

ITEM	15
MANAGER'S REPORT NO.	60
COUNCIL MEETING	Sept. 27/76

Re: HEALTH AND WELFARE BENEFITS - LOCAL 23, C.U.P.E. AGREEMENTS

Following is a report from the Personnel Director dated September 24, 1976 pertaining to Health and Welfare Benefits - Local 23, C.U.P.E. Agreements. The Municipal Manager was actively involved in the discussions with the Municipal Treasurer and Personnel Director and concurs with the recommendations.

RECOMMENDATIONS:

1. THAT the attached agreement to amend the Local 23 Union Agreements in respect to the Health and Welfare Benefits be approved; and
2. THAT the Mayor and Clerk be authorized to sign the agreements.

* * * *

TO: MUNICIPAL MANAGER

DATE: September 24, 1976

FROM: PERSONNEL DIRECTOR

RE: HEALTH AND WELFARE BENEFITS - LOCAL 23, C.U.P.E. AGREEMENTS

Attached is a copy of a proposed agreement to amend the Union Agreements with the Inside, Outside and Foremen employees with respect to Health and Welfare Benefits. A similar amendment agreement is being recommended to the Burnaby Public Library Board respecting the Library employees.

The proposed agreement rearranges the Health and Welfare Benefits Sections of the Union Agreements to implement changes arising from the 1975/76 negotiations, as follows:

1. The Burnaby Firefighters negotiated approximate parity with the Vancouver Firefighters in 1975. This resulted in a withdrawal of their group from the "pooled funds" concept for the sick leave benefits and the introduction of accounting for the firefighter members of the Benefit Society, separate from the Local 23 and Exempt members.
2. For Local 23 and Exempt employees, the Corporation agreed to an additional contribution of 0.65% of salary to the sick leave plan as a part of the 1975/76 settlement. The Corporation also offered these employees 0.2% of salary in lieu of coverage for dentures at 90%, since M.S.A. (the new carrier designated by the Corporation) could not provide this coverage. In addition to the above, the Unemployment Insurance Commission has been making annual rebates to the Corporation because our sick leave plan provides coverage that would otherwise be provided under Unemployment Insurance. The employee portion of these rebates is required to be paid to the employee's benefit, in accordance with the U.I.C. regulations.

These three sources of funds, amounting to approximately 1% of salary, are utilized in the proposed plan to pay for sick leave absences from the third to the 17th week of duration, described in the plan as "Medium Term Sick Leave". This period of sick leave coincides with the period required to be covered under U.I.C. regulations in order to qualify for rebates.

3. This will result in a similar sick leave plan for all Municipal employees, which will be divided into Short Term (first 2 weeks), Medium Term (3rd to 17th week) and Long Term (sick leave over 17 weeks). All employees will pay the full cost of Short Term Sick Leave. The cost of Medium Term Sick Leave

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is paid for by the Corporation without limit for the firefighters, while such leave for the Local 23 and Exempt employees is paid from the funds described in Item 2 above. The cost of Long Term Sick Leave continues to be paid by the Corporation in all cases, although for the firefighters it will be at 100% of regular pay, while for the remaining employees it will be at 85% of regular pay, as established under the current Agreements.

- 4. The Benefit Society membership will be divided into three divisions in respect to the funding and administration of sick leave benefits, approximately as follows:

Firefighters	193
Local 23 members	650
Exempt	70

The Benefit Society will have less responsibility for setting the rates of sick leave benefit and premiums since these are fixed or limited in certain ways by each of the agreements. The Society will continue to have responsibility for administrative control, approvals, appeals and related interpretations, and the administration of coverage for Death and Disability Benefits.

- 5. In summary, the revised plan is a re-arrangement to utilize existing negotiated accumulated funds. It does not constitute an increase in compensation to the Local 23 employees that would in any way conflict with the A.I.B. guidelines because the negotiations for the source of funds were concluded in early 1975. The delay in getting the new plan on stream has resulted in an accumulation of reserve funds which will get the Medium Term Sick Leave off to a healthy start. In addition, there are clauses in the agreement that protect the employer from costs in excess of those negotiated.
- 6. The provisions of the revised agreement have been prepared and reviewed with the Local 23 representatives over the past many months. The Personnel Director and the Municipal Treasurer have had primary responsibility in working out the details of the new plan. The amendment agreement outlining the changes, as attached, has been recommended, adopted and signed by the Local 23 Union representatives.

RECOMMENDATION:

That the attached agreement to amend the Local 23 Union Agreements in respect to the Health and Welfare Benefits be approved.

That the Mayor and Clerk be authorized to sign the agreements.

D. F. Hicks
D. F. Hicks
PERSONNEL DIRECTOR

DFH:mg

Attach.

AMENDMENT AGREEMENT

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THIS AGREEMENT MADE THE 22nd DAY OF SEPTEMBER IN THE YEAR ONE THOUSAND NINE HUNDRED AND SEVENTY SIX.

