

# **INCOME SECURITY AGREEMENT**

between

**CANADIAN PACIFIC**

and

**TC LOCAL 1976**

of the

**UNITED STEELWORKERS**



# **INCOME SECURITY AGREEMENT**

between

## **CANADIAN PACIFIC**

Hereinafter referred to as the Company

and

## **TC LOCAL 1976**

of the

## **UNITED STEELWORKERS**

hereinafter referred to as the Union

**Revised as of January 01 , 2018**

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## **PREAMBLE**

This Income Security Agreement made effective May 1, 1995, cancels and supersedes for the Union signatory hereto, the Job Security -Technological, Operational and Organizational Changes Agreement signed April 29, 1992.

This Income Security Agreement incorporates the provisions included in the Memorandum of Agreement dated August 13, 1997 and August 19,1998.

## **REGISTRATION OF SUPPLEMENTAL UNEMPLOYMENT BENEFIT PLAN**

The parties agree that it is their intent that Supplemental Unemployment Benefits be paid only for periods of temporary layoffs. Employees in receipt of SUB continue their employment relationship with the Company, retain their seniority rights, and are required to accept temporary or permanent assignments as provided in this Agreement or become disentitled to SUB. Although an Article 1.1(a) notice reflects a permanent change, any lay-off pursuant to this change may be temporary in nature.

## DEFINITIONS

In this Agreement, the terms used herein will have the meanings as hereinafter provided and the words implying the masculine gender include the feminine:

- (a) "Admitted Group" means those groups which have been admitted to coverage under the Income Security Agreement as provided in Article 2.
- (b) "Basic Seniority Territory" means that Seniority Territory as set out in Appendix "A".
- (c) "Basic Weekly Rate" means the weekly rate of pay, including stand-by allowances, where applicable, of the Permanent Position held at the time of the change. (For hourly- rated employees, 40 X their basic hourly rate.)
- (d) "Casual, Part-Time, Spare, and Temporary Employees", as distinguished from employees who work permanent or seasonal positions, are entirely excluded from the provisions of this Agreement.
- (e) "Claim Week" means a full week of seven consecutive calendar days of layoff.
- (f) "Collective Agreement" means a Collective Agreement between the Company and the Union representing employees of the Company.
- (g) "Committee" means the Labour Adjustment Committee established pursuant to Article 2.
- (h) "Company" means Canadian Pacific and its subsidiaries and joint properties. It also includes an employer associated with Canadian Pacific and St. Lawrence & Hudson Railway, a group of whose employees has been admitted to the Agreement as provided for in Article 2.
- (i) "Cumulative Compensated Service" (CCS) means:
  - 1. for Lay-Off Benefits, Severance, Relocation
    - One month of cumulative compensated service shall consist of 21 days or major portion thereof.
    - Twelve months of cumulative compensated service shall constitute one year of cumulative compensated service.



E.G. An employee entered service in 1989.

In 1989 s/he had 9 months of CCS

1990	12 months
1991	9 months
1992	12 months
1993	4 months
1994	8 months

Total months 54 divided by 12 = 4 years 6 months

This employee has 5 years of CCS.

- For partial year credit, six or more months of cumulative compensated service shall be considered "as the major portion thereof" and shall be counted as a year of credit.
  - Service of less than six months of cumulative compensated service shall not be included in the computation.
  - Time off duty on account of bona fide illness, injury, authorized maternity leave, to attend committee meetings, called to court as a witness, or for uncompensated jury duty not exceeding a total of 100 days in any calendar year, shall be included in the computation of cumulative compensated service.
2. for Employment Security and Enhanced SUB & Alternative Options and Early Retirement Benefit
- One month of cumulative compensated service will consist of 21 days or major portion thereof.
  - Twelve months of cumulative compensated service shall constitute one year of cumulative compensated service.
3. Employee transferring to a USW bargaining unit position after January 1, 2007 and who are not required to accept the USW position under the employment security provisions of another agreement will have their Cumulative Compensated Service commence from the date they commenced training in the USW bargaining unit. The "commenced service" date for these employees will be the date they commenced training in the USW bargaining unit. This clause does not apply to employees accommodated in the USW bargaining unit.

(j) "Eligible Employee(s)" means an employee of the Company represented by the Unions signatory hereto who is eligible for benefits pursuant to the eligibility requirements related thereto.

(k) "Location" means greater metropolitan area.

(l) "Master Agreement" means the Memorandum of Agreement entered into between the Company and the Union on April 28, 1995.

(m) "Permanent Position" means a position that has been bulletined as permanent.

(n) "Railway" means Company.

(o) "Region" means the former Atlantic, Eastern, Prairie, Pacific Regions.

(p) "Supplemental Unemployment Benefits" (SUB) means weekly layoff benefits.

