as per clause 60.02.

In conjunction with the request made under clause 53.02, the Employer requests that the Commission include this proposal in its report.

Collective Agreement	Employer Position
42.02 (h) seven decimal five (7.5) hours out of the forty-five (45) hours stipulated in this clause may be used: A. to attend school functions, if the supervisor was notified of the functions as far in advance as possible; B. to attend an appointment with a legal or paralegal representative for non-employment related matters, or with a financial or other professional representative, if the supervisor was notified of the appointment as far in advance as possible.	**42.02** (h) seven decimal five (7.5) hours out of the forty-five (45) hours stipulated in this clause may be used: A. to attend school functions **of the employee's child, as defined in clause 2.01**, if the supervisor was notified of the functions as far in advance as possible; B. to attend an appointment with a legal or paralegal representative for non-employment related matters, or with a financial or other professional representative, if the supervisor was notified of the appointment as far in advance as possible.

REMARKS:

The Employer is requesting to add clarification to subparagraph 42.02(h)(A) in order to specify that leave for the purposes of attending a school function should be provided in situations related to the employee's child as per the definition of family in clause 2.01.

The current provisions of the collective agreement have been a cause for confusion and the Employer has received several requests for interpretations related to this particular provision.

Although the language differs from that in the comparator PA Group, this clarification would confirm the intent of the clause and help standardise practice across the CRA. The Employer's proposal is merely a clarification and has no impact on the entitlements.

The Employer requests that the Commission include this provision in its report.

Collective Agreement	Bargaining Agent Position
NEW	**42.03 An additional 5 days of leave with pay shall be granted to employees for needs directly related to the birth or to the adoption of the employee's child.**

REMARKS:

The Bargaining Agent is seeking additional leave related to the birth or adoption of the employee's child when such leave is already provided for under articles 38 and 40 of the collective agreement.

This language is not found in any other collective agreement in the core public administration and would have operational and economic impacts on the Employer. The cost for this additional leave would be **$1.0M.**

The Employer respectfully requests that the Commission not recommend this proposal in its report.

ARTICLE 43 – LEAVE WITHOUT PAY FOR PERSONAL NEEDS

Collective Agreement	Bargaining Agent Position
43.01 Leave without pay will be granted for personal needs in the following manner: a. subject to operational requirements, leave without pay for a period of up to three (3) months will be granted to an employee for personal needs; b. subject to operational requirements, leave without pay for more than three (3) months but not exceeding one (1) year will be granted to an employee for personal needs; c. an employee is entitled to leave without pay for personal needs only once under each of paragraphs (a) and (b) during the employee's total period of employment in the public service. Leave without pay granted under this clause may not be used in combination with maternity or parental leave without the consent of the Employer.	**43.01** Leave without pay will be granted for personal needs in the following manner: a. subject to operational requirements, leave without pay for a period of up to three (3) months will be granted to an employee for personal needs; b. subject to operational requirements, leave without pay for more than three (3) months but not exceeding one (1) year will be granted to an employee for personal needs; c. an employee is entitled to leave without pay for personal needs only once **in every ten (10) year period** under each of paragraphs (a) and (b) during the employee's total period of employment in the public service. Leave without pay granted under this clause may not be used in combination with maternity or parental leave without the consent of the Employer.

REMARKS:

The Bargaining Agent is proposing that leave without pay for personal needs be granted to employees once in every ten year period, rather than only once during the employee's total period of employment with the public service.

The current provision provides for two different leave without pay periods, one for 3 months and one for 12 months. This type of leave has significant impacts on the Employer in terms of costs and productivity.

In cases where employees take one period of leave, or a combination of both periods, depending on business requirements and the length of the leave, the Employer would need to replace the employee. In most cases, this would require a form of staffing process, training and coaching for the employee's replacement. There are also additional considerations for employees returning to their position after an extended period of leave for which technical and/or refresher training and could would be required.

The current language is found in many federal public service collective agreements and is the same for other TBS/PSAC negotiated collective agreements (PA, FB, TC, and SV). It is the Employer's opinion that the Bargaining Agent has failed to support their argument with data that demonstrates a driving need for this change.

The Employer respectfully requests that the Commission not include this provision in its report.

ARTICLE 46 – BEREAVEMENT LEAVE

Collective Agreement	Bargaining Agent Position
46.01 When a member of the employee's family dies, an employee shall be entitled to a bereavement period of seven (7) consecutive calendar days. Such bereavement period, as determined by the employee, must include the day of the memorial commemorating the deceased, or must begin within two (2) days following the death. During such period, the employee shall be paid for those days which are not regularly scheduled days of rest for the employee. In addition, the employee may be granted up to three (3) days' leave with pay for the purpose of travel related to the death.	**46.01** When a member of the employee's family dies, an employee shall be entitled to a bereavement period of seven (7) ~~consecutive calendar~~ **working** days. Such bereavement period, as determined by the employee, **may be split into two periods**. ~~must include the day of the memorial commemorating the deceased, or must begin within two (2) days following the death~~. During such period, the employee shall be paid for those days which are not regularly scheduled days of rest for the employee. In addition, the employee may be granted up to three (3) days' leave with pay for the purpose of travel related to the death.
46.02 An employee is entitled to one (1) day's bereavement leave with pay for the purpose related to the death of his or her son-in-law, daughter-in-law, brother-in-law, or sister-in-law.	**46.02** **(a)** An employee is entitled to one (1) day's bereavement leave with pay for the purpose related to the death of ~~his or her son-in-law, daughter-in-law, brother-in-law, or sister-in-law.~~ **the employee's aunt, uncle, or spouse's aunt or uncle. In addition, the employee may be granted up to three (3) days leave with pay for the purpose of travel to the death.** **(b) An employee is entitled to leave with pay to attend, including travel to and from, the funeral or memorial service of a co-worker.**

46.03 If, during a period of sick leave, vacation leave, or compensatory leave, an employee is bereaved in circumstances under which he or she would have been eligible for bereavement leave with pay under clauses 46.01 and 46.02, the employee shall be granted bereavement leave with pay and his or her paid leave credits shall be restored to the extent of any concurrent bereavement leave with pay granted.	**46.03** If, during a period of sick leave, vacation leave, or compensatory leave, an employee is bereaved in circumstances under which he or she would have been eligible for bereavement leave with pay under clauses 46.01 and 46.02 **(a) and (b),** the employee shall be granted bereavement leave with pay and his or her paid leave credits shall be restored to the extent of any concurrent bereavement leave with pay granted.
46.04 It is recognized by the parties that the circumstances which call for leave in respect of bereavement are based on individual circumstances. On request, the Commissioner or delegated manager may, after considering the particular circumstances involved, grant leave with pay for a period greater than and/or in a manner different than that provided for in clauses 46.01 and 46.02.	**46.04** It is recognized by the parties that the circumstances which call for leave in respect of bereavement are based on individual circumstances. On request, the Commissioner or delegated manager may, after considering the particular circumstances involved, grant leave with pay for a period greater than and/or in a manner different than that provided for in clauses 46.01 and 46.02 **(a) and (b)**.
NEW	**46.05 Upon request of an employee, said employee shall be entitled to a period of three (3) working days leave with pay to execute the duties of the administrator or executor/executrix of a deceased's estate and/or will. This period may be split into more than one period.**

REMARKS:

The Bargaining Agent is proposing to amend this clause to provide an option for an employee to take bereavement leave in two periods. The Bargaining Agent also seeks to extend the duration of the paid leave and to significantly expand eligibility to the one (1) day bereavement leave provision. Furthermore, the Bargaining Agent seeks to provide for three (3) working days leave with pay for

employee's to execute the duties of the administrator or executor/executrix of a deceased's estate and/or will.

Replication principle

The option to take bereavement leave in two periods is included in many of the collective agreements signed in 2018 (e.g. PA). In addition, during the last round of bargaining the definition of "family" under Article 2 of agreements, such as the PA, was expanded to include step-sister, step-brother, son-in-law, daughter-in-law. In turn, applicable provisions related to the one (1) day bereavement leave were adjusted to reflect this change.

The addition of 2 paid leave days would cost the Employer **$1.2M**. This extended benefit would not be consistent with what is provided in any other collective agreement within the core public administration or CRA.

Given these established patterns from the last round of bargaining and within the context of an overall negotiated settlement, the Employer would be amenable to the language negotiated in the PA agreement, expiry date June 20, 2018, included in **Appendix J**, for both Article 46 and Article 2 (definition family).

With regards to the Union's proposals to expand eligibility to the 1 day bereavement leave provision, extend the duration of paid leave by 2 days, as well as provide for 3 working days leave with pay for employee's to execute the duties of the administrator or executor/executrix of a deceased's estate and/or will, no sufficient justification supporting these costly demands was provided by the Union. Additionally, such provisions are not found in other collective agreements in the federal public service.

