

Workforce Adjustment

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General

Application

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This appendix applies to all indeterminate employees. Unless explicitly specified, the provisions contained in Parts I to VI do not apply to alternative delivery initiatives.

Collective agreement

With the exception of those provisions for which the Public Service Commission is responsible, this appendix is part of this agreement.

Notwithstanding the job security article, in the event of conflict between the present workforce adjustment appendix and that article, the present workforce adjustment appendix will take precedence.

Objectives

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

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

Definitions

Accelerated layoff (mise en disponibilité accélérée)

Occurs when a surplus employee makes a request to the deputy head, in writing, to be laid off at an earlier date than that originally scheduled, and the deputy head concurs. Layoff entitlements begin on the actual date of layoff.

Affected employee (employé-e touché)

Is an indeterminate employee who has been informed in writing that his or her services may no longer be required because of a workforce adjustment situation.

Alternation (échange de postes)

Occurs when an opting employee or a surplus employee who is surplus as a result of having chosen option 6.4.1(a) who wishes to remain in the core public administration exchanges positions with a non-affected employee (the alternate) willing to leave the core public administration with a transition support measure or with an education allowance.

Alternative delivery initiative (diversification des modes de prestation des services)

Is the transfer of any work, undertaking or business of the core public administration to any body or corporation that is a separate agency or that is outside the core public administration.

Appointing department or organization (ministère ou organisation d'accueil)

Is a department or organization which has agreed to appoint or consider for appointment (either immediately or after retraining) a surplus or a laid-off person.

Core public administration (Administration publique centrale)

Means that part of the public service in or under any department or organization, or other portion of the federal public administration specified in Schedules I and IV to the *Financial Administration Act* for which the Public Service Commission has the sole authority to appoint.

Deputy head (administrateur général)

Has the same meaning as in the definition of “deputy head” set out in section 2 of the *Public Service Employment Act*, and also means his or her official designate.

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Education allowance (indemnité d'études)

Is one of the options provided to an indeterminate employee affected by workforce adjustment for whom the deputy head cannot guarantee a reasonable job offer. The education allowance is a lump-sum 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 seventeen thousand dollars (\$17,000).

Guarantee of a reasonable job offer (garantie d'une offre d'emploi raisonnable)

Is a guarantee of an offer of indeterminate employment within the core public administration provided by the deputy head to an indeterminate employee who is affected by workforce adjustment. Deputy heads will be expected to provide a guarantee of a reasonable job offer to those affected employees for whom they know or can predict that employment will be available in 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.

Home department or organization (ministère ou organisation d'attache)

Is a department or organization declaring an individual employee surplus.

Laid-off person (personne mise en disponibilité)

Is a person who has been laid off pursuant to subsection 64(1) of the *Public Service Employment Act* and who still retains an appointment priority under subsection 41(4) and section 64 of the *Public Service Employment Act*.

Layoff notice (avis de mise en disponibilité)

Is a written notice of layoff to be given to a surplus employee at least one (1) month before the scheduled layoff date. This period is included in the surplus period.

Layoff priority (priorité de mise en disponibilité)

A person who has been laid off is entitled to a priority, in accordance with subsection 41(4) of the *Public Service Employment Act* with respect to any position to which the Public Service Commission is satisfied that the person meets the essential qualifications; the period of entitlement to this priority is one (1) year as set out in section 11 of the *Public Service Employment Regulations*.

Opting employee (employé-e optant)

Is an indeterminate employee whose services will no longer be required because of a workforce adjustment situation, who has not received a guarantee of a reasonable job offer from the deputy head and who has one hundred and twenty (120) days to consider the options in section 6.4 of this appendix.

Organization (organisation)

Any board, agency, commission or other body, specified in Schedules I and IV of the *Financial Administration Act*, that is not a department.

Pay (rémunération)

Has the same meaning as “rate of pay” in this agreement.

Priority Information Management System (système de gestion de l’information sur les priorités)

Is a system designed by the Public Service Commission to facilitate appointments of individuals entitled to statutory and regulatory priorities.

Reasonable job offer (offre d’emploi raisonnable)

Is an offer of indeterminate employment within 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 *Financial Administration Act* 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.

Reinstatement priority (priorité de réintégration)

Is an entitlement provided to surplus employees and laid-off persons who are appointed or deployed to a position in the core public administration at a lower level. As per section 10 of the *Public Service Employment Regulations*, the entitlement lasts for one (1) year.

Relocation (réinstallation)

Is the authorized geographic move of a surplus employee or laid-off person from one place of duty to another place of duty located beyond what, according to local custom, is a normal commuting distance.

Relocation of a work unit (réinstallation d'une unité de travail)

Is the authorized move of a work unit of any size to a place of duty located beyond what, according to local custom, is normal commuting distance from the former work location and from the employee's current residence.

Retraining (recyclage)

Is on-the-job training or other training intended to enable affected employees, surplus employees and laid-off persons to qualify for known or anticipated vacancies within the core public administration.

Surplus employee (employé-e excédentaire)

Is an indeterminate employee who has been formally declared surplus, in writing, by his or her deputy head.

Surplus priority (priorité d'employé-e excédentaire)

Is an entitlement for a priority in appointment accorded in accordance with section 5 of the *Public Service Employment Regulations* and pursuant to section 40 of the *Public Service Employment Act*; this entitlement is provided to surplus employees to be appointed in priority to another position in the core public administration for which they meet the essential requirements.

