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2013: B14

MEMORANDUM TO: Directors of Education
Secretary/Treasurers of School Authorities

FROM: Gabriel F. Sékaly
Assistant Deputy Minister
Elementary/Secondary Business and Finance Division

Tim Hadwen
Assistant Deputy Minister (Acting)
Education Labour Relations

DATE: June 18, 2013

SUBJECT: Implications of the Updated MOU with AEFO

On August 9, 2012, the Government signed a memorandum of understanding (MOU) with l'Association des enseignantes et des enseignants franco-ontariens (AEFO) as a framework to guide local bargaining for 2012-2014. On June 12, 2013, AEFO and the Government agreed to an update of the MOU. For the updated AEFO MOU, as well as the MOU from August, 2012, please refer to the Ministry website:

<http://www.edu.gov.on.ca/eng/studentFirst.html>.

As noted in previous correspondence, the provisions of the collective agreements established under the *Putting Students First Act, 2012 (PSFA)* and the *Education Act* continue in force over the two-year term of the labour framework.

We are writing today to advise you of the steps, both regulatory and otherwise, that the Government is taking to facilitate the implementation of AEFO's updated MOU, including the modification of current collective agreements at the board level.

A. AEFO LOCAL DISCUSSIONS

Provisions in the updated AEFO MOU are to be appended to, and form part of, the existing local collective agreement without amendment, through agreement of the local unions and their respective school boards.

Where changes in the updated MOU are also noted as needing local discussion, such discussions should begin immediately for conclusion by June 28, 2013. There should be a maximum of six full days of discussion for each bargaining unit, with timing subject to adjustment with the mutual consent of both parties.

The inclusion of provincial items in local agreements should be done as soon as possible and need not wait for local discussion, which should occur separately.

Some of the actions described herein must be implemented by the making of regulations.

It should be noted that regulations to effect the agreement have not yet been made. The information in this memorandum is provided in the absence of such regulations.

The Minister will recommend such regulations.

As mentioned in previous correspondence, we expect that boards will largely be able to implement the MOU within their existing funding envelopes. At the same time, the Ministry does intend to support the boards through that process and will be monitoring the MOU's implementation closely. Moving expeditiously to incorporate the updated AEFO MOU into local agreements will allow us to move forward with important discussions on the vision for the next bargaining framework.

B. CHANGES BASED ON AEFO'S UPDATED MOU

1. Maternity Leave

Effective May 1, 2013, a teacher who was previously entitled to maternity benefits under the 2008-2012 collective agreement will continue to be entitled to those benefits. In addition, these benefits are also available to teachers hired in a term position or filling a long-term assignment, with the length of the benefit limited by the term of the assignment. Teachers on daily casual assignments are not entitled to maternity benefits.

Also effective on May 1, 2013, maternity benefits for eligible teachers will be guaranteed at 100% of salary for a total of not less than 8 weeks. Where part, or all, of the 8 weeks falls during a period of time that is not paid (for example, summer, March break), the balance of the 8-weeks entitlement resumes after that period.

The local bargaining unit can choose to replace the 8 weeks of maternity benefits with 6 weeks of maternity benefits at 100% of salary to permit the meshing of benefits with any superior entitlements to maternity benefits contained in the 2008-2012 collective agreement.

2. Voluntary Unpaid Leave Of Absence Program (VLAP)

(SUBJECT TO LOCAL DISCUSSION)

A voluntary unpaid leave of absence program (VLAP) is to be in place for all AEFO bargaining units, as of June 12, 2013. Under VLAP, teachers may apply for up to 5 unpaid days for personal reasons in each year of the current collective agreement. These requests should not be denied, provided that the request follows the conditions for elementary and secondary teachers laid out in the 2013 AEFO MOU. For pension contribution purposes, voluntary unpaid leaves are to be reported as approved leaves. Boards are to provide AEFO bargaining units with details of VLAP applications and approvals on a monthly basis, with all net savings being applied as offsetting measures for unpaid days (see immediately below).

3. Unpaid Days

(SUBJECT TO LOCAL DISCUSSION)

All permanent regular day-school teachers are required to take a minimum of one unpaid professional development (PD) day on Friday, December 20, 2013. Offsetting measures will be permitted to reduce the number of additional unpaid days that permanent teachers are required to take in 2013-14. In cases where the savings from these measures exceed the amount needed to offset unpaid days, such savings will be retained by school boards.