The Employer respectively requests that the Commission not include these proposals in its report.

ARTICLE 47 – COURT LEAVE

Collective Agreement	Bargaining Agent Position
47.01 The Employer shall grant leave with pay to an employee for the period of time he or she is compelled: a. to be available for jury selection; b. to serve on a jury; c. by subpoena or summons or other legal instrument to attend as a witness in any proceeding held: i. in or under the authority of a court of justice or before a grand jury, ii. before a court, judge, justice, magistrate, or coroner, iii. before the Senate or House of Commons of Canada or a committee of the Senate or House of Commons otherwise than in the performance of the duties of the employee's position, iv. before a legislative council, legislative assembly or house of assembly, or any committee thereof that is authorized by law to compel the attendance of witnesses before it, or v. before an arbitrator or umpire or a person or body of persons authorized by law to make an inquiry and to compel the attendance of witnesses before it.	**47.01** The Employer shall grant leave with pay to an employee**, including travel time to and from the proceeding,** for the period of time he or she is compelled: a. to be available for jury selection; b. to serve on a jury; c. by subpoena or summons or other legal instrument to attend as a witness in any proceeding held: i. in or under the authority of a court of justice or before a grand jury, ii. before a court, judge, justice, magistrate, or coroner, iii. before the Senate or House of Commons of Canada or a committee of the Senate or House of Commons otherwise than in the performance of the duties of the employee's position, iv. before a legislative council, legislative assembly or house of assembly, or any committee thereof that is authorized by law to compel the attendance of witnesses before it, or v. before an arbitrator or umpire or a person or body of persons authorized by law to

	make an inquiry and to compel the attendance of witnesses before it. **d. to be a party to any proceeding listed in (c)(i) through (v) above.**

REMARKS:

The Bargaining Agent's requests under Article 47 are not found in the language of any other collective agreement in the core public administration or the PIPSC-AFS agreement, and would be costly to the Employer.

As for the Bargaining Agent's request to include travel time to and from the proceeding, the Employer does not provide leave with pay for an employee to travel to work. The same logic would apply when an employee is compelled to appear in court. In the situation listed in paragraph 47.01(c), the Employer provides leave with pay to cover for loss of salary. The cost for this additional travel time is **$100K.**

As for the request to provide leave with pay to an employee that is a party to any proceeding, this would mean that an employee facing criminal charges would receive leave with pay during their criminal trial.

The Employer respectfully requests that the Commission not recommend this proposal in its report.

ARTICLE 52 – PRE-RETIREMENT LEAVE

Collective Agreement	Bargaining Agent Position
52.01 The Employer will provide thirty-seven decimal five (37.5) hours of paid leave per year, up to a maximum of one-hundred and eighty seven decimal five (187.5) hours, to employees who have the combination of age and years of service to qualify for an immediate annuity without penalty under the Public Service Superannuation Act.	**52.01** The Employer will provide thirty-seven decimal five (37.5) hours of paid leave per year~~, up to a maximum of one-hundred and eighty seven decimal five (187.5) hours,~~ to employees who have the combination of age and years of service to qualify for an immediate annuity without penalty under the Public Service Superannuation Act.

REMARKS:

The Bargaining Agent is proposing to remove the cap for the maximum amount of hours that can be accumulated for pre-retirement leave, which is a total of 187.5 hours or 5 weeks.

The current wording of the collective agreement provides from 5 days per year to a maximum of 5 weeks of pre-retirement leave to employees who become eligible for an immediate pension annuity. This is the case for employees with a combination of 30 years of service and who are 55 years of age, or 60 years of age with 2 years of service. To properly situate the Commission, this provision was first introduced in November 2000, for the CRA/PIPSC-AFS collective agreement. This provision was intended for retention purposes for specific groups, notably the auditor (AU) group, to retain those with significant experience and knowledge.

Unfortunately, this incentive has not been as effective as intended given that since the implementation of this provision, employees in the AU Group are not staying to take advantage of this leave when they are eligible for an immediate annuity. As for the SP and MG groups, as presented earlier in the brief in the Employer's recruitment and retention data and analysis, there are no existing retention issues. That being said, the actual provision is efficient in maintaining some experienced and knowledgeable employees for a few of years but there is no need to extend the current cap of 187.5 hours.

The Bargaining Agent has not demonstrated a need to extend this provision which serves as a retention incentive by removing its limit. There are no other collective agreements in the federal public service that provide pre-retirement leave and, removing the cap would provide further advantages to CRA employees over those in their comparator groups. The removal of the cap would create a significant additional cost of **$900K** to the Employer.

The Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 53 – LEAVE WITH OR WITHOUT PAY FOR OTHER REASONS

Collective Agreement	Bargaining Agent Position
NEW	**53.XX** **Upon request, an employee shall be granted leave with pay for medical or dental appointments and fertility treatments. Additionally, employees shall also be granted leave with pay for actual travel time required to travel to and from the appointments.**

REMARKS:

The Bargaining Agent is proposing a new provision for leave with pay to attend medical and dental appointments. As with other federal public service employers that follow the same practice as the CRA, specifics related to the treatment of leave for this purpose are found in the form of a policy instrument. For the CRA, these provisions are found in the Directive on Leave and Special Working Arrangements (**Appendix R**).

For routine or periodic check-ups, it is already the practice of the Employer to grant leave for up to half a day for medical and dental appointments without charge to the employee's leave credits. The language tabled by the Bargaining Agent does not limit the amount of leave to be granted. This proposal would result in an increased benefit for employees of this bargaining unit; a benefit not provided to other CRA employees or those in the core public administration.

All paid absences have an associated cost and introducing a new leave provision that provides an increased and unlimited benefit will ultimately raise the CRA's financial liability. That cost could be in the form of lost productivity or in salary dollars where the employee would have to be replaced by another resource during the absence, as could be necessary in a call centre for example.

In line with the provisions of the Directive, where a series of continuing appointments are necessary for the treatment of a particular condition, absences are to be charged to sick leave. Additionally, any extra time required for an absence for this purpose could be supplemented by sick leave or other

leave. With the language proposed by the Bargaining Agent, all medical and dental appointments, including those recurring for the treatment of a particular condition, as well as fertility treatments, would be granted under this new leave provision. This is a benefit not currently available to other employees of the CRA or employees of the core public administration.

The Bargaining Agent's request also includes an additional and separate benefit of travel time to attend the appointment. The Employer submits that the current policy wording has not precluded management from including travel time within the half day provided. In fact, the wording of a Staff Relations Bulleting issued in 2010 to clarify this time off with pay states, " subject to operational requirements and at management's discretion, employees may be authorized to absent themselves from work, to a maximum of 3.75 hours, for the time required to attend an appointment without charge to any leave credits."

One of the examples provided, further illustrates that the time off is for the absence, not simply the time at the appointment. "An employee has a medical appointment that will require his/her absence for a five-hour period. The balance of the time required for the appointment (in excess of 3.75 hours) should be charged as sick leave."

To put this issue into perspective for this bargaining unit, the Employer offers the statistics below in **Table 24**, which outline the instances of this leave.

Fiscal Year	# ees who used the code	# instances code was used	Total hours	Total salary cost	Average hours per ee	Average # instances per ee	Average salary per ee
2016-2017	23,779	110,293	243,175.49	$7,905,173.40	10.23	4.64	$332.44
2017-2018	24,274	109,753	241,596.30	$7,842,382.46	9.95	4.52	$323.08
2018-2019	24,953	107,994	237,882.14	$7,744,984.80	9.53	4.33	$310.38

Notes: PSAC represented employees were holding a MG-SPS or a SP job on day of Medical/Dental Appointment.

As demonstrated, for 2018-2019, there were 107,994 instances of medical/dental appointments which breaks down to an average of over 4 appointments per bargaining unit employee. Based on the actual rate of pay earned at the time of the medical/dental appointments, the Employer paid almost **$8.0M** in salary to those employees who took time off.

The Bargaining Agent's request, including an additional travel component would have significant economic impacts on the Employer. The Employer respectfully requests that the Commission not recommend this proposal in its report.

Collective Agreement	Bargaining Agent Position
53.02 Personal Leave Subject to operational requirements as determined by the Employer, and with an advance notice of at least five (5) working days, the employee shall be granted, in each fiscal year, up to fifteen (15) hours of leave with pay for reasons of a personal nature. The leave will be scheduled at times convenient to both the employee and the Employer. Nevertheless, the Employer shall make every reasonable effort to grant the leaves at such times as the employee may request.	**53.02 Personal Leave** ~~Subject to operational requirements as determined by the Employer, and with an advance notice of at least five (5) working days,~~ ~~t~~**T**he employee shall be granted, in each fiscal year, up to ~~fifteen (15)~~ **twenty-two and one-half (22.5)** hours of leave with pay for reasons of a personal nature. **If an employee becomes ill during a period of personal leave and notifies the employer, the employee will be granted sick leave with pay and unused personal leave will be credited for use at a later date.** The leave will be scheduled at times convenient to both the employee and the Employer. Nevertheless, the Employer shall make every reasonable effort to grant the leaves at such times as the employee may request.