(q) "Technological, Operational and Organizational Changes" means as follows:

"Technological": the introduction by the employer into his work, undertaking or business of equipment or material of a different nature or kind than that previously utilized by the employer in the operation of the work, undertaking or business; or

"Operational or Organizational": a change in the manner, method, procedure or organizational structure by which the employer carries on the work, undertaking or business not directly related to the introduction of equipment or material provided that any such change is not brought about by:

(i) a permanent decrease in the volume of traffic outside of the control of the company; or

(ii) a normal reassignment of duties arising out of the nature of the work in which the employee is engaged; or

(iii) a normal seasonal staff adjustment.

Note: Any permanent shutdown or permanent partial shutdown of an operation, facility or installation, shall be considered as a Technological, Operational or Organizational change. Any permanent Company-initiated changes (excluding changes which are brought about by general economic conditions) which result from the reduction or elimination of excess plant capacity shall also be considered as Technological, Operational or Organizational changes.

(r) "Temporary Position" means a non-permanent position designated as temporary.

**ARTICLE 1**  
**TECHNOLOGICAL, OPERATIONAL, ORGANIZATIONAL AND OTHER CHANGES**

- 1.1(a) The Company will not put into effect any Technological, Operational or Organizational change of a permanent nature which will have adverse effects on employees holding Permanent Positions without giving as much advance notice as possible to the President representing such employees or such other officer as may be named by the Union concerned to receive such notices. A minimum of 90 days' notice shall be given; however, this notice period may be shortened or waived upon mutual agreement. Where notice is provided, it will include a full description thereof and appropriate details as to the consequent changes in working conditions and the expected number of employees who would be adversely affected.
- (b) Prior to implementing any other change which will have adverse effects on employees, the Company will provide the Union with as much notification as possible. The notification will contain a description of the change and the expected number of employees who will be adversely affected.

Note: The expiration of a temporary vacancy does not constitute a change under this Agreement.

(c) PRE-BID

Where the Company determines the nature of the change warrants such consideration, the parties agree to organize a Joint Placement Committee, comprised of representatives from the Company and the Union. The purpose of the Committee will be to coordinate the exercise of seniority and supervise the pre-bidding and displacement process in order to reduce the adverse effects on employees concerned pursuant to the provisions of this Agreement and Articles 23, 24 and 25 of the Collective Agreement.

The Joint Placement Committee will prepare all necessary bulletins and additionally will contact all affected employees who will be required to advise of their intentions within the time allotted by the Committee. Failure on the part of the employee to advise of their intentions in the time allotted will result in the forfeiture of their displacement rights and entitlement to the benefits outlined in Article 3, 4 and 5 of this Agreement unless otherwise mutually agreed.

- 1.2(a) Employees adversely affected by a change pursuant to Article 1.1(a) who have not completed 8 or more years (96 months) of CCS and/or commenced service on or after January 1, 1994, are not eligible for benefits pursuant to Articles 3 and 4.
- (b) Employees adversely affected by a change pursuant to Article 1.1(b) are not eligible for benefits pursuant to Articles 3, 4 and 7.

- (c) Where the Company implements a permanent change pursuant to Article 1.1 (b), known to be of a duration of one year or more, eligible employees adversely affected shall be entitled to the benefits contained in Article 4 of this Agreement.
- 1.3(a) When a notice is issued under Article 1.1(a) and it becomes known to the Company that the change will be delayed for reasons over which the Company has no control, advice will be issued to the President, or such other officer as may be named by the Union concerned, explaining the situation and revising the implementation dates. If necessary, more than one such advice may be issued.
- (b) When the implementation of a Technological, Operational or Organizational change is delayed or is to be delayed at the instance of the Company in excess of sixty calendar days, a new notice as per Article 1.1(a) shall be given.
- 1.4 The Labour Adjustment Committee must meet within thirty (30) days of the issuance of a notice pursuant to Article 1.1 (a) in order to determine the adverse affects and options available to affected employees pursuant to this agreement.
- 1.5 All benefits under this Agreement will be suspended in the event of a strike/lock-out on the Company.

