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2013: B16

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 28, 2013

SUBJECT: Terms and Conditions of Employment for Principals
and Vice-Principals

Over the past several months, the government has been actively discussing and implementing changes to various provisions in the labour framework for 2012-14. As a result of these changes, modifications are now needed to the terms and conditions of employment for principals and vice-principals that were established under the *Putting Students First Act* and through regulations under the *Education Act*. We are writing today to advise you of the modifications that are to be made to these terms and conditions of employment based on an agreement reached with Ontario's principals' associations.

A. LOCAL DISCUSSIONS

We expect all boards to enter into good faith discussions with the corresponding local Ontario Principals' Council (OPC), l'Association des directions et directions adjointes des écoles franco-ontariennes (ADFO) and Catholic Principals' Council of Ontario (CPCO) associations as they have in the past. We also expect that school boards will conclude these local discussions as soon as is reasonably possible.

A resolution team is being established to help parties reach a timely resolution of issues that might arise in the course of implementing the provisions in this memorandum, or its supporting regulations. Either party will be able to bring such matters to the resolution team through their provincial associations. The resolution team will be made up of representatives from the original principal and vice-principal provincial discussion group, which included the four school board associations, principals and vice-principals associations, and Ministry staff.

In cases where the existing terms and conditions of employment are inconsistent with the provisions of this memorandum, and its supporting regulations, then the provisions in this memorandum and its supporting regulations will prevail and will form part of the local terms and conditions of employment for 2012-14.

B. REGULATORY AND OTHER CHANGES BASED ON AGREEMENTS WITH PRINCIPALS AND VICE-PRINCIPALS

1. Sick Leave/Short- Term Sick Leave and Disability Plan

As of September 1, 2012, principals or vice-principals who were previously entitled to sick-leave benefits under their existing contract for local terms and conditions of employment are entitled to benefits under the new sick leave plan.

Each school year, a principal or vice-principal is to be allocated 11 days of absence due to illness. Illness shall be defined under the existing terms and conditions of employment, or under the local board policy or practice, in place as of August 31, 2012. 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 local terms and conditions of employment. These sick-leave days are to be paid at 100% of regular salary. These days do not accumulate from year to year.

Where hired or returning to work, including on a graduated basis, after the beginning of the fiscal year, a full-time principal or vice-principal is still entitled to the full allocation of sick-leave credits. In cases where a principal or vice-principal is employed for part of a year, the principal's or vice-principal's eligibility for sick leave credits is to be reduced in accordance with the policy of the board as it existed on August 31, 2012.

Sick leave days are to be allocated on September 1st of each year, or on the principal's or vice-principal's first work day of the school year, provided that the principal or vice-principal is actively at work on that day.

Where a principal or vice-principal is absent due to sickness or injury on his or her first work day in a fiscal year, a sick leave credit may only be used in respect of that day in accordance with the following:

1. If, on the last work day in the previous fiscal year, the principal or vice-principal used a sick leave credit due to the same sickness or injury that requires the

principal or vice-principal to be absent on the first work day in the current fiscal year,

- i. the principal or vice-principal may not use a sick leave credit provided for the current fiscal year in respect of the first work day, and
 - ii. the principal or vice-principal may use any unused sick leave credits provided for the immediately preceding fiscal year in respect of the first work day.
2. If a) does not apply, the principal or vice-principal may use a sick leave credit provided for the current fiscal year in respect of the first work day if, for the purpose of providing proof of the sickness or injury, the principal or vice-principal submits,
 - i. the information specified for that purpose in the principal's or vice-principal's terms and conditions of employment, or
 - ii. if such information is not specified in the terms and conditions of employment, the information specified for that purpose under a policy of the board, as it existed on August 31, 2012.
3. If a principal or vice-principal is absent due to sickness or injury on his or her first work day in a fiscal year, section a) and b) also applies in respect of any work day immediately following the principal's or vice-principal's first work day until the principal or vice-principal returns to work in accordance with the terms and conditions of employment.

With respect to partial-day absences, a partial sick leave credit, or short-term sick leave credit, will be deducted for an absence due to illness for a partial day. Where the employee is receiving benefits under the Workplace Safety Insurance Board (WSIB), or a long-term disability plan (LTD), these providers are the payers of first resort for partial-day absences. In cases where the principal or vice-principal is returning to work from an absence and is receiving WSIB or LTD benefits, the WSIB and LTD return-to-work protocols take precedence over board policies and practices.

Where the existing terms and conditions of employment provide for leaves of absence, that utilize deduction from sick leave 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 terms and conditions of employment 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.

2. Short-Term Sick Leave

For absences in excess of 11 days, principals and vice-principals are entitled to up to 120 days of short-term sick leave to be paid at a rate of 90% of the principal's or vice-principal's regular salary. These Short-Term Leave and Disability Plan (STLDP) days

are to be used for absences due to personal illness, including medical appointments, as per the board adjudication processes in place as of August 31, 2012. Current board practices with respect to the payment for medical notes are to continue.