REMARKS:

The Bargaining Agent is proposing to increase the amount of personal leave provided to employees from the current 15 hours in each fiscal year to 22.5 hours. The Bargaining Agent is also proposing that should an employee become ill during a period of personal leave they will be granted sick leave instead of using their personal leave credits.

Federal public service employees are provided with a significant amount of leave each fiscal year, and CRA employees already benefit more than all other collective agreements between the Public Service Alliance of Canada and the Treasury Board by receiving double the amount of personal leave.

The Employer considers this proposal unreasonable and is not prepared to increase the amount of personal leave provided to that which is more than the already double amount provided to its comparator groups in the CPA, who receive 7.5 personal leave per year. This would cost the Employer approximately **$6.5M**.

As such the Employer requests that the Commission not include this proposal in its report.

Collective Agreement	Employer Position
53.02 Personal Leave Subject to operational requirements as determined by the Employer, and with an advance notice of at least five (5) working days, the employee shall be granted, in each fiscal year, up to fifteen (15) hours of leave with pay for reasons of a personal nature. The leave will be scheduled at times convenient to both the employee and the Employer. Nevertheless, the Employer shall make every reasonable effort to grant the leaves at such times as the employee may request.	**53.02 Personal Leave** **(a)** Subject to operational requirements as determined by the Employer, and with an advance notice of at least five (5) working days, the employee shall be granted, in each fiscal year, up to fifteen (15) hours of leave with pay for reasons of a personal nature. **(b) Term employees shall be entitled to the leave with pay provided under this Article in the same proportion as the number of months worked in a fiscal year compared with twelve (12) months.** **(c)** The leave will be scheduled at times convenient to both the employee and the Employer. Nevertheless, the Employer shall make every reasonable effort to grant the

	leaves at such times as the employee may request.

REMARKS:

Similar to the request made under clause 42.01, the Employer is proposing to include a new paragraph to clause 53.02 in order to add further clarification to the provision of personal leave for term employees.

Currently, this clause provides that all employees in the bargaining unit be granted 15 hours of leave with pay for personal reasons in a fiscal year, with no distinction made for term employees. This results in term employees employed for less than a full year receiving the entire benefit. Not only does this have operational and economic impacts on the Employer, but also causes inequities between members of the bargaining unit.

The most significant impact occurs when the Employer hires a large number of new employees for tax filing season. Given that this period occurs between February and June, new term employees are recruited in January and February. This means that as soon as they join the workforce, despite the fact that there are only a few weeks left before the end of the fiscal year, and in accordance with the wording of the current provision, they are entitled to 15 hours of personal leave days. In doing so, these new employees could take this leave before March 31, which creates a substantive pressure on the workforce during this peak period.

To illustrate this issue, the call centres hires approximately 500 new employees each year. Given that each of these employees receives 15 hours of personal leave, this represents a thousand days of leave that need to be scheduled during the CRA's busiest time. Additionally, as of April 1st, these employees will be credited an additional 2 days of leave which will need to be scheduled.

This has operational and economic impacts on the Employer as these employees are hired to work for a peak season and are provided with 30 hours of personal leave over the course of their contract. The Employer must also take into consideration the leave requests of indeterminate employees.

Consequently, the Employer must hire more employees to cover all this leave and, must therefore incur many additional costs such as salary, benefits and training.

As mentioned, this causes inequities between the members of the bargaining unit as full time indeterminate employees must work the full year in order to receive 15 hours. This is also inequitable compared to a part time employee who would receive a proration of this leave as per clause 60.02.

In conjunction with the request made under clause 42.01, the Employer requests that the Commission include this proposal in its report.

Collective Agreement	Bargaining Agent Position
NEW	**53.XX Medical Certificate** **a. In all cases, a medical certificate provided by a legally qualified medical practitioner shall be considered as meeting the requirements of paragraph 35.03(a).** **b. When an employee is asked to provide a medical certificate by the Employer, the employee shall be reimbursed by the Employer for all costs associated with obtaining the certificate. Employees required to provide a medical certificate shall also be granted leave with pay for all time associated with the obtaining of said certificate.**

REMARKS:

The Bargaining Agent's proposal on medical certificates is three-fold:

- Adding language to specify the type of medical information that the Employer must consider as being satisfactory for granting sick leave with pay;
- Reimbursing employees for all costs associated with obtaining a medical certificate; and
- Granting leave with pay for the time associated with obtaining said certificate.

First, the Employer submits that while a medical certificate might usually be sufficient to support a request for sick leave with pay, it does not and should not guarantee an automatic right to the leave.

In certain circumstances the Employer may determine that a medical certificate is insufficient to demonstrate that the employee is entitled to sick leave with pay, or does not contain the information required to make an informed decision. In such cases, the Employer may want to seek additional clarification before approving the request for sick leave with pay.

The Employer has the right, as per clause 35.03 of the Agreement, to ascertain the reasons provided by the employee to support a request for leave. The onus is on the employee to provide a valid reason for an absence related to illness. The demonstration required may vary depending on the circumstances and does not necessarily include the provision of a medical certificate from a physician. This means that the information that the employee provides can be any demonstration that they were unfit for work for that period, including a medical certificate from health care practitioner.

The Employer is of the opinion that the proposed language at 35.09 would infringe on the Employer's discretion under 35.02(a) to be satisfied that the employee was ill or injured and should be granted sick leave with pay.

In terms of the reimbursement for the cost of a medical certificate and leave with pay for all time associated with the obtaining of said certificate, the Employer submits that it should not be held responsible for the costs since the onus is on the employee to satisfy the Employer that they were unable to perform their duties due to injury or illness.

The Bargaining Agent has not demonstrated that the proposed changes are warranted. Such provisions are not found in any other CPA collective agreements. As such, the Employer requests that the Commission not include these proposals in its report.

Collective Agreement	Bargaining Agent Proposal
53.04 Compassionate Care Leave a. Both parties recognize the importance of access to leave to provide care or support to a gravely ill family member with a significant risk of death. b. For the purpose of this Article, family is defined as any person who is a member of a class of persons prescribed for the purposes of the definition "family member" in subsection 23.1(1) of the Employment Insurance Act. c. Subject to clause (b), an employee shall be granted leave without pay for the compassionate care of family in accordance with the following conditions: i. An employee shall notify the Employer in writing as far in advance as possible of the commencement date of such leave; ii. An employee shall provide the Employer with a copy of a medical certificate as proof that the ill family member needs care or support and is at significant risk of death within twenty-six (26) weeks. A certificate from another medical practitioner, such as a nurse practitioner, is acceptable when the gravely ill family	**53.04 Compassionate Care Leave** a. Both parties recognize the importance of access to leave to provide care or support to a gravely ill family member with a significant risk of death. ~~b. For the purpose of this Article, family is defined as any person who is a member of a class of persons prescribed for the purposes of the definition "family member" in subsection 23.1(1) of the Employment Insurance Act.~~ ~~c. Subject to clause (b), an employee shall be granted leave without pay for the compassionate care of family in accordance with the following conditions:~~ ~~i. An employee shall notify the Employer in writing as far in advance as possible of the commencement date of such leave;~~ ~~ii. An employee shall provide the Employer with a copy of a medical certificate as proof that the ill family member needs care or support and is at significant risk of death within twenty-six (26) weeks. A certificate from another medical practitioner, such as a nurse practitioner, is acceptable when the gravely ill family member is in a geographic location where treatment by a medical doctor is limited or not accessible, and a medical doctor has authorized the other medical practitioner to treat the ill family member;~~ ~~iii. A "Medical Certificate for Employment Insurance Compassionate Care Benefits" completed for the purpose of benefit entitlement under the Employment Insurance~~

member is in a geographic location where treatment by a medical doctor is limited or not accessible, and a medical doctor has authorized the other medical practitioner to treat the ill family member; iii. A "Medical Certificate for Employment Insurance Compassionate Care Benefits" completed for the purpose of benefit entitlement under the Employment Insurance Act will be considered as meeting the requirements of paragraph (ii). d. Leave granted under this article for the purpose of providing care or support to that gravely ill family member shall be for a minimum period of one (1) week and a maximum period of eight (8) weeks.	~~Act will be considered as meeting the requirements of paragraph (ii).~~ ~~d. Leave granted under this article for the purpose of providing care or support to that gravely ill family member shall be for a minimum period of one (1) week and a maximum period of eight (8) weeks.~~ **b. Notwithstanding the definition of "family" found in clause 2.01 and notwithstanding paragraphs 41.02(b) and (d) above, an employee who provides the employer with proof that he or she is in receipt of or awaiting Employment Insurance (EI) Compassionate Care Benefits may be granted leave for periods of less than three (3) weeks while in receipt of or awaiting these benefits.** **c. Leave granted under this clause may exceed the five (5) year maximum provided in paragraph 41.02(c) above only for the periods where the employee provides the Employer with proof that he or she is in receipt of or awaiting EI Compassionate Care Benefits.** **d. When notified, an employee who was awaiting benefits must provide the employer with proof that the request for EI Compassionate Care Benefits has been accepted.** **e. When an employee is notified that their request for EI Compassionate Care Benefits has been denied, clauses 42.01 and 42.02 above cease to apply.** **1. To ensure Compassionate Care is topped-up to 100% upon the receipt of EI benefits.**

	2. That the leave may be divided into several periods. **3. That any monies earned during the period of the allowance payment not be deducted from the top-up.** **4. Include new family caregiver benefits with top up to 100% of income.**

REMARKS:

The Bargaining Agent is proposing to amend this clause with language that more closely reflects wording in other collective agreements in the federal public service (e.g., PA). The Bargaining Agent also seeks a top-up allowance of 100% of the employee's weekly rate of pay for any applicable waiting period and when in receipt of benefits (no maximum period stated). Furthermore, the Bargaining Agent proposes that any monies earned during the period of the allowance payment not be deducted from this requested top-up.