Surplus status (statut d'employé-e excédentaire)

An indeterminate employee has surplus status from the date he or she is declared surplus until the date of layoff, until he or she is indeterminately appointed to another position, until his or her surplus status is rescinded, or until the person resigns.

Transition support measure (mesure de soutien à la transition)

Is one of the options provided to an opting employee for whom the deputy head cannot guarantee a reasonable job offer. The transition support measure is a lump-sum payment based on the employee's years of service as per Annex B.

**Twelve (12) month surplus priority period in which to secure a reasonable job offer
(priorité d'employé-e excédentaire d'une durée de douze (12) mois pour trouver une offre
d'emploi raisonnable)**

Is one of the options provided to an opting employee for whom the deputy head cannot guarantee a reasonable job offer.

Workforce adjustment (réaménagement des effectifs)

Is a situation that occurs when a deputy head decides that the services of one or more indeterminate employees will no longer be required beyond a specified date because of a lack of work, the discontinuance of a function, a relocation in which the employee does not wish to participate or an alternative delivery initiative.

Authorities

The Public Service Commission has endorsed those portions of this appendix for which it has responsibility.

Monitoring

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

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

References

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The primary references for the subject of workforce adjustment are as follows:

- *Financial Administration Act*
- *Values and Ethics Code for the Public Sector*
- *Public Service Employment Act*
- *Public Service Employment Regulations*
- *Federal Public Sector Labour Relations Act*
- *Public Service Superannuation Act*
- *NJC Relocation Directive*
- *Travel Directive*

Enquiries

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Enquiries about this appendix should be referred to the Alliance or to the responsible officers in departmental or organizational headquarters.

Responsible officers in departmental or organizational headquarters may, in turn, direct questions regarding the application of this appendix to the Union Engagement and National Joint Council Support Unit, Employee Relations and Total Compensation Directorate, Treasury Board Secretariat.

Enquiries by employees pertaining to a priority entitlement or to their status in relation to a priority entitlement process should be directed to their departmental or organizational human resource advisors or to the priority advisor of the Public Service Commission responsible for their case.

Part I: roles and responsibilities

1.1 Departments or organizations

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

1.1.2 Departments or organizations shall carry out effective human resource planning to minimize the impact of workforce adjustment situations on indeterminate employees, on the department or organization, and on the public service.

1.1.3 Departments or organizations shall establish joint workforce adjustment committees, where appropriate, to advise and consult on the workforce adjustment situations within the department or organization. Terms of reference of such committees shall include a process for addressing alternation requests from other departments and organizations.

1.1.4 Departments or organizations shall, as the home department or organization, cooperate with the Public Service Commission and appointing departments or organizations in joint efforts to redeploy departmental or organizational surplus employees and laid-off persons.

1.1.5 Departments or organizations shall establish systems to facilitate redeployment or retraining of their affected employees, surplus employees, and laid-off persons.

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

Such a communication shall also indicate if the employee:

- a. is being provided with a guarantee from the deputy head that a reasonable job offer will be forthcoming and that the employee will have surplus status from that date on;
or
- b. is an opting employee and has access to the options set out in section 6.4 of this appendix because the employee is not in receipt of a guarantee of a reasonable job offer from the deputy head.

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

1.1.7 Deputy heads will be expected to provide a guarantee of a reasonable job offer for those employees subject to workforce adjustment for whom they know or can predict that employment will be available in the core public administration.

1.1.8 Where a deputy head cannot provide a guarantee of a reasonable job offer, the deputy head will provide one hundred and twenty (120) days to consider the three options outlined in Part VI of this appendix to all opting employees before a decision is required of them. If the employee fails to select an option, the employee will be deemed to have selected option 6.4.1(a), twelve (12) month surplus priority period in which to secure a reasonable job offer.

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

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1.1.10 Departments or organizations shall send written notice to the Public Service Commission of an employee's surplus status, and shall send to the Public Service Commission such details, forms, resumés, and other material as the Public Service Commission may from time to time prescribe as necessary for it to discharge its function. Departments or organizations shall notify the employee when this written notice has been sent.

1.1.11 Departments or organizations shall advise and consult with the Alliance representatives as completely as possible regarding any workforce adjustment situation as soon as possible after the decision has been made and throughout the process and will make available to the Alliance the name and work location of affected employees.

1.1.12 The home department or organization shall provide the Public Service Commission with a statement that it would be prepared to appoint the surplus employee to a suitable position in the department or organization commensurate with his or her qualifications if such a position were available.

1.1.13 Departments or organizations shall provide the employee with the official notification that he or she has become subject to a workforce adjustment and shall remind the employee that Appendix D, Workforce Adjustment, of this agreement applies.

1.1.14 Deputy heads shall apply this appendix so as to keep actual involuntary layoffs to a minimum, and a layoff shall normally occur only when an individual has refused a reasonable job offer, is not mobile, cannot be retrained within two (2) years, or is laid off at his or her own request.

1.1.15 Departments or organizations are responsible for counselling and advising their affected employees on their opportunities for finding continuing employment in the public service.

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

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

1.1.18 Home departments or organizations shall relocate surplus employees and laid-off persons, if necessary.

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

- a. there are no available priority persons, or priority persons with a higher priority, qualified and interested in the position being filled;
or
- b. there are no available local surplus employees or laid-off persons who are interested and who could qualify with retraining.

1.1.20 The cost of travelling to interviews for possible appointments and of relocation to the new location shall be borne by the employee's home department or organization. Such cost shall be consistent with the *National Joint Council Travel Directive* and *National Joint Council Relocation Directive*.