The boards' disability management teams 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. The board is responsible for any costs related to third-party assessments required by the board to comply with the Attendance Support Program.

Principals and vice-principals 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 principal and vice-principal 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 compassionate leave to be used for top-up purposes. The compassionate leave top-up is not to exceed 2 days and is dependent on employees having 2 unused leave days in the current year.

3. Maternity Benefits

Effective May 1, 2013, principals and vice-principals on maternity leave are to receive a 100% of salary through a Supplemental Employment Benefit (SEB) plan for a total of not less than 8 weeks immediately following the birth of her child, subject to provisions in terms and conditions of employment as of August 31, 2012. There is to be no deduction from sick leave or STLDP days with respect to these days. Principals and vice-principals not eligible for a SEB plan will receive 100% of salary from the employer for a total of not less than 8 weeks with no deduction from sick leave or STLDP days.

Where, any part of the 8 weeks that falls during a period of time that is not paid (e.g. summer, March Break), the remainder of the 8 weeks is to be payable after that period of time. Principals or vice-principals who require a recuperation period longer than 8 weeks are to have access to sick leave and the STDLP through the normal adjudication process.

It should be noted that the 8 weeks at 100% of salary is the minimum benefit level for all eligible principals and vice-principals, but where there are superior entitlements in existing terms and conditions of employment, board policy or in practice, those superior provisions prevail.

However, where a local principals' and vice-principals' association so elects, the SEB or salary replacement plan noted above, will be altered to include 6 weeks at 100% of salary, subject to the rules and conditions noted above, plus meshing with any superior entitlements to maternity benefits contained in existing terms and conditions of employment. For example, a previous terms and conditions of employment document that includes 17 weeks at 90% of salary would result in 6 weeks at 100% of salary and an additional 11 weeks at 90% of salary.

4. Unpaid Days and Offsetting Measures

Principals and vice-principals are in charge of the organization, leadership, and management of Ontario's schools as prescribed by regulation under the *Education Act*.

In light of these responsibilities, the Ministry understands how important it is that principals and vice-principals are present at school on days when staff are participating in professional development activities.

Therefore, effective September 1, 2013, the following provisions are to form part of the terms and conditions of employment for principals and vice-principals:

- All scheduled professional development (PD days) will be regular work days.
- As with every work day, all principals and vice-principals will fulfill their regular responsibilities on those days;
- All principals and vice-principals will take one mandatory unpaid day on a date requested by the principal or vice-principal, subject to the approval of the board director or designate, which, while respecting system and school requirements, is not to be unreasonably withheld; and
- No additional unpaid days will be required.

The Ministry further recognizes that, given the unique role played by principals and vice-principals in Ontario's schools, the use of offsetting measures, such as voluntary leave and early retirement programs, would be too disruptive to implement.

5. Non-Vested Retirement Gratuity for Principals and Vice-Principals

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 principals or vice-principals with less than the minimum number of years of service are to have that entitlement frozen as of August 31, 2012. These principals or vice-principals 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:

$$\frac{X}{30} \times \frac{Y}{200} \times \frac{Z}{4} = \text{GratuityWind} - \text{Up Payment}$$

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 principal or vice-principal by June 30, 2013.

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. CLARIFICATION OF NON-VESTED RETIREMENT GRATUITIES FOR PRINCIPALS AND VICE-PRINCIPALS

Years of service and accumulated sick days are to be calculated in a manner that is consistent with prior terms and conditions of employment and/or personal contracts, as well as prior board policies and practices. Where the prior agreement recognizes years of service and accumulated sick days from the previous board for the purpose of the retirement gratuities, then this recognition is to be used in the determination of the non-vested payments or the frozen vested amounts.

In cases where a prior agreement includes a provision that the receiving board agrees to assume the retirement gratuities accrued from the previous board, this provision should be honoured by the receiving board and be paid to the employee upon retirement.

Transferability remains unchanged for principals and vice-principals moving to another board prior to retirement. The individual can negotiate provisions into the employment agreement with the new board for the transferability of retirement gratuities accrued at the previous board. If accepting this provision, the new board is agreeing to assume the full cost of the associated liability.

D. CONCLUSION

If you require further information, please contact:

Issue	Name	Contact
Financial accountability and reporting requirements	Andrew Davis	(416) 327-9356
Operating funding	Joshua Paul	(416) 327-9060
Collective agreements	Michael Villeneuve	(416) 325-2836

We would like to take this opportunity to acknowledge the participation of school board representatives and principals' associations in the development of the agreement that is reflected in this memorandum.

Original signed by

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Assistant Deputy Minister

Tim Hadwen
Assistant Deputy Minister (Acting)

cc: Superintendents of Business and Finance
Howie Bender, Chief of Staff