No sufficient justification supporting the top-up related proposals was provided by the Bargaining Agent. Additionally, such top-up provisions are not found in other collective agreements in the federal public service. The cost associated with this proposal would be **$18.8M**. Therefore, the Employer requests that the Commission not include this proposal in its report.

With regards to the other Union's proposals within this clause, the Employer respectfully submits that the recently negotiated 34 agreements with CPA and separate agency employee groups include language that is more advantageous and better reflects the recent changes to the *Employment Insurance Act*.

Changes to the *Employment Insurance Act*

On December 3, 2017, changes to employment insurance (EI) legislation introduced two new types of care giving benefits in addition to Compassionate Care benefits:

- Family Caregiver Benefits for Children of up to 35 weeks; and
- Family Caregiver Benefits for Adults of up to 15 weeks.

EI provides up to 26 weeks of Compassionate Care benefits to care for a person who has a serious medical condition with a significant risk of death within 26 weeks (6 months) and requires the support of at least one caregiver.

The current collective agreement provides Compassionate Care leave without pay, as long as the employee is in receipt of EI Compassionate Care benefits.

Replication principle

The recently negotiated 34 agreements with CPA and separate agency employee groups include language to allow employees the option to take leave without pay so they can take advantage of the expanded EI benefits. To note, the negotiated language also provides that any periods of leave without pay granted under this clause count in calculating severance benefits, establishing vacation leave accrual rates and determining timelines for pay increment increases. This language does not, however, include a top-up allowance.

Taking into consideration the replication principle, the Employer would be amenable to the language included in **Appendix S** within the context of an overall negotiated settlement.

ARTICLE 56 – EMPLOYEE PERFORMANCE REVIEW AND EMPLOYEE FILES

Collective Agreement	Employer Position
56.04 Upon written request of an employee, the personnel file of that employee shall be made available at least once per year for the employee's examination in the presence of an authorized representative of the Employer.	**56.04** Upon written request of an employee, the personnel file of that employee shall be made available at least once per year for the employee's examination in the presence of an authorized representative of the Employer. **For the purpose of satisfying this clause, the information can be made available electronically.**

REMARKS:

The Employer is requesting additional language to clause 56.04 in order to provide both the Employer and the employee the option of viewing personal and performance-related files electronically.

In terms of employee performance reviews, the Employer's self-service portal (ESS) currently allows employees to access their performance reviews and established expectations at any given point in time. In addition, the CRA's performance management process requires continuous communication between team leaders, managers, executives and employees. Through this process, managers must officially meet with their employees a minimum of twice a year to review and discuss performance and adjust expectations as required.

With regards to personal files, the Employer maintains electronic copies of these files and can therefore provide employees with the electronic versions for viewing, in real time, upon request.

Additionally, with the recent increase in telework arrangements, employees working remotely from another CRA establishment, and the number of field workers at the CRA, there is an increased need to provide electronic access to documents.

This proposal is also consistent with the Government's policies and commitments to the environment and towards greening the economy which is further described in the Employer's submission under clause 10.02.

The Employer's proposals reflect current practice at the CRA. As such, the Employer requests that the Commission include this proposal in its report.

ARTICLE X – ALTERNATE WORKING ARRANGEMENTS

Collective Agreement	Bargaining Agent Position
	XX.01 Upon request of an employee, said employee shall be allowed to work from their residence where the suitability standards described below are met: **a) The employee is able to provide, if required, a data and/or communications connection;** **b) The employee is able to provide a dedicated workplace to perform the duties as assigned by the employer. Said workplace may be viewed by the employer with 48 hours notice to ensure that the space meets the security and health and safety requirements of the employer;** **c) The employee shall ensure the protection and security of the employer's data and information;** **d) The employee shall not be responsible for any additional costs as a result of telework;** **e) Employee requests to avail themselves of the options provided for under this article shall be not unreasonably denied.**

REMARKS:

The Bargaining Agent is proposing to include provisions in the collective agreement to provide employees with the right to work from their residence if certain criteria are met.

Appendix T – Virtual Work Arrangements of the Employer's Policy on Workplace Management provides guidance and information related to telework, working remotely from another CRA establishment and field work. The telework section of the Employer's Guide on Virtual Work Arrangements which flows from this policy, outlines the conditions, process and management of telework for all CRA employees.

The Bargaining Agent's proposed language would remove the Employer's ability to deny such requests based on operational requirements and adds a further onus on the Employer to cover any

additional costs incurred by the employee. Furthermore it should be noted that the Bargaining Agent's proposed language is not found in collective agreements in the core public administration.

Given all of this, it is the Employer's position that it is unnecessary to repeat the content of its policy instrument in the collective agreement and it would be inappropriate to remove management's ability to effectively manage its workforce in this fashion.

As such, the Employer respectfully requests that the Commission not include this proposal in its report.

ARTICLE 60 – PART-TIME EMPLOYEES

Collective Agreement	Bargaining Agent Position
NEW	**The Union proposes to modify vacation accrual for part-time employees commensurate with the changes proposed for Article 34.**
60.07 A part-time employee shall not be paid for the designated holidays but shall, instead be paid four decimal two five percent (4.25%) for all straight-time hours worked.	**60.07** **a.** A part-time employee shall **have the option on an annual basis of either:** **i. being paid for designated holidays** **OR** **ii.** not be paid for the designated holidays but shall, instead be paid four decimal two five percent (4.25%) for all straight-time hours worked. **b. Employees shall make known to the Employer in writing their preference for each fiscal year no later than March 1st of the fiscal year prior. Should an employee not make their preference known by March 1st the employee shall be subject to ii. Above.**

60.15 Rest Breaks a. The Employer will provide two (2) rest periods of fifteen (15) minutes each per full working day, as established in paragraph 25.06 (b), except on occasions when operational requirements do not permit. b. Where the employee does not complete a full working day, as per 25.06 (b), the Employer will provide one (1) rest period of fifteen (15) minutes in every period of four (4) hours worked except on occasions when operational requirements do not permit.	**60.15 Rest Breaks** a. The Employer will provide two (2) rest periods of fifteen (15) minutes each per full working day, as established in paragraph 25.06 (b)~~, except on occasions when operational requirements do not permit~~. b. Where the employee does not complete a full working day, as per 25.06 (b), the Employer will provide one (1) rest period of fifteen (15) minutes in every period of ~~four (4)~~ **three (3)** hours worked ~~except on occasions when operational requirements do not permit~~.
NEW	**60.xx** **Straight-time hours of work beyond those scheduled for full-time employees shall be offered in order of years of service as defined in subparagraph 34.03(a)(i) to qualified part-time employees.**

REMARKS:

The Bargaining Agent is requesting a number of changes to this article including amendments and a new clause. They are requesting that part-time employees earn vacation leave credits in line with what they have proposed for Article 34, and that these employees have the option to be paid for designated holidays instead of just receiving 4% of straight time salary. They are also suggesting that the Employer remove its ability to not provide rest breaks at times when operational requirements do not permit and that instead of offering overtime to fulltime employees, the Employer offer part-time employees those extra hours based on seniority.

It is the submission of the Employer that the existing provisions of the collective agreement in relation to earning vacation credits are sufficient and consistent with other federal public service collective agreements; in fact the CRA is already ahead of the CPA, providing an additional 2 days in the 7th year. We refer you to the Employer's submission under Article 34 for further supporting information.

The proposal to allow part-time employees to choose between being paid for a designated holiday or receiving 4.25% of straight time salary would create an unreasonable administrative burden for management in relation to the requirement to ask employees each year what their preference is.