1.1.21 For the purposes of the *National Joint Council Relocation Directive*, surplus employees and laid-off persons who relocate under this appendix shall be deemed to be employees on employer-requested relocations. The general rule on minimum distances for relocation applies.

1.1.22 For the purposes of the *National Joint Council Travel Directive*, laid-off persons travelling to interviews for possible reappointment to the core public administration are deemed to be a "traveller" as defined in the *National Joint Council Travel Directive*.

1.1.23 For the surplus and/or layoff priority periods, home departments or organizations shall pay the salary, salary protection and/or termination costs as well as other authorized costs such as tuition, travel, relocation and retraining for surplus employees and laid-off persons, as provided for in this agreement and the various directives unless the appointing department or organization is willing to absorb these costs in whole or in part.

1.1.24 Where a surplus employee is appointed by another department or organization to a term position, the home department or organization is responsible for the costs above for one (1) year from the date of such appointment, unless the home department or organization agree to a longer period, after which the appointing department or organization becomes the new home department or organization consistent with Public Service Commission authorities.

1.1.25 Departments or organizations shall protect the indeterminate status and surplus priority of a surplus indeterminate employee appointed to a term position under this appendix.

1.1.26 Departments or organizations shall inform the Public Service Commission in a timely fashion, and in a method directed by the Public Service Commission, of the results of all referrals made to them under this appendix.

1.1.27 Departments or organizations shall review the use of private temporary agency personnel, consultants, contractors, and their use of contracted out services, employees appointed for a specified period (terms) and all other non-indeterminate employees. Where practicable, departments or organizations shall refrain from engaging or re-engaging such temporary agency personnel, consultants or contractors, and their use of contracted out services, or renewing the employment of such employees referred to above where this will facilitate the appointment of surplus employees or laid-off persons.

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

1.1.29 Departments or organizations may layoff an employee at a date earlier than originally scheduled when the surplus employee so requests in writing.

1.1.30 Departments or organizations acting as appointing departments or organizations shall cooperate with the Public Service Commission and other departments or organizations in accepting, to the extent possible, affected employees, surplus employees, and laid-off persons from other departments or organizations for appointment or retraining.

1.1.31 Departments or organizations shall provide surplus employees with a layoff notice at least one (1) month before the proposed layoff date if appointment efforts have been unsuccessful. A copy of this notice shall be provided to the National President of the Alliance.

1.1.32 When a surplus employee refuses a reasonable job offer, he or she shall be subject to layoff one (1) month after the refusal, but not before six (6) months have elapsed since the surplus declaration date. The provisions of Annex C of this appendix shall continue to apply.

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

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

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- a. the workforce adjustment situation and its effect on that individual;
- b. the workforce adjustment Appendix;
- c. the Public Service Commission's Priority Information Management System and how it works from the employee's perspective;
- d. preparation of a curriculum vitae or resumé;
- e. the employee's rights and obligations;
- f. the employee's current situation (for example, pay, benefits such as severance pay and superannuation, classification, language rights, years of service);
- g. alternatives that might be available to the employee (the alternation process, appointment, relocation, retraining, lower-level employment, term employment, retirement including the possibility of waiver of penalty if entitled to an annual

- allowance, transition support measure, education allowance, pay in lieu of unfulfilled surplus period, resignation, accelerated layoff);
- h. the likelihood that the employee will be successfully appointed;
 - i. the meaning of a guarantee of a reasonable job offer, a twelve (12) month surplus priority period in which to secure a reasonable job offer, a transition support measure and an education allowance;
 - j. advise employees to seek out proposed alternations and submit requests for approval as soon as possible after being informed they will not be receiving a guarantee of a reasonable job offer;
 - k. the Human Resources services available;
 - l. preparation for interviews with prospective employers;
 - m. feedback when an employee is not offered a position for which he or she was referred;
 - n. repeat counselling as long as the individual is entitled to a staffing priority and has not been appointed;
 - o. advising the employee that refusal of a reasonable job offer will jeopardize both chances for retraining and overall employment continuity;

 - p. advising employees of the right to be represented by the Alliance in the application of this appendix; and

 - q. the Employee Assistance Program (EAP).

1.1.35 The home departments or organizations shall ensure that, when it is required to facilitate appointment, a retraining plan is prepared and agreed to in writing by it, the employee and the appointing department or organization.

1.1.36 Severance pay and other benefits flowing from other clauses in this agreement are separate from and in addition to those in this appendix.

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

1.1.38 The department or organization will review the status of each affected employee annually, or earlier, from the date of initial notification of affected status and determine whether the employee will remain on affected status or not.

1.1.39 The department or organization will notify the affected employee in writing, within five (5) working days of the decision pursuant to subsection 1.1.38.

1.2 Treasury Board Secretariat

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

- a. investigate and seek to resolve situations referred by the Public Service Commission or other parties;
 - b. consider departmental or organizational requests for retraining resources;
- and

- c. ensure that departments or organizations are provided to the extent possible with information on occupations for which there are skill shortages.

1.3 Public Service Commission

1.3.1 Within the context of workforce adjustment, and the Public Service Commission governing legislation, it is the responsibility of the Public Service Commission to:

- a. ensure that priority entitlements are respected;
- b. ensure that a means exists for priority persons to be assessed against vacant positions and appointed if found qualified against the essential qualifications of the position;
and
- c. ensure that priority persons are provided with information on their priority entitlements.

1.3.2 The Public Service Commission will, in accordance with the *Privacy Act*:

- a. provide the Treasury Board Secretariat with information related to the administration of priority entitlements which may reflect on departments' or organizations' level of compliance with this appendix;
and
- b. provide information to the Alliance on the numbers and status of their members in the Priority Information Management System, as well as information on the overall system.