BETWEEN: THE CORPORATION OF THE DISTRICT OF BURNABY
(hereinafter called the "Corporation") Of the First Part

AND: THE CANADIAN UNION OF PUBLIC EMPLOYEES,
LOCAL 23, ON BEHALF OF THE INSIDE WORKERS'
DIVISION, OUTSIDE WORKERS' DIVISION, AND
FOREMEN
(hereinafter called the "Union") Of the Second Part

WHEREAS:

- (a) Pursuant to Section 11(e) of the 1975-76 Union Agreement, the Corporation has agreed to provide coverage for prosthetic appliances (dental plates) at 90%; OR, alternatively has agreed to provide coverage at the rate of 60% plus a payment of 0.2% of the basic wage and salary cost of the covered employees in lieu of such reduced denture coverage, effective January 1, 1976; and
- (b) Pursuant to the 1975-76 Union Agreement, the Corporation has agreed to an additional contribution of 0.65% of the basic wage and salary payroll cost of the employees covered by the Municipal Benefit Society to be applied to reduce the employee contribution to the cost of employee sick benefits, effective January 1, 1976; and
- (c) There is a rebate of Unemployment Insurance contributions, on an annual basis, the employee portion of which is to be paid to the benefit of the employees;

THE PARTIES AGREE THAT SECTION 11 OF THE UNION AGREEMENT SHALL BE AMENDED TO READ AS FOLLOWS:

"11. HEALTH AND WELFARE BENEFITS:

11.10 Medical Services Plan

Probationary and permanent employees shall be entitled to be covered under the Medical Services Plan commencing the 1st day of the calendar month following the date of employment. The Corporation shall pay 100% of the premiums required by the plan.

11.20 Dental Services Plan

11.21 Permanent employees shall be entitled to enroll in the Dental Services Plan the 1st day of the calendar month following the date of permanent employment. A spouse and dependent children to age 21 may be covered.

11.22 Enrollment coverage shall include a dependent child who is over 21 and attending a recognized school or college and who is claimed as a dependent for income tax purposes.

11.23 The Dental Services Plan shall cover:

90% for Plan "A" (diagnosis, prevention, surgery, restorations, denture repairs, endodontics and gum treatment), and

60% for Plan "B" (crowns, bridges and partial or complete dentures). Coverage of dentures at 60% shall commence January 1, 1976.

11.24 The Corporation shall pay 100% of the premiums required for the plan.

11.30 Extended Health Benefits

Permanent employees shall be entitled to enroll in an Extended Health Benefit Plan the 1st day of the calendar month following the date of permanent employment.

The plan will reimburse employees at the rate of 80% of insured eligible expenses after a deductible of \$25. per family per year.

The Extended Health Benefit Plan shall include the Eye Glass Option, effective June 1, 1976 (expenses incurred relative to the purchase of lenses and frames or contact lenses may be claimed up to the amount of \$50.00 per covered person per 24 month period).

The Corporation shall pay 100% of the premiums required for the plan.

11.40 Burnaby Municipal Benefit Society

Probationary and permanent employees shall become members of the Burnaby Municipal Benefit Society (hereinafter referred to as the "Society") after three (3) months' employment, as a condition of remaining and continuing in such employment, and shall be covered for sick leave benefits and death and disability benefits as outlined hereinafter in this Agreement.

The sick leave benefits and death and disability benefits shall be administered by the Directors of the Society in accordance with the Constitution and By-Laws of the Society, and this Agreement.

11.50 Sick Leave Benefits

11.51 Short Term Sick Leave

- (1) Subject to Section 11.52 (4), Short Term Sick Leave shall mean the first two weeks of each sick leave absence.
- (2) The rates of benefits, premiums, penalties and incentives for Short Term Sick Leave shall be based on one accounting system for the members of the Society who are covered by the Inside, Outside, Foremen and Library Employees' Union Agreements, (hereinafter referred to as the "Local 23 members") considered as one group separate and apart from all other members of the Benefit Society.
- (3) The rates of benefits and premiums for Short Term Sick Leave shall be determined by the Directors of the Society. The present rate of Short Term Sick Leave benefit is 85% of "after tax" salary, approximating regular take-home pay. The present rate of premium is 3.26% of the benefit rate, or approximately 2.3% of regular salary.
- (4) An incentive plan shall be established by the Directors of the Society for the Local 23 members based on a premium structure, or premium refund system, that will achieve a low annual premium cost for those members with little or no sick leave. The Local 23 representatives may recommend to the Directors on the form of incentive plan.
- (5) Employees shall pay 100% of the premium required for Short Term Sick Leave. Such premium shall be deducted from the employee's bi-weekly salary and remitted to the Society.