This could also potentially impact their pay since it would be adding a new requirement to an already complex pay system. Additionally, once an employee makes their decision it would be final. This could cause additional impacts on employees, for example, if an employee chooses to be paid for designated holidays but does not realize that eligibility for pay depends on when their work days occur in relation to the designated holiday.

Under clause 60.15 the Bargaining Agent is proposing the removal of the statement "except on occasions when operational requirements do not permit." The Employer certainly recognizes the importance of rest breaks in relation to the health of its employees, however, there may be certain occasions when operational requirements do not permit a rest break.

Finally, the Bargaining Agent is proposing that instead of offering overtime hours to full-time employees, extra hours be offered to part-time employees on a seniority basis. We refer you to the Employer's submission under paragraph 25.12(e) regarding seniority which provides clear rationale to support management's current practice of assigning hours of work and the operational impact of the use of seniority.

The variations proposed by the Bargaining Agent do not exist in other federal public service collective agreements. The proposed changes would cause an excessive burden on the Employer and significantly restrict management's rights in scheduling hours of work that meet operational requirements. In addition, the Bargaining Agent did not present any compelling arguments to convince the Employer of the need to amend the article as they have requested.

The Employer respectfully requests that the Commission not include these proposals in its report.

ARTICLE 62 – PAY ADMINISTRATION

Collective Agreement	Bargaining Agent Position
62.02 An employee is entitled to be paid for services rendered at: a. the pay specified in Appendix "A", for the classification of the position to which the employee is appointed, if the classification coincides with that prescribed in the employee's certificate of appointment; or b. the pay specified in Appendix "A", for the classification prescribed in the employee's certificate of appointment, if that classification and the classification of the position to which the employee is appointed do not coincide.	**62.02** An employee is entitled to be paid for services rendered at: a. the pay specified in Appendix "A", for the classification of the position to which the employee is appointed, if the classification coincides with that prescribed in the employee's certificate of appointment; or b. the pay specified in Appendix "A", for the classification prescribed in the employee's certificate of appointment, if that classification and the classification of the position to which the employee is appointed do not coincide. **c. Should the employer fail to pay the employee as prescribed in (a) or (b) above on the specified pay date, the employer shall, in addition to the pay, award the employee the Bank of Canada daily compounded interest rate.**

REMARKS:

In the amendments to paragraph 62.02(c), the Bargaining Agent is seeking interest payments for employees for missed or incorrect payments, as well as reimbursement for all interest charges or any other financial penalties or losses or administrative fees accrued as a result of improper pay calculations or deductions, or any contravention of a pay obligation defined in this collective agreement.

The Employer submits that there are processes in place to compensate employees who have incurred expenses or financial losses due to the implementation of the Phoenix pay system. Pursuant to the

claims mechanisms put in place and promoted a few years ago in the context of issues related to the pay system, employees may avail themselves of the following types of claims:

- Claim out-of-pocket expenses: employees who have incurred out-of-pocket expenses, such as interest charges or late fees because of Phoenix can submit a claim to the Employer.
- Reimbursement for tax advice: employees who need to consult an expert to sort out income taxes due to errors in pay caused by Phoenix may be reimbursed up to $200 related to obtaining tax advice.
- Request an advance for government benefits: If an employee's government benefits, such as the Canada child benefit, or other credits were reduced due to overpayments by Phoenix, employees can request an advance to help during this time.
- Claims for impact to income taxes and government benefits: Employees who were owed salary from one year that was paid the following year (for example salary owed from 2016 was paid in 2017) and incurred a financial loss related to paying a higher rate of income tax or reduced government benefits and credits such as the Canada child benefit.

Given this, the Employer respectfully requests that the Commission not include this proposal in its report.

Collective Agreement	Bargaining Agent Position
NEW	**Renumber 62.07(a) to 62.07(a)(I)** **New 62.07(a)(ii)** **When an employee is required by the employer to substantially perform the duties of a higher classification level in an acting capacity during the original acting assignment or immediately following the initial acting assignment, the employee shall be paid acting pay calculated from the date immediately preceding the subsequent acting assignment as if the employee had been appointed to the position.**

	An employee shall receive a pay increment after having reached 52 weeks of cumulative service with the employer, at the same occupational group and level or at a higher level. **The purposes of this clause, ''cumulative service'' means all service, whether continuous or discontinuous.**

REMARKS:

The Bargaining Agent is seeking changes to the current administration of acting pay. The Employer submits that the Directive on Terms and Conditions of Employment provides timelines with respect to pay schedules, as well as rules and processes for acting pay, overpayments and emergency salary advances.

The Employer submits that these proposals would impose increased strain from the pay administration perspective. There are significant challenges related to the Phoenix pay system, and proposals that would complicate the payroll system, such as moving to one-day acting and tracking cumulative periods of acting, are not desirable, or warranted. In addition, the current provisions are consistent with the majority of other collective agreements.

The Employer requests that the Commission not include this proposal in its report.

ARTICLE X – DOMESTIC VIOLENCE

Collective Agreement	Bargaining Agent Position
NEW	**XX:01 The Employer recognizes that employees sometimes face situations of violence or abuse, which may be physical, emotional or psychological, in their domestic lives that may affect their attendance and performance at work.** **XX:02 Employees experiencing domestic violence will be able to access ten (10) days of paid leave for attendance at medical appointments, legal proceedings and any other necessary activities. This leave will be in addition to existing leave entitlements and may be taken as consecutive or single days or as a fraction of a day, without prior approval.** **XX:03 The Employer agrees that no adverse action will be taken against an employee if their attendance or performance at work suffers as a result of experiencing domestic violence.** **XX:04 The Employer will approve any reasonable request from an employee experiencing domestic violence for the following:** • **Changes to their working hours or shift patterns;** • **Job redesign, changes to duties or reduced workload;** • **Job transfer to another location or department or business line;** • **A change to their telephone number, email address, or call screening to avoid harassing contact; and** • **Any other appropriate measure including those available under existing provisions for family-friendly and flexible working arrangements.** **XX:05 All personal information concerning domestic violence will be kept confidential in accordance with relevant legislation, and shall not be disclosed to any other party without the employee's express written agreement. No information on domestic violence will be kept on an employee's personnel file without their express written agreement.** **Workplace Policy** **XX.06 The Employer will develop a workplace policy on preventing and addressing domestic violence at the workplace. The policy will be made accessible to all employees and will be reviewed annually. Such policy shall explain the appropriate action to be taken in the event that an employee reports domestic violence or is perpetrating domestic violence, identify the process for reporting, risk assessments and safety planning, indicate available supports and protect employees' confidentiality and privacy while ensuring workplace safety for all.**

	Workplace supports and training **XX.07 The Employer will provide awareness training on domestic violence and its impacts on the workplace to all employees.** **XX.08 The Employer will identify a contact in [Human Resources/Management] who will be trained in domestic violence and privacy issues for example: training in domestic violence risk assessment and risk management. The Employer will advertise the name of the designated domestic violence contact to all employees.** **The Advocate** **XX.09 The Employer and the Alliance recognize that employees who identify as women sometimes need to discuss with another woman matters such as violence or abuse or harassment, at home or in the workplace. Workers who are women may also need to find out about resources in the workplace or community to help them deal with these issues such as the EAP program, a women's shelter, or a counsellor.** **XX.10 For these reasons, the parties agree to recognize the role of Advocate in the workplace.** **XX.11 The Advocate will be determined by the Alliance. Employees who identify as women will have the right to have an Advocate who identifies as a woman.** **XX.12 The Advocate will meet with workers as required and discuss problems with them and assist accordingly, referring them to the appropriate agency when necessary.** **XX.13 The Employer will provide access to a private office in order for the Advocate to meet with employees confidentially, and will provide access to a confidential telephone line and voice mail that is maintained by the Advocate and accessible to all employees in the workplace. The Advocate will also have access to a management support person to assist her or him in their role when necessary.** **XX.14 The Employer and the Alliance will develop appropriate communications to inform all employees of the advocacy role of the Advocate and information on how to contact her or him.** **XX.15 The Advocate will participate in an initial basic training and an annual update training program to be delivered by the Alliance. The Employer agrees that leave for such training shall be with pay and will cover reasonable expenses associated with such training, such as lodging, transportation and meals.**

	XX.16 Employees that are named as Advocate shall be granted leave with pay to carry out the duties associated with acting as an Advocate. **XX.17 No employee shall be prevented from accessing the service of the Advocate or of becoming an Advocate once named by the Alliance.**

REMARKS:

Bill C-86, a second Act to implement certain provisions of the budget tabled in Parliament on February 27, 2018 and other measures, amended the *Canada Labour Code* (CLC) to provide paid leave to an employee who is a victim of family violence or parent of child who is victim of violence. Details of the new Leave for Victims of Family Violence are outlined in the *Canada Labour Code* Part III (**Appendix U**).