1.3.3 The Public Service Commission's roles and responsibilities flow from its governing legislation, not the collective agreement. As such, any changes made to these roles/responsibilities must be agreed upon by the Public Service Commission. For greater detail on the Public Service Commission's role in administering surplus and layoff priority entitlements, refer to Annex C of this appendix.

1.4 Employees

1.4.1 Employees have the right to be represented by the Alliance in the application of this appendix.

1.4.2 Employees who are directly affected by workforce adjustment situations and who receive a guarantee of a reasonable job offer or opt, or are deemed to have opted, for Option 6.4.1(a) of Part VI of this appendix are responsible for:

- a. actively seeking alternative employment in cooperation with their departments or organizations and the Public Service Commission, unless they have advised the department or organization and the Public Service Commission, in writing, that they are not available for appointment;
- b. seeking information about their entitlements and obligations;
- c. providing timely information (including curricula vitae or resumés) to the home department or organization and to the Public Service Commission to assist them in their appointment activities;

- d. ensuring that they can be easily contacted by the Public Service Commission and appointing departments or organizations, and attending appointments related to referrals;
- e. seriously considering job opportunities presented to them (referrals within the home department or organization, referrals from the Public Service Commission, and job offers made by departments or organizations), including retraining and relocation possibilities, specified period appointments and lower-level appointments.

1.4.3 Opting employees are responsible for:

- a. considering the options in Part VI of this appendix;
- b. communicating their choice of options, in writing, to their manager no later than one hundred and twenty (120) days after being declared opting.

Part II: official notification

2.1 Department or organization

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

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2.1.2 In any workforce adjustment situation which is likely to involve ten (10) or more indeterminate employees covered by this appendix, the department or organizations concerned shall notify the Treasury Board Secretariat, in writing and in confidence, at the earliest possible date and under no circumstances less than four (4) working days before the situation is announced.

2.1.3 Prior to notifying any potentially affected employee, departments or organizations shall also notify the National President of the Alliance. Such notification is to be in writing, in confidence and at the earliest possible date and under no circumstances less than two (2) working days before any employee is notified of the workforce adjustment situation.

2.1.4 Such notification will include the identity and location of the work unit(s) involved, the expected date of the announcement, the anticipated timing of the workforce adjustment situation and the number, group and level of the employees who are likely to be affected by the decision.

Part III: relocation of a work unit

3.1 General

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

3.1.2 Following written notification, employees must indicate, within a period of six (6) months, their intention to move. If the employee's intention is not to move with the relocated position, the

deputy head can provide the employee with either a guarantee of a reasonable job offer or access to the options set out in section 6.4 of this appendix.

3.1.3 Employees relocating with their work units shall be treated in accordance with the provisions of 1.1.18 to 1.1.22.

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3.1.4 Although departments or organizations will endeavour to respect employee location preferences, in exceptional circumstances and in consultation with the Treasury Board Secretariat, the deputy head may consider offering a relocated position to an employee in receipt of a guarantee of a reasonable job offer, after having spent as much time as operations permit looking for a reasonable job offer in the employee's location preference area.

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

Part IV: retraining

4.1 General

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

- a. existing vacancies;
- or
- b. anticipated vacancies identified by management.

4.1.2 It is the responsibility of the employee, home department or organization and appointing department or organization to identify retraining opportunities pursuant to subsection 4.1.1.

4.1.3 When a retraining opportunity has been identified, the deputy head of the home department or organization shall approve up to two (2) years of retraining.

4.2 Surplus employees

4.2.1 A surplus employee is eligible for retraining, provided that:

- a. retraining is needed to facilitate the appointment of the individual to a specific vacant position or will enable the individual to qualify for anticipated vacancies in occupations or locations where there is a shortage of qualified candidates; and
- b. there are no other available priority persons who qualify for the position.

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4.2.2 The home department or organization is responsible for ensuring that an appropriate retraining plan is prepared and is agreed to in writing by the employee and the delegated officers of the home and appointing departments or organization. The home department or organization is responsible for informing the employee in a timely fashion if a retraining proposal submitted by

the employee is not approved. Upon request of the employee, feedback regarding the decision, including the reason for not approving the retraining, will be provided in writing.

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4.2.3 Once a retraining plan has been initiated, its continuation and completion are subject to satisfactory performance by the employee. Department or organizations will provide the employee with feedback in writing on the progress of the retraining plan on a regular basis.

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

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

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

4.2.7 In addition to all other rights and benefits granted pursuant to this section, an employee who is guaranteed a reasonable job offer is also guaranteed, subject to the employee's willingness to relocate, training to prepare the surplus employee for appointment to a position pursuant to 4.1.1, such training to continue for one (1) year or until the date of appointment to another position, whichever comes first. Appointment to this position is subject to successful completion of the training.

4.3 Laid-off persons

4.3.1 A laid-off person shall be eligible for retraining, provided that:

- a. retraining is needed to facilitate the appointment of the individual to a specific vacant position;
 - b. the individual meets the minimum requirements set out in the relevant selection standard for appointment to the group concerned;
 - c. there are no other available persons with priority who qualify for the position;
- and

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- d. the appointing department or organization cannot justify, in writing, a decision not to retrain the individual.

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

Part V: salary protection

5.1 Lower-level position

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5.1.1 Surplus employees and laid-off persons appointed to a lower-level position under this appendix shall have their salary and pay equity equalization payments, if any, protected in accordance with the salary protection provisions of this agreement or, in the absence of such provisions, the appropriate provisions of the *Directive on Terms and Conditions of Employment*.

