

## MEMORANDUM OF SETTLEMENT

Between:

**The Crown in Right of Ontario**

as represented by the Treasury Board Secretariat

("the Employer")

- and -

**Ontario Public Service Employees Union**

("the Union")

WHEREAS in February 2014, the Employer announced to all Ontario Public Service employees, including employees in the bargaining units represented by OPSEU, that it would be introducing changes to Post-Retirement Benefits effective January 1, 2017 ("PRB Changes");

AND WHEREAS the Union and employees in the bargaining units represented by OPSEU have filed numerous individual, group and union policy grievances concerning the PRB Changes;

AND WHEREAS the parties have a mutual desire to resolve all outstanding matters regarding the PRB Changes as they relate to OPS employees in the bargaining units represented by OPSEU;

NOW THEREFORE the parties agree to a full and final settlement of any and all outstanding matters related to the PRB Changes on a without prejudice and without precedent basis on the following terms and conditions:

*PRB for eligible OPSEU Pension Plan Members who have commenced receipt of a pension before January 1, 2017*

1. All members of the OPSEU Pension Plan who have at least 10 years of pension credit before January 1, 2017 and have commenced receipt of a pension before January 1, 2017 shall be eligible to receive Post-Retirement Benefits on the following "status quo" terms (hereinafter referred to as the "PRB Plan A"):
  - i. The level of Post-Retirement Benefits: as nearly as may be, on the same terms and conditions as are from time to time applicable to similar benefits for active employees pursuant to the Collective Agreement between the parties; and
  - ii. No Shared Cost: the Employer pays 100 percent of the Post-Retirement Benefit premium costs of the PRB Plan A.

*PRB for OPSEU Pension Plan Members who have not commenced receipt of a pension before January 1, 2017 and who were hired before January 1, 2017*

2. Any member of the OPSEU Pension Plan who has not commenced receipt of a pension before January 1, 2017, and who was hired prior to January 1, 2017, will be permitted at retirement to elect to enrol in one of the following:
  - i. PRB Plan A, provided that the eligible member pays 50 percent of the premium costs to participate in the benefits plan, excluding the premium costs of the Basic Life Insurance coverage that is currently provided under Articles 37.4 and 65.4 of the current Collective Agreement, which shall be paid by the Employer ; or
  - ii. A Post-Retirement Benefits plan, which is 100 percent Employer-paid (attached hereto as Appendix A and hereinafter referred to as "PRB Plan B"). PRB Plan B is currently priced at 50 percent of the PRB Plan A as it stood in 2016, as determined in the sole discretion of the Employer. PRB Plan B will remain 100 percent Employer-paid for eligible employees hired prior to January 1, 2017

provided they meet one of the following eligibility criteria:

- i. The person has at least ten (10) years of pension credit prior to January 1, 2017; or
- ii. The person has at least twenty (20) years of pension credit and retires to an immediate unreduced pension.

Any member who does not make an enrolment election at retirement under this paragraph will automatically be enrolled in PRB Plan B.

A member who has elected to participate in PRB Plan A may make an application in December of any year to cease to participate in PRB Plan A and to enrol in PRB Plan B effective January 1 of the following year.

A person who has elected, or was deemed to have elected, to participate in PRB Plan B may make an application in December of any year to cease to participate in PRB Plan B and to enrol in PRB Plan A effective January 1 of the following year. However, should a person make a further election at a later date to re-enrol in PRB Plan B, that person is no longer eligible to participate in PRB Plan A.

*PRB for OPSEU Pension Plan Members hired on or after January 1, 2017 who have at least 20 years of pension credit and who retire to an immediate unreduced pension*

3. Any employee hired on or after January 1, 2017 who has 20 years of pension credit and retires to an immediate unreduced pension is only eligible to enrol in the PRB Plan B, as

described above in Paragraph 2(ii) upon retirement. Such members will be required to pay 100 percent of the premium costs to participate in this benefits plan.

Members who do not enrol at retirement may make an application within 31 days of termination of similar coverage under another plan. Thereafter, any decision to opt out of PRB Plan B coverage is irrevocable.

4. The Union agrees to withdraw Union grievance #2015-0999-0042 (GSB# 2015-2664) and Union grievance #2016-0999-0043. The Union further agrees that any grievances (individual, group or union) in respect of Post-Retirement Benefits not identified in this settlement are hereby withdrawn. The Union will notify the GSB of its withdrawal of all of the grievances forthwith upon the execution of this Agreement.
5. OPSEU represented employees who elected to retire after February 18, 2014 will be eligible to apply to restricted competitions for OPSEU represented positions having a posting period that closes prior to December 31, 2017. In these competitions, such individuals shall have their seniority at the date of their retirement considered for the purposes of Article 6 of the OPSEU collective agreement as if they were an active employee.
6. The undersigned unanimously agree to recommend these terms of settlement to their respective principals. This settlement shall be considered null and void unless the parties' respective principals fully endorse all terms and conditions set out herein by 6 p.m. Wednesday, November 16, 2016.
7. The parties agree that the terms and conditions of this settlement shall remain strictly confidential until the settlement has been fully endorsed by the respective principals of both parties. Both parties agree that they will not disclose or discuss the terms of this settlement in a public manner before 6 p.m. Wednesday, November 16, 2016, unless otherwise agreed.
8. The Union hereby releases and forever discharges the Crown in Right of Ontario, the Employer, its employees, Ministers, Deputy Ministers, office holders, directors, servants, and agents of and from all actions, causes of action, grievances, claims and demands as they relate to the PRB Changes announced on February 18, 2014 referenced herein and from the grievances referenced in paragraph 4 above.
9. The parties agree that this agreement is without prejudice to either parties' position with respect to whether or not post-retirement benefits form part of the OPSEU collective agreement.