By using offsetting measures, such as voluntary unpaid leave, permanent teachers will no longer be required to take October 11, 2013, as an unpaid day. This PD day will be reserved for the delivery of Ministry priorities. Recognizing the importance of professional development for Ministry priorities, the Government will work with boards to re-allocate existing provincial and board PD funds to cover the first 16% of the funding needed for boards to offset the cost of a PD day. Further information on this item will be shared with boards in the coming weeks.

If the projected savings from voluntary unpaid leave and PD day efficiencies fall short of covering the cost of one of the unpaid days, an Early Retirement Incentive Plan (ERIP) should be introduced as a further offsetting measure. It should be noted that boards have the discretion of introducing ERIP even if their offsetting measures exceed the cost of one unpaid day. For further details on the structure of the ERIP, please see the relevant section of the 2013 AEFO MOU. It should also be noted that other cost savings measures can be introduced if agreed to by both parties.

In the event that these offsetting measures do not cover the remaining cost of the October 11th PD day, the Government agrees to make up the funding shortfall, with this support being limited to boards that have incorporated the updated AEFO MOU into their local collective agreements. In these cases, there will be no additional Government funding towards the cost of the March 7, 2014 PD day, and permanent regular day-school teachers will be required to take that day as an unpaid day.

Where offsetting measures do cover the cost of the October 11th PD day, but do not cover the full cost of the March 7th PD day, the Government agrees to make up that funding shortfall, with this support again being limited to boards that have incorporated the updated AEFO MOU into their local collective agreements.

4. Reconciliation Committee

(SUBJECT TO LOCAL DISCUSSION)

A committee is to be struck, with equal representation from the local board and the bargaining unit, to track the progress on each board's offsetting measures, with the costs of the committee being deducted from savings. The committee should be in place by June 2013.

If by November 30, 2013, it appears that the net savings from offsetting measures are not sufficient to cover the cost of one unpaid day, an ERIP program should be implemented by the board. However, if the board believes that further offsets are, in fact, not required, the board can choose to proceed without the benefit of an ERIP program. In the event that the offsetting measures do indeed fall short of the cost of the October 11th PD day, permanent regular day-school teachers will not be required to take an unpaid day on March 7th, with the cost of that day being fully borne by the board.

New reporting mechanisms are being developed by the Ministry for the committee to track the progress of the offsetting measures so that the Ministry can adjust its cash flow to boards accordingly. Details on these new reporting requirements will be provided by separate memorandum over the coming weeks.

5. Attendance Recognition

Under this Shared Savings Initiative (SSI), permanent regular day-school teachers who use less than 6 full days of sick leave in 2013-14 will be reimbursed the equivalent of one day's pay at the end of the school year.

AEFO members, other than permanent regular day school teachers, are also eligible for attendance recognition remuneration in 2013-14, provided that they have taken a full day of voluntary unpaid leave.

6. Sick Leave/Short-term Leave and Disability Plan

As of September 1, 2012, the sick leave/short-term leave and disability plan is in effect for AEFO teachers who were previously entitled to sick-leave benefits under their existing 2008-2012 collective agreement.

Each school year, a teacher is to be allocated 11 days for illness as defined under the existing collective agreement. These 11 days may be used in respect of a day on which another person is sick or injured, if this is in keeping with the definition of illness in the existing collective agreement. These sick-leave days are to be paid at 100% of regular salary. These days do not accumulate from year to year.

Teachers employed in a full-year long-term assignment are also eligible for 11 sick-leave days at 100% of salary, as are full-time teachers hired after the start of the fiscal year. Permanent part-time teachers are eligible for up to 11 sick-leave days to be paid at 100% of their regular salary, adjusted according to their full-time equivalent status. Teachers on long-term assignments of less than one year, are to have the length of their sick leave entitlement reduced based on the term of the assignment, in accordance with board policy as of August 31, 2012.

Sick-leave days are to be allocated on September 1st of each year, provided that the teacher is actively at work on that day. Full-time teachers hired after that date are also entitled to a full allocation of sick leave credits.