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

Part VI: options for employees

6.1 General

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

6.1.2 Employees who are not in receipt of a guarantee of a reasonable job offer from their deputy head have one hundred and twenty (120) days to consider the three options below before a decision is required of them.

6.1.3 The opting employee must choose, in writing, one (1) of the three (3) options of section 6.4 of this appendix within the one hundred and twenty (120) day window. The employee cannot change options once he or she has made a written choice.

6.1.4 If the employee fails to select an option, the employee will be deemed to have selected Option 6.4.1(a), twelve (12) month surplus priority period in which to secure a reasonable job offer, at the end of the one hundred and twenty (120) day window.

6.1.5 If a reasonable job offer which does not require relocation is made at any time during the one hundred and twenty (120) day opting period and prior to the written acceptance of a transition support measure or education allowance option, the employee is ineligible for the Transition support measure, the pay in lieu of unfulfilled surplus period or the education allowance.

6.1.6 A copy of any letter issued by departments or organizations under this part or notice of layoff pursuant to the *Public Service Employment Act* shall be sent forthwith to the National President of the Alliance.

6.2 Voluntary departure programs

Departments and organizations shall establish voluntary departure programs for all workforce adjustments situations involving five or more affected employees working at the same group and level and in the same work unit. Such programs shall:

- A. Be the subject of meaningful consultation through joint Union-management WFA committees;
- B. Volunteer programs shall not be used to exceed reduction targets. Where reasonably possible, departments and organizations will identify the number of positions for reduction in advance of the voluntary programs commencing;
- C. Take place after affected letters have been delivered to employees;
- D. Take place before the department or organization engages in the SERLO process;
- E. Provide for a minimum of 30 calendar days for employees to decide whether they wish to participate;
- F. Allow employees to select options 6.4.1(B), (C)(i) or (C)(ii);
- G. Provide that when the number of volunteers is larger than the required number of positions to be eliminated, volunteers will be selected based on seniority (total years of service in the public service, whether continuous or discontinuous).

6.3 Alternation

6.3.1 All departments or organizations must participate in the alternation process.

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6.3.2 An alternation occurs when an opting employee or a surplus employee having chosen option 6.4.1(a) who wishes to remain in the core public administration exchanges positions with a non-affected employee (the alternate) willing to leave the core public administration under the terms of Part VI of this appendix.

6.3.3

- a. Only opting and surplus employees who are surplus as a result of having chosen Option 6.4.1(a) may alternate into an indeterminate position that remains in the core public administration.
- b. If an alternation is proposed for a surplus employee, as opposed to an opting employee, the Transition Support Measure that is available to the alternate under option 6.4.1(b) or option 6.4.1(c)(i) shall be reduced by one week for each completed week between the beginning of the employee's surplus priority period and the date the alternation is proposed.

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6.3.4 An indeterminate employee wishing to leave the core public administration may express an interest in alternating with an opting employee or a surplus employee having chosen option 6.4.1(a). Management will decide, however, whether a proposed alternation is likely to result in retention of the skills required to meet the ongoing needs of the position and the core public administration.

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

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6.3.6 The opting employee or surplus employee having chosen option 6.4.1(a) moving into the unaffected position must meet the requirements of the position, including language requirements. The alternate moving into the opting position must meet the requirements of the position except if the alternate will not be performing the duties of the position and the alternate will be struck off strength within five (5) days of the alternation.

6.3.7 An alternation should normally occur between employees at the same group and level. When the two (2) positions are not in the same group and at the same level, alternation can still occur when the positions can be considered equivalent. They are considered equivalent when the maximum rate of pay for the higher-paid position is no more than six-per-cent (6%) higher than the maximum rate of pay for the lower-paid position.

6.3.8 An alternation must occur on a given date, that is, the two (2) employees must directly exchange positions on the same day. There is no provision in alternation for a “domino” effect or for “future considerations.”

For clarity, the alternation will not be denied solely as a result of untimely administrative processes.

6.4 Options

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

- a.
 - i. Twelve (12) month surplus priority period in which to secure a reasonable job offer. It is time-limited. Should a reasonable job offer not be made within a period of twelve (12) months, the employee will be laid off in accordance with the *Public Service Employment Act*. Employees who choose or are deemed to have chosen this option are surplus employees.
 - ii. At the request of the employee, this twelve (12) month surplus priority period shall be extended by the unused portion of the one hundred and twenty (120) day opting period referred to in 6.1.2 which remains once the employee has selected in writing Option 6.4.1(a).
 - iii. When a surplus employee who has chosen or is deemed to have chosen Option 6.4.1(a) offers to resign before the end of the twelve (12) month surplus priority period, the deputy head may authorize a lump-sum payment equal to the surplus employee’s regular pay for the balance of the surplus period, up to a maximum of six (6) months. The amount of the lump-sum payment for the pay

in lieu cannot exceed the maximum of what he or she would have received had he or she chosen Option 6.4.1(b), the transition support measure.

- iv. Departments or organizations will make every reasonable effort to market a surplus employee within the employee's surplus period within his or her preferred area of mobility.