11.52 Medium Term Sick Leave

- (1) Medium Term Sick Leave shall mean each sick leave absence in excess of Short Term Sick Leave which continues for any period up to and including the 17th week.
- (2) Effective January 1, 1976, the Corporation shall establish a fund made up of:
 - (i) A bi-weekly payment of 0.65% of the basic wage and salary payroll cost of the Local 23 members covered by the sick leave benefit plan;
 - (ii) A bi-weekly payment of the Local 23 members' share of the Corporation's rebate of Unemployment Insurance premiums resulting from sick leave coverage;
 - (iii) A bi-weekly payment of 0.2% of the basic wage and salary payroll cost of the Local 23 members covered by the sick leave benefit plan less the cost of the eye glass option referred to in Section 11.30 above.
- (3) From this fund the Corporation shall pay Medium Term Sick Leave benefits at a minimum rate of 85% of regular gross salary, commencing Sept. 17, 1976 or as soon as practicable thereafter.
- (4) In the event that the Medium Term Sick Leave fund becomes depleted, the Directors of the Society shall increase the Short Term Sick Leave pursuant to 11.51(1) above, for a period of time to be determined by the Directors.

Notwithstanding the provisions of this section, if at any time the fund established under Section 11.52(2) becomes insufficient to make payments as required, the Society shall, on demand, pay over to the Treasurer of the Corporation sufficient funds from the reserves of the Society to meet the sum required and shall continue to do so until the fund becomes sufficient to meet its obligations. These funds shall be considered as an advance, and shall be repaid to the Society as soon as possible, as determined by the Treasurer of the Corporation.

- (5) In the event that the Medium Term Sick Leave Fund becomes excessive, the Directors may increase the rate of Medium Term Sick Leave benefits to a rate in excess of 85% of regular gross salary.
- (6) When an employee draws less than 15 weeks of Medium Term Sick Leave benefits in continuous absence and returns to work and suffers a further sick leave absence within one month of returning to work, entitlement shall be Short Term Sick Leave Benefits plus the unused portion of Medium Term Sick Leave.
- (7) An employee who has received the full amount of 15 weeks of Medium Term Sick Leave shall not be entitled to a further Medium Term Sick Leave until the employee has returned to work for a continuous period of one month. However, such employee shall be entitled to Long Term Sick Leave, as outlined below.

11.53 Long Term Sick Leave

- (1) Long Term Sick Leave shall mean any sick leave absence in excess of entitlement to Short Term and Medium Term Sick Leave.
- (2) Entitlement to Long Term Sick Leave shall be based on an accumulation or accrual of 6 weeks' credit for each calendar year of probationary and permanent service retroactive to and including the year 1969.
- (3) Long Term Sick Leave shall accumulate to a maximum of 52 weeks (in addition to Short Term and Medium Term Sick Leave). The entitlement to Long Term Sick Leave shall be reduced by the number of weeks of Long Term Sick Leave previously used by the employee during the period of accumulation or accrual.
- (4) The benefit rate for Long Term Sick Leave shall be 85% of regular gross salary.
- (5) The cost of Long Term Sick Leave shall be paid 100% by the Corporation.

11.54 Certification of Disability

The Corporation or the Society may require an employee to provide written confirmation or certification at any time of the employee's disability or incapacity to work, or continuing incapacity to work, and the date when the employee is expected to be able to return to regular duties on a full or part-time basis. Such confirmation may be required in the form of a statement from the employee's physician, the Medical Consultants of the Corporation or the Society, or the Employee Nurse.

- 11.55 Employees who are able to return to their regular duties on a part-time basis shall be considered to be on one absence for the purposes of the plan and shall have a reduction of sick leave entitlement credits, calculated on a pro rata basis.

11.60 Death and Disability Plan

Permanent employees shall be entitled to death and total disability benefits, as provided under the By-Laws of the Society, generally described as follows.

- 11.61 Two times the annual salary to age 60 to a maximum of \$25,000.

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- 11.62 One times the annual salary, after age 60 until retirement on Municipal Superannuation, or at age 65, whichever the earlier, to a maximum of \$25,000.
- 11.63 Death benefit only at \$1,000. after retirement on Municipal Superannuation, or at age 65, whichever the earlier, continuing until 70 years of age, and reducing to \$500. after age 70.
- 11.64 The annual salary referred to above shall be calculated on the salary rate as of December of the previous year, to the nearest upper \$500.
- 11.65 The Corporation shall pay 100% of the premiums required by the Society for the death and disability benefit plan.

Unless otherwise noted, any changes in the existing Health and Welfare Benefit Plan shall be implemented as soon as practicable after September 17, 1976.

IN WITNESS WHEREOF the Corporation has caused these presents to be sealed with its Corporate Seal and signed by its proper officials on its behalf, and the Union has caused these presents to be executed under the hands of its proper officers duly authorized in that behalf as of the day and year first above written.

THE CORPORATION OF THE DISTRICT
OF BURNABY

MAYOR

CLERK

CANADIAN UNION OF PUBLIC EMPLOYEES,
LOCAL 23 (Burnaby Civic Employees)
on behalf of its INSIDE WORKERS'
DIVISION, OUTSIDE WORKERS' DIVISION,
AND FOREMEN EMPLOYEES

J. V. McClain

CHAIRMAN, INSIDE DIVISION, LOCAL 23

J. W. Mrowlak

CHAIRMAN, OUTSIDE DIVISION, LOCAL 23

J. E. Houston

CHAIRMAN, FOREMEN'S DIVISION, LOCAL 23

[Signature]

PRESIDENT, LOCAL 23

[Signature]

SECRETARY, LOCAL 23