The legislation provides for ten days of leave, five of which are with pay. The *Canada Labour Code* Part III, including the changes introduced for this leave above, do not apply to the core public administration.

This being said, the recently negotiated 34 agreements with CPA and separate agency employee groups includes language that is closely aligned with the provisions of the new legislation, in terms of the scope and intent of the leave, duration and the potential requirement on the employee to provide supporting documentation. However, the Employer's proposal is more generous than the CLC, as it provides for 10 days of paid leave per year, whereas the CLC provides for five days of paid leave and five days without pay per year. Also to note, the Bargaining Agent's proposal requested leave for an employee who is subject to domestic violence. Under the new pattern language, an employee who is the parent of a dependent child who is subject to domestic violence would be eligible as well.

The Employer is of the opinion that no employee who is the perpetrator of domestic violence should be afforded paid leave. As such, this negotiated leave would not be available if an employee is suspected or charged with an offence relating to an act of domestic violence.

The Employer takes the position that the intent/purpose of this proposal is to deal with leave only and it is not intended as a mechanism or conduit to address the issues proposed by the Bargaining Agent at XX.04. This can also be said for the Bargaining Agent's proposals related to "the Advocate". Further, the Employer respectively submits that its well established Employee Assistance Program (EAP) is available to all employees. Furthermore, should employees require health or social services there are benefits available to employees to support. These Bargaining Agent proposals would impose a much broader responsibility on the Employer, would interfere with the Employer's management prerogatives and goes beyond the intent of the legislation.

The Bargaining Agent is also seeking a commitment from the Employer to protect privacy of information. The Employer submits that there are numerous policy instruments dealing with the protection of personal information in the workplace and there is no requirement to include language to that effect in the agreement.

Replication principle

As noted, the recently negotiated 34 agreements with CPA and separate agency employee groups includes language that is closely aligned with the provisions of the CLC to provide paid leave to an employee who is a victim of family violence or parent of dependant child who is victim of violence. In light of this established pattern and taking into consideration the replication principle, the Employer would be amenable to the language included in **Appendix V** within the context of an overall negotiated settlement.

APPENDIX XX – MEMORANDUM OF UNDERSTANDING BETWEEN THE CRA AND THE PSAC-UTE IN RESPECT OF THE PDAS GROUP: RETENTION ALLOWANCE FOR EMPLOYEES INVOLVED WITH THE PERFORMANCE OF COMPENSATION DUTIES

Collective Agreement	Bargaining Agent Position
NEW	**Memorandum of Understanding Between the Canada Revenue Agency (hereinafter called the Employer) and the Public Service Alliance of Canada – Union of Taxation Employees (PSAC-UTE) in Respect of the Program Delivery and Administrative Services Group: Retention Allowance for Employees Involved with the Performance of Compensation Duties** **1. In an effort to increase retention of all employees involved with the performance of compensation duties at the Agency, based at the Compensation Client Service Centres, the Employer will provide a "retention allowance" in the following amount and subject to the following conditions:** **(a) Commencing on the date of signing of this collective agreement all such employees shall be eligible to receive an allowance to be paid bi-weekly;** **(b) Employees shall be paid the daily amount shown below for each calendar day for which they are paid pursuant to Appendix A-1 of the collective agreement. This daily amount is equivalent to the annual amount set out below divided by two hundred and sixty decimal eighty eight (260.88);** **Retention allowance** **Annual Daily** **$4,000 $15.33** **(c) The retention allowance specified above forms part of an employee's salary and as such shall be pensionable** **(d) The retention allowance will be added to the calculation of the weekly rate of pay for the maternity and parental allowances payable under Article 38 and Article 40 of this collective agreement.**

	2. A part-time employee receiving the allowance shall be paid the daily amount shown above divided by seven decimal five (7.5), for each hour paid at their hourly rate of pay. **3. An employee shall not be entitled to the allowance for periods he/she is on leave without pay.**

REMARKS:

The Bargaining Agent is requesting the addition of a $4,000 annual retention allowance for employees involved with the performance of compensation duties at the Agency, based at the Compensation Client Service Centre (CCSC).

There are currently approximately 340 employees for whom this allowance would be applied – i.e. all employees working at the CCSC. This MOU would cost the Employer approximately **$1.4M** per year. In addition, the Bargaining Agent is proposing that this allowance form part of the employee's salary making this amount pensionable and therefore increasing the costs.

In terms of retention, in 208-2019, the retention rate for permanent employees working at the CCSC is approximately 93%. If we exclude retirements as a reason for departure from this calculation, the retention rate is approximately 95%. In the same fiscal year, the retention rate for term employees working at the CCSC was 90.2%. Given the nature of term employment, it is expected that this number would be lower than that of permanent employees.

The Employer would also like to note that In 2018-2019 the number of permanent employees joining the CCSC exceeded those leaving (39 vs 26), resulting in an increase in the CCSC's permanent population.

The Bargaining Agent is requesting this allowance as a **retention** incentive. Given the information stated above, the Employer has demonstrated that it does not have any retention issues for this group.

The Employer respectfully requests that the Commission not include this proposal in its report.

APPENDIX C – WORKFORCE ADJUSTMENT

Collective Agreement	Bargaining Agent Position
	Definitions Affected employee (employé-e touché) Is a permanent employee who has been informed in writing that his or her services may no longer be required because of a workforce adjustment situation **or an employee affected by a relocation.** Alternation (échange de postes) Occurs when an opting employee ~~(not a surplus employee)~~ **or an employee with a twelve-month surplus priority period** who wishes to remain with the CRA **or in the core public administration** exchanges positions with a non-affected employee (the alternate) willing to leave the CRA **or core public administration** with a transition support measure or with an education allowance. Education allowance (indemnité d'études) Is one of the options provided to a permanent employee affected by normal workforce adjustment for whom the Commissioner cannot guarantee a reasonable job offer. The education allowance is a cash payment equivalent to the transition support measure (see Annex B), plus a reimbursement of tuition from a recognized learning institution and book and mandatory equipment costs, up to a maximum of ~~ten thousand dollars ($10,000)~~ **twenty thousand dollars ($20,000).** Guarantee of a reasonable job offer (garantie d'une offre d'emploi raisonnable) Is a guarantee of an offer of permanent employment within the CRA **or in the core public administration** provided by the Commissioner to a permanent employee who is affected by workforce adjustment. The Commissioner will be expected to provide a guarantee of a reasonable job offer to those affected employees for whom they know or can predict that employment will be available within the CRA or the core public administration. Surplus employees in receipt of this guarantee will not have access to the options available in Part VI of this Appendix. Reasonable job offer (offre d'emploi raisonnable) Is an offer of permanent employment within the CRA **or the core public administration**, normally at an equivalent level, but which 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 under type 1 and type 2 in Part VII of this appendix. **A reasonable job offer is also an offer from a FAA Schedule V 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.** **NEW 1.1.7 (renumber current 1.1.7 ongoing)** **1.1.7 Where the permanent appointment of a term employee would result in a workforce adjustment situation, the Commissioner shall communicate this to the employee as soon as reasonably possible, but in no case less than six (6) months prior to when conversion would take place. The Commissioner shall also notify the Alliance and shall establish to the satisfaction of the Alliance that such permanent appointment will result in a workforce adjustment situation, in accordance with the notification provisions in 2.1.2.** **The Commissioner shall review the impact of workforce adjustment on no less than an annual basis to determine whether the conversion of term employees will no longer result in a workforce adjustment situation for permanent employees. If it will not, the suspension of the roll-over provisions shall be ended.** **If an employee is still employed with the department more than three (3) years after the calculation of the cumulative working period for the purposes of converting an employee to permanent status is suspended the employee shall be made permanent or be subject to the obligations of the Workforce Adjustment appendix as if they were.** **NEW 1.1.19 (renumber current 1.1.19 ongoing)** **1.1.19** **a) The Commissioner shall make every reasonable effort to provide an employee with a reasonable job offer within a forty (40) kilometre radius of his or her work location.** **b) In the event that reasonable job offers can be made within a forty (40) kilometre radius to some but not all surplus employees in a given work location, such reasonable job offers shall be made in order of years of service.**

	c) In the event that a reasonable job offer cannot be made within forty (40) kilometres, every reasonable effort shall be made to provide the employee with a reasonable job offer in the province or territory of his or her work location, prior to making an effort to provide the employee with a reasonable job offer in the public service. **d) In the event that reasonable job offers can be provided to some but not all surplus employees in a given province or territory, such reasonable job offers shall be made in order of years of service.** **e) In the event that reasonable job offers can be provided to some but not all surplus employees in the public service outside of the province or territory of his or her work location, such reasonable job offers shall be made in order of years of service.** **e) An employee who chooses not to accept a reasonable job offer which requires relocation to a work location which is more than sixteen (16) kilometers from his or her work location shall have access to the options contained in section 6.3 of this Appendix.** **2.1 Department or organization** **NEW 2.1.2** **2.1.2 When the specified term employment in the calculation of the cumulative working period for the purposes of converting an employee to permanent status shall be suspended to protect permanent employees in a workforce adjustment situation, the Commissioner shall:** **(a) inform the Alliance or its designated representative, in writing, at least six (6) months in advance of the suspension and the names, classification and locations of those employees and the date on which their term began, for whom the suspension applies. Such notification shall include the reasons why the suspension is still in place for each employee and what permanent positions that shall be subject to work force adjustment if it were not in place.** **(b) inform the Alliance or its designated representative, in writing, once every 12 months, but no longer than three (3) years after the suspension is enacted, of the names, classification, and locations of those employees and the date on which their term began, who are still employed and for which the suspension still applies. Such notification shall include the reasons why the suspension is still in place for each employee and what permanent positions that shall be subject to work force adjustment if it were not in place.**