- b. Transition support measure is a lump-sum payment, based on the employee's years of service in the public service (see Annex B), made to an opting employee. Employees choosing this option must resign but will be considered to be laid off for purposes of severance pay. The Transition support measure shall be paid in one (1) or two (2) lump-sum amounts over a maximum two (2) year period.
or

- c. Education allowance is a transition support measure (see Option 6.4.1(b) above) plus an amount of not more than seventeen thousand dollars (\$17,000) 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 6.4.1(c) could either:
 - i. resign from the core public administration but be considered to be laid off for severance pay purposes on the date of their departure;
or
 - ii. delay their departure date and go on leave without pay for a maximum period of two (2) years while attending the learning institution. The transition support measure shall be paid in one (1) or two (2) lump-sum amounts over a maximum two (2) year period. During this period, employees could continue to be public service benefit plan members and contribute both employer and employee shares to the benefits plans and the Public Service Superannuation Plan. At the end of the two (2) year leave without pay period, unless the employee has found alternative employment in the core public administration, the employee will be laid off in accordance with the *Public Service Employment Act*.

6.4.2 Management will establish the departure date of opting employees who choose Option 6.4.1(b) or Option 6.4.1(c) above.

6.4.3 The transition support measure, pay in lieu of unfulfilled surplus period, and the education allowance cannot be combined with any other payment under the workforce adjustment Appendix.

6.4.4 In cases of pay in lieu of unfulfilled surplus period, Option 6.4.1(b) and Option 6.4.1(c)(i), the employee relinquishes any priority rights for reappointment upon the Employer's acceptance of his or her resignation.

6.4.5 Employees choosing Option 6.4.1(c)(ii) who have not provided their department or organization with a proof of registration from a learning institution twelve (12) months after starting their leave without pay period will be deemed to have resigned from the core public administration and be considered to be laid off for purposes of severance pay.

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6.4.6 All opting employees will be entitled to up to one thousand two hundred dollars (\$1,200) towards counselling services in respect of their potential re-employment or retirement. Such counselling services may include financial and job placement counselling services.

6.4.7 A person who has received a transition support measure, pay in lieu of unfulfilled surplus period, or an education allowance, and is reappointed to the public service shall reimburse the Receiver General for Canada an amount corresponding to the period from the effective date of such reappointment or hiring to the end of the original period for which the transition support measure or education allowance was paid.

6.4.8 Notwithstanding 6.4.7, an opting employee who has received an education allowance will not be required to reimburse tuition expenses and costs of books and mandatory equipment for which he or she cannot get a refund.

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

6.4.10 If a surplus employee who has chosen or is deemed to have chosen Option 6.4.1(a) refuses a reasonable job offer at any time during the twelve (12) month surplus priority period, the employee is ineligible for pay in lieu of unfulfilled surplus period.

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

6.5 Retention payment

6.5.1 There are three (3) situations in which an employee may be eligible to receive a retention payment. These are total facility closures, relocation of work units and alternative delivery initiatives.

6.5.2 All employees accepting retention payments must agree to leave the core public administration without priority rights.

6.5.3 An individual who has received a retention payment and, as applicable, either is reappointed to that portion of the core public administration specified from time to time in Schedules I and IV of the *Financial Administration Act* or is hired by the new employer within the six (6) months immediately following his or her resignation shall reimburse the Receiver General for Canada an amount corresponding to the period from the effective date of such reappointment or hiring to the end of the original period for which the lump sum was paid.

6.5.4 The provisions of 6.5.5 shall apply in total facility closures where public service jobs are to cease and:

- a. such jobs are in remote areas of the country;
or
- b. retraining and relocation costs are prohibitive;
or

- c. prospects of reasonable alternative local employment (whether within or outside the core public administration) are poor.

6.5.5 Subject to 6.5.4, the deputy head shall pay to each employee who is asked to remain until closure of the work unit and offers a resignation from the core public administration to take effect on that closure date, a sum equivalent to six (6) months' pay payable on the day on which the departmental or organizational operation ceases, provided the employee has not separated prematurely.

6.5.6 The provisions of 6.5.7 shall apply in relocation of work units where core public administration work units:

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

6.5.7 Subject to 6.5.6, the deputy head shall pay to each employee who is asked to remain until the relocation of the work unit and who offers a resignation from the core public administration to take effect on the relocation date, a sum equivalent to six (6) months' pay payable on the day on which the departmental or organizational operation relocates, provided the employee has not separated prematurely.

6.5.8 The provisions of 6.5.9 shall apply in alternative delivery initiatives:

- a. where the core public administration work units are affected by alternative delivery initiatives;
- b. when the deputy head of the home department or organization decides that, compared to other options, it is preferable that certain employees be encouraged to stay in their jobs until the day of the transfer to the new employer;
and
- c. where the employee has not received a job offer from the new employer or has received an offer and did not accept it.

6.5.9 Subject to 6.5.8, the deputy head shall pay to each employee who is asked to remain until the transfer date and who offers a resignation from the core public administration to take effect on the transfer date, a sum equivalent to six (6) months' pay payable upon the transfer date, provided the employee has not separated prematurely.

Part VII: special provisions regarding alternative delivery initiatives

Preamble

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

- a. fair and reasonable treatment of employees;

- b. value for money and affordability;
and
- c. maximization of employment opportunities for employees.

7.1 Definitions

For the purposes of this part, an **alternative delivery initiative** (diversification des modes de prestation des services) is the transfer of any work, undertaking or business of the core public administration to any body or corporation that is a separate agency or that is outside the core public administration.

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

For the purposes of this part, a **termination of employment** (licenciement de l'employé-e) is the termination of employment referred to in paragraph 12(1)(f.1) of the *Financial Administration Act*.