Where the existing terms and conditions of employment provide for leaves of absence for reasons other than personal illness, such leave is to be granted without loss of salary or deduction from sick leave. The number of personal leave days is to reflect the entitlement in the existing collective agreement to a maximum of 5 such days. These days cannot be used for sick-leave purposes and are not to accumulate from year to year.

7. Short- Term Sick Leave and Top-up

For absences in excess of 11 days, teachers are entitled to up to 120 days of short-term sick leave to be paid at a rate of 90% of the teacher's regular salary. These Short-Term Leave and Disability Plan (STLDP) days are to be used for absences due to personal illness, which could include medical appointments, as per the board adjudication processes in place as of August 31, 2012.

Permanent part-time teachers are eligible for 120 short-term sick leave days to be paid at 90% of their regular salary, adjusted according to their full-time equivalent status.

Teachers employed in a full-year long-term assignment are eligible for 60 days of short-term sick leave to be paid at a rate of 90% of the teacher's regular salary. Teachers on long-term assignments of less than one year, are eligible for 60 days of short-term sick leave at 90% of regular salary, with the length of their sick leave entitlement reduced based on the term of the assignment, in accordance with board policy as of August 31, 2012.

The boards are to determine eligibility for STLDP subject to the existing terms and conditions of employment and/or board policies, procedures, and practices in place during the 2011-12 school year.

Teachers can top up their STLDP days to 100% of salary. For 2012-13, which is the transition year to the new sick-leave plan, each teacher is to have 2 days in the top-up bank for use this year. In 2013-14, the top up bank is to consist of those sick-leave days that remain unused from the 11 days allocated for 2012-13.

In addition to the top-up bank, boards have the discretion to allow, for compassionate reasons, a top-up for special leave/miscellaneous/personal days (or equivalent term in

the collective agreement). This top-up is not to exceed 2 days and is dependent on employees having 2 unused leave days in the current year.

8. Non-Vested Retirement Gratuity for Teachers

As communicated in the memorandum of March 30, 2013: **B7 – Changes to the Requirements for the Wind-up Payments for Non-vested Retirement Gratuities**, school boards are now required to pay 25 cents per dollar of the employee's salary as of August 31, 2012, prorated with accumulated sick days and years of service as of August 31, 2012, with respect to non-vested retirement gratuities.

The minimum years of service for retirement gratuity is defined as the lesser of the contractual minimal service requirement in existing terms and conditions of employment, or 10 years.

Those teachers with less than the minimum number of years of service are to have that entitlement frozen as of August 31, 2012. These teachers are entitled to a Gratuity Wind-Up Payment calculated as the lesser of the board's existing amount calculated under the existing terms and conditions of employment as of August 31, 2012 (or board policy as of that date) or the following formula:

$$\frac{X}{30} \times \frac{Y}{200} \times \frac{Z}{4} = \textit{Gratuity Wind - Up Payment}$$

X = years of service (as of August 31, 2012)

Y = accumulated sick days (as of August 31, 2012)

Z = annual salary (as of August 31, 2012)

Note that X, Y, and Z are to be as defined as per the existing terms and conditions of employment, or, as per policy or practice of the board for retirement gratuity purposes.

The Gratuity Wind-Up Payment is to be paid to each teacher by the end of the school year.

The pay-out for those who have vested retirement gratuities shall continue to be as set out in ONT. REG. 2/13, as amended, made under the *Putting Students First Act, 2012* and ONT. REG. 1/13, as amended, made under the *Education Act*.

C. CONCLUSION

If you require further information, please contact:

Issue	Name	Contact
Financial accountability and reporting requirements	Andrew Davis	(416) 327-9356 andrew.davis@ontario.ca
Operating funding	Joshua Paul	(416) 327-9060 joshua.paul@ontario.ca
Collective agreements	Michael Villeneuve	(416) 325-2836 michael.villeneuve@ontario.ca

As with other MOUs, we continue to look to school boards to work collaboratively with their local unions to implement these new provisions, and we remain committed to do as much as we possible to help school boards through this process.

Original signed by

Gabriel F. Sékaly Assistant Deputy Minister	Tim Hadwen Assistant Deputy Minister (Acting)
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cc: Superintendents of Business and Finance
Howie Bender, Chief of Staff