	(c) inform the Alliance no later than 30 days after the term suspension has been in place for 36 months, and the term employee's employment has not been ended for a period of more than 30 days to protect permanent employees in a workforce adjustment situation, the names, classification, and locations of those employees and the date on which their term began and the date that they will be made permanent. Term employees shall be made permanent within 60 days of the end of the three-year suspension. **4.1 General** 4.1.2 It is the responsibility of the employee, home department or organization and appointing department or organization to identify retraining opportunities, **including language training opportunities**, pursuant to subsection 4.1.1. 4.1.3 When a retraining opportunity has been identified, the Commissioner or, **where applicable, the deputy head of the home department or organization** shall approve up to two (2) years of retraining. **Opportunities for retraining, including language training, shall not be unreasonably denied.** **6.1 General** 6.1.1 The Commissioner will be expected to provide a guarantee of a reasonable job offer for those affected employees for whom they know or can predict that employment will be available. **Except as specified in 1.1.19 (e), employees** in receipt of this guarantee will not have access to the choice of options in **6.3** below. **6.3 Options** **6.3.1 c)** Education allowance is a transition support measure (see Option (b) above) plus an amount of not more than ~~fifteen thousand dollars ($15,000)~~ **twenty thousand dollars ($20,000)** for reimbursement of receipted expenses of an opting employee for tuition from a learning institution and costs of books and relevant equipment. Employees choosing Option (c) could either: Part VII: special provisions regarding alternative delivery initiatives **7.2 General** 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. **Employees who are affected by alternative delivery**

	initiatives and who do not receive job offers from the new employer shall be treated in accordance with the provisions of Parts I-VI of this Appendix

REMARKS:

Similarly to collective agreements in the core public administration and with the Employer's other bargaining agent, the objective of the WFA Appendix is to maximise employment opportunities for permanent employees affected by work force adjustment situations. As Employer, the goal of the Agency is to ensure that, wherever possible, alternative employment opportunities are provided to these employees.

Definition of affected employee

The Employer is not prepared to add the language proposed by the Bargaining Agent as the concept of relocation of a work unit is already covered in the definition of workforce adjustment.

> **Work force adjustment** – is a situation that occurs when the Commissioner decides that the services of one or more permanent 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.

Further, this definition aligns with wording in collective agreements within the core public administration (e.g., PA) as well as CRA'S other bargaining agent. Lastly, the Bargaining Agent has not provided any arguments to support a need for this change.

Given all this, the Employer is of the opinion that this proposal is redundant and unnecessary and requests that the Commission not include it in its report.

Definition of alternation

The Bargaining Agent has not demonstrated a need to add extra wording here in relation to an employee with a twelve-month surplus period. The current wording in the collective agreement in the Definitions section already includes a provision, as an opting employee, to participate in

alternation. As such, the Employer respectfully requests that the Commission not include the addition of this provision in its report.

Twelve-month surplus Preferred Status period in which to secure a reasonable job offer – is one of the options provided to an opting employee for whom the Commissioner cannot guarantee a reasonable job offer.

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

In terms of the suggestion to add "or in the core public administration", the CRA is not subject to the *Public Service Employment Act* (as indicated below) as it relates to appointments and priority entitlements and has no authority over any department or agencies within the core public administration in terms of who they hire. Additionally, departments and agencies in the core public administration have no obligation to consider CRA employees when making appointments.

(…)

Public Service Employment Act
Interpretation
2 (1) deputy head

(a) in relation to an organization named in Schedule I to the *Financial Administration Act*, its deputy minister;

(b) in relation to any organization or part of an organization that is designated as a department under this Act, the person that the Governor in Council designates as the deputy head for the purposes of this Act; and

(c) in relation to any organization named in Schedule IV or V to the *Financial Administration Act* to which the Commission has the exclusive authority to make appointments, its chief executive

officer or, if there is no chief executive officer, its statutory deputy head or, if there is neither, the person designated by the Governor in Council as its deputy head for the purposes of this Act. (*administrateur général*)

The Employer respectfully submits that the Commission does not have authority to entertain or make recommendations with regards to this Bargaining Agent proposal, pursuant to subparagraph 177(1) (b) and (c) of the *Federal Public Sector Labour Relations Act* (FPSLRA).

The CRAA at sections 30(1) and 51(1) gives the CRA authority over all matters in relation to managing its human resources.

Education allowance (increase to $20,000) and 6.3.1 c)

The Bargaining Agent has not provided any arguments to support the need to increase this allowance to more than what is included in collective agreements within the core public administration (e.g., PA) as well as CRA'S other bargaining agent.

Given this, the Employer requests that the Commission not include this proposal in its report.

Definition of Guarantee of a Reasonable Job Offer (GRJO)

The Bargaining Agent is again suggesting that the Employer add "or in the core public administration" to the wording. The CRA is not subject to the *Public Service Employment Act* as it relates to appointments and priority entitlements and has no authority over any department or agency within the core public administration in terms of who they hire. Additionally, departments in the core public administration are under no obligation to consider CRA employees when making appointments.

The Employer again respectfully submits that the Commission does not have authority to entertain or make recommendations with regards to this Bargaining Agent proposal, pursuant to subparagraph 177(1) (b) and (c) of the FPSLRA.

Definition of Reasonable Job Offer

The Bargaining Agent is proposing to amend this definition thereby excluding offers of employment from Schedule I and IV employers so that only offers of employment from Schedule V employers such as the CRA will be considered as reasonable job offers.

The Employer respectfully submits that the Commission does not have authority to entertain or make recommendations with regards to this Bargaining Agent proposal, pursuant to subparagraph 177(1) (b) and (c) of the FPSLRA.

The Employer also finds it interesting to note that the Bargaining Agent is proposing the definition of a guarantee of a reasonable job offer include employers from the core public administration, however, they are also proposing here that employees not have to consider offers from these employers as reasonable.

Bargaining Agent Proposal at 1.1.17 and 2.1.2 (term roll-over)

The Bargaining Agent is proposing to negotiate the indeterminate appointment of term employees into the collective agreement (commonly referred to as term roll-over).

The Employer respectfully submits that the Commission does not have authority to entertain or make recommendations with regards to this Bargaining Agent proposal, pursuant to subparagraph 177(1) (b) and (c) of the FPSLRA.

In accordance with section 54. (1) of the CRAA, the Employer has a Staffing Program Policy whose Procedures (see Appendix X) deal with the roll-over of term employees. This also includes notifications to employees and Bargaining Agents in cases where application of the policy is warranted.

Section 54. (2) of the CRAA also precludes staffing matters from being included in collective agreements.

Bargaining Agent Proposals at 1.1.19 b) and 6.1.1

The Bargaining Agent is proposing to negotiate provisions for appointments to reasonable job offers, in certain circumstances, be given based on seniority.

The Employer respectfully submits that the Commission does not have authority to entertain or make recommendations with regards to this bargaining agent proposal, pursuant to subparagraph 177(1) (b) and (c) of the FPSLRA.

The CRAA at sections 30(1) and 51(1) gives the CRA authority over all matters in relation to managing its human resources. Further, in accordance with Section 54. (1), the Employer has a Staffing Program Policy whose Procedures (see Appendix X) deal with the roll-over of term employees.

Section 54. (2) of the CRAA also precludes staffing matters from being included in collective agreements. For additional information on this topic, see remarks to Bargaining Agent Proposal at 1.1.17 noted above.

Bargaining Agent proposal at 4.1

The Employer is not prepared to add the Bargaining Agent's proposed language in relation to language training at 4.1.2 considering that provisions could be made available, in accordance with the CRA's Staffing Program, to extend a period of time to achieve appropriate language results.

The CRAA at sections 30(1) and 51(1) gives the CRA authority over all matters in relation to managing its human resources. Further, in accordance with Section 54. (1), the Employer has a Staffing Program Policy whose Procedures (see Appendix X) deal with the roll-over of term employees.
Section 54. (2) of the CRA Act also precludes staffing matters from being included in collective agreements. For additional information on this topic, see remarks to Bargaining Agent Proposal at 1.1.17 noted above.