7.2 General

Departments or organizations will, as soon as possible after the decision is made to proceed with an alternative delivery initiative (ADI), and if possible, not less than one hundred and eighty (180) days prior to the date of transfer, provide notice to the Alliance component(s) of its intention.

The notice to the Alliance component(s) will include:

- a. the program being considered for ADI;
- b. the reason for the ADI;
and
- c. the type of approach anticipated for the initiative.

A joint Workforce Adjustment-Alternative Delivery Initiative (WFA-ADI) committee will be created for ADI and will have equal representation from the department or organization and the component(s). By mutual agreement, the committee may include other participants. The joint WFA-ADI committee will define the rules of conduct of the committee.

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

1. Commercialization

In cases of commercialization where tendering will be part of the process, the members of the joint WFA-ADI committee shall make every reasonable effort to come to an agreement on the criteria related to human resources issues (for example, terms and conditions of employment, pension and health care benefits, the take-up number of employees) to be included in the request for proposal process. The committee will respect the contracting rules of the federal government.

2. Creation of a new agency

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

3. Transfer to existing employers

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

In cases of commercialization and the creation of new agencies, consultation opportunities will be given to the component(s); however, in the event that agreements are not possible, the department may still proceed with the transfer.

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

7.2.2 There are three (3) types of transitional employment arrangements resulting from alternative delivery initiatives:

a. Type 1, full continuity

Type 1 arrangements meet all of the following criteria:

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- i. legislated successor rights apply; specific conditions for successor rights applications will be determined by the labour legislation governing the new employer;
- ii. the *Directive on Terms and Conditions of Employment*, the terms of the collective agreement referred to therein and/or the applicable compensation plan will continue to apply to unrepresented and excluded employees until modified by the new employer or by the Federal Public Sector Labour Relations and Employment Board (FPSLREB) pursuant to a successor rights application;
- iii. recognition of continuous employment, as defined in the *Directive on Terms and Conditions of Employment*, for purposes of determining the employee's entitlements under the collective agreement continued due to the application of successor rights;
- iv. pension arrangements according to the Statement of Pension Principles set out in Annex A or, in cases where the test of reasonableness set out in that Statement is not met, payment of a lump sum to employees pursuant to 7.7.3;
- v. transitional employment guarantee: a two (2) year minimum employment guarantee with the new employer;

- vi. coverage in each of the following core benefits: health benefits, long-term disability insurance (LTDI) and dental plan;
- vii. short-term disability bridging: recognition of the employee's earned but unused sick leave credits up to the maximum of the new employer's LTDI waiting period.

b. Type 2, substantial continuity

Type 2 arrangements meet all of the following criteria:

- i. the average new hourly salary offered by the new employer (= rate of pay + equal pay adjustments + supervisory differential) for the group moving is eighty-five per cent (85%) or greater of the group's current federal hourly remuneration (= pay + equal pay adjustments + supervisory differential) when the hours of work are the same;
- ii. the average annual salary of the new employer (= rate of pay + equal pay adjustments + supervisory differential) for the group moving is eighty-five per cent (85%) or greater of federal annual remuneration (= per cent or greater of federal annual remuneration (= pay + equal pay adjustments + supervisory differential) when the hours of work are different;
- iii. pension arrangements according to the Statement of Pension Principles as set out in Annex A or, in cases where the test of reasonableness set out in that Statement is not met, payment of a lump sum to employees pursuant to 7.7.3;
- iv. transitional employment guarantee: employment tenure equivalent to that of the permanent workforce in receiving organizations or a two (2) year minimum employment guarantee;
- v. coverage in each area of the following core benefits: health benefits, long-term disability insurance (LTDI) and dental plan;
- vi. short-term disability arrangement.

c. Type 3, lesser continuity

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

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

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

7.3 Responsibilities

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

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

7.4 Notice of alternative delivery initiatives

7.4.1 Where alternative delivery initiatives are being undertaken, departments or organizations shall provide written notice to all employees offered employment by the new employer, giving them the opportunity to choose whether or not they wish to accept the offer.

7.4.2 Following written notification, employees must indicate within a period of sixty (60) days their intention to accept the employment offer, except in the case of Type 3 arrangements, where home departments or organizations may specify a period shorter than sixty (60) days, but not less than thirty (30) days.

7.5 Job offers from new employers

7.5.1 Employees subject to this appendix (see Application) and who do not accept the reasonable job offer from the new employer in the case of Type 1 or Type 2 transitional employment arrangements will be given four (4) months' notice of termination of employment and their employment will be terminated at the end of that period or on a mutually agreed-upon date before the end of the four (4) month notice period, except where the employee was unaware of the offer or incapable of indicating an acceptance of the offer.

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

7.5.3 Employees who do not accept a job offer from the new employer in the case of Type 3 transitional employment arrangements may be declared opting or surplus by the deputy head in accordance with the provisions of the other parts of this appendix.

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

7.6 Application of other provisions of the appendix

7.6.1 For greater certainty, the provisions of Part II, Official Notification, and section 6.5, Retention Payment, will apply in the case of an employee who refuses an offer of employment in the case of a Type 1 or Type 2 transitional employment arrangement. A payment under section 6.5 may not be combined with a payment under the other section.

7.7 Lump-sum payments and salary top-up allowances

7.7.1 Employees who are subject to this appendix (see application) and who accept the offer of employment from the new employer in the case of Type 2 transitional employment arrangements will receive a sum equivalent to three (3) months' pay, payable on the day on which the departmental or organizational work or function is transferred to the new employer. The home

department or organization will also pay these employees an eighteen (18) month salary top-up allowance equivalent to the difference between the remuneration applicable to their core public administration position and the salary applicable to their position with the new employer. This allowance will be paid as a lump sum, payable on the day on which the departmental or organizational work or function is transferred to the new employer.

