

OPSEU



SEFPO

Syndicat des Employé-e-s
de la Fonction Publique
de l'Ontario

MEMORANDUM

TO: CAAT(S) Local Presidents
FROM: CAAT(S) EERC
DATE: April 6, 2006
SUBJECT: Vehicle Expenses

Brothers and Sisters:

Recently a number of questions have arisen over the mileage rate that is being paid out by the Colleges to those support staff who are authorized to use their car on College business. The rate that is currently used is found in Article 8.3 of our Collective Agreement; to better understand the rates it is useful to know the history behind those rates.

Mileage rates were first introduced into our Collective Agreement in 1976. In 1979 language was negotiated to tie our rates to the rates that the Management Board of Cabinet pays to Ontario Public Servants. Currently that rate is 33 ¾ or 34 ¼ cents per kilometer; (northern and southern rates, respectively) and decreases as accumulated mileage increases to a low of 20 ¼ or 21 ¼ cents per kilometer. There has been no change in this rate since 2001 and our information is the government is not planning to change that rate.

The EERC does not have the ability to negotiate changes to the collective agreement as their purpose is to:

- (a) Jointly make recommendations to the bargaining teams (College Compensation and Appointments Council/ OPSEU) concerning subjects of system-wide importance.
- (b) Facilitate communications between Management and the Union at the provincial level in an unconstrained, yet official manner during the life of the Agreement.
- (c) Preclude and resolve common problems during the life of the Agreement.
- (d) Permit both Parties, to enter negotiations with much of the groundwork completed.*

They can under item (b), explore and recommend other options and strategies to deal with significant issues, like this one.

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Obviously the first option available to members who travel on College business could be to decline to use their vehicle for College business until such time as the per kilometer rates are increased or the cost of operating their vehicle falls to a level where the current per kilometer rate constitutes fair recompense. In such a case the College can supply transportation. This may not be an option for those for whom the supply and operation of a motor vehicle is a condition of employment.

Another option arises from the fact that the Canada Revenue Agency (CRA) considers 47 cents per kilometer to be a reasonable rate for 2005. Therefore a rate which starts at 33-3/4 cents per kilometer and then declines may be considered to be unreasonably low. Therefore the possibility exists that persons using their vehicle for College business may be entitled to treat the amounts paid to them for per kilometer compensation as income and then claim a deduction for the amount of their vehicle expenses that are proportional to the number of kilometers driven on College business as compared to the total number of kilometers driven in the year. For example, if half of the kilometers you drive in a year are for College business, you may be able to claim a deduction for half of your annual vehicle expenses which include fuel, maintenance, insurance, depreciation, licensing, etc.

There are, of course, rules to follow and forms to be filled out **so you need to consult with a tax professional before you claim this deduction.**

The EERC has discussed this issue and it is still on the agenda, however the deadline for filing tax returns is approaching and your Union felt that it was important that we bring this to your attention now.

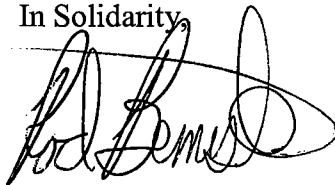
It has been reported to the EERC that at least one College is declining to provide one of the forms that are required to enable you to claim this deduction. If you should encounter similar problems, please let us know immediately.

References

* EERC Terms of Reference -

http://www.opseu.org/caat/caat_sup/Terms of Reference - eng.pdf

In Solidarity,



CAAT(S) EERC

Authorized for Distribution:



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