Again, the Bargaining Agent is proposing language that would require legislative amendments. The Employer respectfully submits that the Commission does not have authority to entertain or make recommendations with regards to this Bargaining Agent proposal, pursuant to subparagraph 177(1) (b) and (c) of the FPSLRA as indicated above.

Additionally, the CRA's Staffing Program already governs non-imperative staffing appointments. There is an inherent risk that an employee may not reach the required language proficiency levels within the specified period, which would invalidate the appointment. Also, imperative staffing requires immediate language skills to perform the duties of the position.

The spirit and intent of the WFA is not meant to give to employees an advantage they did not previously have.

Bargaining Agent proposal at 7.2

The current language within this provision aligns with collective agreements within the core public administration (e.g., PA) as well as CRA's other Bargaining Agent. The Bargaining Agent has not provided any arguments to support the need to change this language.

The current wording of the collective agreement at section 7.2.1 outlines the three types of transitional employment arrangements resulting from an alternative delivery initiative. Types 1 (provides full continuity) and 2 (provides substantial continuity) would be considered reasonable job offers. However, Type 3 (provides lesser continuity) would not.

Section 7.2.4 indicates that a Type 3 "offer of employment from the new employer will not be deemed to constitute a reasonable job offer". Further, Section 7.5.3 states: **"**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 Commissioner in accordance with the provisions of the other parts of this Appendix."

It is the Employer's position that providing either the options or a guaranteed reasonable job offer to employees is, and should continue to be, a management decision, in order to support effective work force management and financial control.

Given all this, the Employer respectfully requests that the Commission not include the addition of this provision in its report.

With consideration to changes made to collective agreement workforce adjustment provisions within the core public administration (e.g., PA) as well as CRA's other bargaining agent during the last and current rounds of collective bargaining, the CRA would be amenable to discussing similar changes within the context of an overall negotiated settlement.

APPENDIX E – MEMORANDUM OF AGREEMENT WITH RESPECT TO IMPLEMENTATION OF THE COLLECTIVE AGREEMENT

Collective Agreement	Bargaining Agent Position
This memorandum is to give effect to the understanding reached between the Employer and the Public Service Alliance of Canada in respect of the implementation period of the collective agreement. The provisions of this Collective Agreement shall be implemented by the parties within a period of one hundred and fifty (150) days from the date of signing.	This memorandum is to give effect to the understanding reached between the Employer and the Public Service Alliance of Canada in respect of the implementation period of the collective agreement. The provisions of this Collective Agreement shall be implemented by the parties within a period of ~~one hundred and fifty (150)~~ **ninety (90)** days from the date of signing.

REMARKS:

The Bargaining Agent is proposing an implementation period of 90 days. The current collective agreement between the CRA and the UTE has an implementation period of 150 days. This has been the standard timeframe provided for in all other collective agreements between the PSAC and the TBS (PA, TC, FB, EB and SV).

In light of the continued difficulties with the Phoenix pay system, and the specific difficulty in processing retroactive payments, the TBS participated in a working group with Public Services and Procurement Canada (PSPC) to devise a new methodology for effectively and efficiently processing payments owed to employees for periods of retroactive employment.

Through the working group, TBS and PSPC considered different options for retroactive payment processing as well as implementing monetary components of collective agreements as a whole. As such an MOU was developed which represents the best way forward for collective agreement implementation.

Not only does this MOU outline a new methodology that will allow employees to be paid retroactive amounts as close as possible to what would have been achieved if Phoenix could process retroactive amounts in the traditional manner, but it also does so in a reasonable amount of time for most employees.

When signing, the parties recognized that there would be a delay and, the 180 days is beyond what is stipulated in the legislation. As such, this MOU includes a payment of $400 to each employee in the bargaining unit in order to compensate them for the delays in implementation. This $400 is also meant to compensate employees for the fact that there currently are outstanding transactions that have not yet been entered into the pay system.

The MOU includes provisions related to calculation of retroactive payments, implementation, and employee recourse, and it is the Employer's position that this MOU represents a fair and balanced solution to problems associated with implementation due to the Phoenix pay system.

In addition, in certain circumstances, additional time will be required to implement the collective agreement. Specifically, this would affect employees whose file requires manual intervention to complete the implementation of the new collective agreement provisions. Under the MOU, those employees will receive an additional $50 payment for each 90 day delay beyond the initial implementation period of 180 days, to a maximum of $450.

Given the pay and HR systems in place and the associated challenges, the Government of Canada has no flexibility to implement collective agreements on a different basis. Agreeing to a different implementation process and timelines would represent bad faith bargaining on behalf of the Government, as it would be agreeing to something that it simply cannot fulfill.

Replication principle

As noted, the recently negotiated 34 agreements with CPA and separate agency employee groups includes the above-noted MOU on implementation. In light of this established pattern and taking into consideration the replication principle, the Employer would be amenable to the language included in **Appendix W** within the context of an overall negotiated settlement.

NEW – SOCIAL JUSTICE FUND

Collective Agreement	Bargaining Agent Position
NEW	**The Employer shall contribute one cent (1¢) per hour worked to the PSAC Social Justice Fund and such a contribution will be made for all hours worked by each employee in the bargaining unit. Contributions to the Fund will be made quarterly, in the middle of the month immediately following completion of each fiscal quarter year, and such contributions remitted to the PSAC National Office. Contributions to the Fund are to be utilized strictly for the purposes specified in the Letter Patent of the PSAC Social Justice Fund.**

REMARKS:

The Bargaining Agent is seeking to incorporate the Social Justice Fund into the Collective Agreement. The Employer is not in agreement with this proposal.

The Employer derives its authority to enter into a collective agreement from the FPSLREA. The authority of the Employer under the FPSLREA to contract with the Bargaining Agent does not extend to provisions which do not relate to terms and conditions of employment of those in the bargaining unit, and the social justice fund does not relate to terms and conditions of employment nor is it a related matter. The Employer submits that the Social Justice Fund does not fall within the purpose and scope of the collective agreement.

Again, the Bargaining Agent's proposal has a monetary impact for the Employer. Based on the bargaining unit population as of 27,575, the estimated annual cost would be around **$537,501** per year just for regular hours worked. Additional contributions for overtime hours worked would increase this cost even further.

The PSAC is a business entity with its own corporate objectives, free to engage in whatever activities it considers appropriate. The Employer commends the Bargaining Agent for the work it does through the Social Justice Fund, and, strongly believes it is inappropriate to expect taxpayers to fund this

initiative with contributions from the Employer. If taxpayers choose to support such initiatives they will do so directly through their own donations.

The Employer would like to note that the Union's proposed language does not exist in any collective agreement in the federal public service.

The Employer respectfully requests that the Commission not include this proposal in its report.

EMPLOYEE WELLNESS SUPPORT PROGRAM

Collective Agreement	Employer's Position
NEW	**Further to the Memorandum of Agreement on Supporting Employee Wellness between Treasury Board and the Public Service Alliance of Canada:** **The Canada Revenue Agency and the Public Service Alliance of Canada (PSAC) agree to undertake the necessary steps in order to implement applicable changes resulting from the findings/conclusions of the joint Treasury Board/PSAC Task Force on supporting employee wellness. The parties agree to continue the current practice of working collaboratively to address concerns with respect to employee wellness and the reintegration of employees into the workplace after periods of leave due to illness or injury.**

REMARKS:

The current MOA between the PSAC and the TBS on Supporting Employee Wellness was introduced by the parties during the last round of collective bargaining in the federal public service following extensive negotiations regarding the Employer's key priority to modernize the sick leave regime for Employees.

The parties agreed to form a task force, including a steering and a technical committee, to develop a new Employee Wellness plan. This plan was to include income replacement parameters, treatment of existing sick leave banks, and consequential changes to sick leave with pay provisions in the PSAC collective agreements. Very little was achieved by this task force. No tangible progress was made, and no recommendations were produced for the parties' consideration.

The Technical Committee met 13 times and the Steering Committee met once between March and December 2017. An interim report was drafted and only covered high level principles, such as gaps in the current system, barriers to return to work, and early intervention. The Employer continued to reach out to PSAC to obtain comments on the interim report and to establish a work plan to move the

committee's work forward. Between March 2018 and March 2019, the Employer's attempts, on a monthly basis, to engage the PSAC with a view to moving the work forward remained unanswered.

In June 2018, in the context of the current round of bargaining, the PSAC proposed to delete this MoA from the TBS/PSAC collective agreements. In order to assist in bringing the current round of negotiations between the TBS and the PSAC to a conclusion, the TBS agreed to delete the MOA under certain conditions.

In terms of the Employers request to include an MOA in Support of Employee Wellness, given that the Bargaining Agent is following suit with the PSAC, the Employer is amenable to discussing the withdrawal of its proposal.