7.7.2 In the case of individuals who accept an offer of employment from the new employer in the case of a Type 2 arrangement and whose new hourly or annual salary falls below eighty per cent (80%) of their former federal hourly or annual remuneration, departments or organizations will pay an additional six (6) months of salary top-up allowance for a total of twenty-four (24) months under this section and 7.7.1. The salary top-up allowance equivalent to the difference between the remuneration applicable to their core public administration position and the salary applicable to their position with the new employer will be paid as a lump sum, payable on the day on which the departmental or organizational work or function is transferred to the new employer.

7.7.3 Employees who accept the reasonable job offer from the successor employer in the case of Type 1 or Type 2 transitional employment arrangements where the test of reasonableness referred to in the Statement of Pension Principles set out in Annex A is not met, that is, where the actuarial value (cost) of the new employer's pension arrangements is less than six decimal five per cent (6.5%) of pensionable payroll (excluding the employer's costs related to the administration of the plan), will receive a sum equivalent to three (3) months' pay, payable on the day on which the departmental or organizational work or function is transferred to the new employer.

7.7.4 Employees who accept an offer of employment from the new employer in the case of Type 3 transitional employment arrangements will receive a sum equivalent to six (6) months' pay, payable on the day on which the departmental or organizational work or function is transferred to the new employer. The home department or organization will also pay these employees a twelve (12) month salary top-up allowance equivalent to the difference between the remuneration applicable to their core public administration position and the salary applicable to their position with the new employer. The allowance will be paid as a lump sum, payable on the day on which the departmental or organizational work or function is transferred to the new employer. The total of the lump-sum payment and the salary top-up allowance provided under this section will not exceed an amount equivalent to one (1) year's pay.

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

7.8 Reimbursement

7.8.1 An individual who receives a lump-sum payment and salary top-up allowance pursuant to 7.7.1, 7.7.2, 7.7.3 or 7.7.4 and who is reappointed to that portion of the core public administration specified from time to time in Schedules I and IV of the *Financial Administration Act* at any point during the period covered by the total of the lump-sum payment and salary top-up allowance, if any, shall reimburse the Receiver General for Canada an amount corresponding to the period from the effective date of reappointment to the end of the original period covered by the total of the lump-sum payment and salary top-up allowance, if any.

7.8.2 An individual who receives a lump-sum payment pursuant to 7.6.1 and, as applicable, is either reappointed to that portion of the core public administration specified from time to time in Schedules I and IV of the *Financial Administration Act* or hired by the new employer at any point covered by the lump-sum payment, shall reimburse the Receiver General for Canada an amount corresponding to the period from the effective date of the reappointment or hiring to the end of the original period covered by the lump-sum payment.

7.9 Vacation leave credits and severance pay

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

7.9.2 Notwithstanding the provisions of this agreement concerning severance pay, an employee who accepts a reasonable job offer pursuant to this Part will not be paid severance pay where successor rights apply and/or, in the case of a Type 2 transitional employment arrangement, when the new employer recognizes the employee's years of continuous employment in the public service for severance pay purposes and provides severance pay entitlements similar to the employee's severance pay entitlements at the time of the transfer.

However, an employee who has a severance termination benefit entitlement under the terms of Article 63.05(b) or (c) of Appendix L shall be paid this entitlement at the time of transfer.

7.9.3 Where:

- a. the conditions set out in 7.9.2 are not met,
- b. the severance provisions of this agreement are extracted from this agreement prior to the date of transfer to another non-federal public sector employer,
- c. the employment of an employee is terminated pursuant to the terms of 7.5.1,
or
- d. the employment of an employee who accepts a job offer from the new employer in a Type 3 transitional employment arrangement is terminated on the transfer of the function to the new employer,

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

Annex A: statement of pension principles

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

Annex B

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

Years of service in the public service	Transition Support Measure (TSM) (payment in weeks' pay)
38	25
39	22
40	19
41	16
42	13
43	10
44	07
45	04

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

Severance pay provisions of this agreement are in addition to the transition support measure.

Annex C: role of Public Service Commission in administering surplus and layoff priority entitlements

1. The Public Service Commission will refer surplus employees and laid-off persons to positions, in all departments, organizations and agencies governed by the *Public Service Employment Act*, for which they are potentially qualified for the essential qualifications, unless the individuals have advised the Public Service Commission and their home departments or organizations in writing that they are not available for appointment. The Public Service Commission will further ensure that entitlements are respected and that priority persons are fairly and properly assessed.
2. The Public Service Commission, acting in accordance with the *Privacy Act*, will provide the Treasury Board Secretariat with information related to the administration of priority entitlements which may reflect on departments' or organizations' and agencies' level of compliance with this appendix.
3. The Public Service Commission will provide surplus and laid-off persons with information on their priority entitlements.
4. The Public Service Commission will, in accordance with the *Privacy Act*, provide information to the Alliance on the numbers and status of their members who are in the Priority Information Management System and, on a service-wide basis.
5. The Public Service Commission will ensure that a reinstatement priority is given to all employees who are appointed to a position at a lower level.
6. The Public Service Commission will, in accordance with the *Privacy Act*, provide information to the Employer, departments or organizations and/or the Alliance on referrals of surplus employees and laid-off persons in order to ensure that the priority entitlements are respected.

Public Service Commission “[Guide to the Priority Information Management System.](#)”