**ARTICLE 2**  
**LABOUR ADJUSTMENT COMMITTEE**

- 2.1 A Labour Adjustment Committee consisting of eight members, four of whom shall be appointed by the Company and four of whom shall be appointed by the Union will be established. The Committee will meet as required, but no less than once per calendar year.
- 2.2 The members of the Committee shall be appointed yearly and shall hold office until the 31st day of December next following the date of their appointment. At the same time and in the same manner a like number of substitutes shall also be named. Should a vacancy occur on the Committee, whether temporary or otherwise, the vacancy shall be filled by one of the substitute members appointed by the same body which appointed the original member. Each party shall notify the other, in writing, of the members and substitutes appointed to the Committee within five days of the date of their appointment.
- 2.3 The Notice referred to in Article 2.2 shall be given in the manner following:
- (a) Notice shall be given by the Union signatory hereto mailed by registered post, to the Director, Labour Relations.
  - (b) Notice on behalf of the Company shall be given by the Director, Labour Relations, of the Company (or a person authorized by him/her), mailed by registered post, to the Union signatory hereto.
- 2.4 One member from each party shall be a quorum.
- 2.5 The members of the Committee shall elect from their own number, two Co-Chairmen, one from the Union and one from the Company, who shall hold office until the 31st day of December of the year for which they are appointed or until such earlier day as may be fixed by the Committee.
- 2.6 Each member of the Committee present at a meeting shall have the right to cast one vote on each question provided there is an equal number of representatives present. Decisions of the Committee shall be carried by five or more votes. In situations where there is an unequal number of representatives, voting will be carried out on a block basis. Decisions of the Committee shall be final and binding.
- 2.7 Part-time union officers participating in Labour Adjustment Committee meetings will not lose any pay. The Company will reimburse any expenses incurred pursuant to the provisions of the Collective Agreement.

- 2.8 Subject to the provisions of this Agreement, the Committee shall have full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters relative to this Agreement, which does not add to, subtract from, or modify any of the terms of this Agreement or any other Collective Agreement. The Committee shall not have any power to deal with and adjudicate upon any benefits not specifically provided for in this Agreement nor in any subsequent agreement reached between the Company and the Union.
- 2.9 The Committee shall have the power to admit to coverage under the Income Security Agreement, any applicant bargaining unit that has a Collective Agreement with the Railway, subject to such conditions as may be determined from time-to-time by the Committee. Unless otherwise agreed between the employer and the Union making application for admission, any unit seeking Admitted Group status can only be admitted under the same terms and conditions as apply to other employees in the Agreement. A union and employer who wish to seek admission to the Agreement for an appropriate bargaining unit, must make a joint application addressed to the Co-Chairmen of the Committee.

#### GRIEVANCE PROCEDURE AND FINAL DISPOSITION OF DISPUTES

- 2.10 Except as otherwise provided in this Agreement, should any dispute arise respecting the meaning, interpretation, application, administration or alleged violation of this Agreement, such dispute shall be progressed in accordance with the provisions of the applicable Collective Agreement commencing at Step 2 of the grievance procedure.
- 2.11 Failing settlement of such dispute at Step 2 of the grievance procedure, should either party elect to progress the dispute it shall do so by progressing the dispute to arbitration under the provisions of the applicable Collective Agreement.
- 2.12 Should the Union signatory hereto not belong to the Canadian Railway Office of Arbitration, the party choosing to progress the dispute will submit the Joint Statement of Issue or Issues to a single Arbitrator. In the event that the parties are unable to agree on an Arbitrator, then the party requesting arbitration shall request that the Minister of Labour appoint an Arbitrator.
- (a) The Company and the Union will respectively bear any expenses each has incurred in the presentation of the case to the Arbitrator, but any general or common expenses, including the remuneration of the Arbitrator, will be divided equally.

- (b) In the event that the parties do not agree upon a Joint Statement of Issue or Issues remaining in dispute, either or each, upon notice in writing to the other, may submit a separate statement to the Arbitrator, and the other party will be provided with a copy thereof.
  - (c) The Arbitrator will hear the dispute within 30 days from date of the request for arbitration and will render a decision together with reasons therefore in writing within 30 days of the completion of the hearing.
- 2.13 When a question has been referred to an Arbitrator as provided for in Article 2.11 or 2.12 hereof, the Arbitrator shall have no power to add to, subtract from, or modify any of the terms of this or any other Collective Agreement. The decision of the Arbitrator shall be final and binding.

### **ARTICLE 3 EMPLOYMENT SECURITY**

3.1(a) An Eligible Employee affected by a change pursuant to Article 1.1(a), must decide, prior to the implementation of that change, whether s/he wishes to be governed by the rights and obligations of either Article 3 or Article 4 of this Agreement.

Note: Article 9 - Transfer of Benefits may apply to Article 3 and Article 4.

(b) Any employee who chooses to be covered by Article 4 prior to the effective date of the change will continue to be eligible for Article 3 coverage if at a future date such employee obtains a Permanent Position and is again affected by a change pursuant to Article 1.1(a).

(c) Employees eligible for early retirement are not entitled to the benefits contained in this Article 3, however, such employees will be entitled to Article 6 relocation benefits if required to relocate in order to hold a Permanent Position.

3.2 An employee who has completed eight or more years (96 months) of CCS and commenced service prior to January 1, 1994, and is affected by a change pursuant to Article 1.1(a) of this Agreement, will be required to do the following, in order, prior to becoming eligible for the benefits contained in Article 3 of this Agreement:

(a) fully exhaust seniority in their own bargaining unit at their Location; if unable to hold work;

(b) fill, on a voluntary basis, permanent vacancies in other bargaining units, non-scheduled or management positions, or work outside the Company as determined by the Labour Adjustment Committee, at the Location;

(c) fully exhaust seniority in their own bargaining unit on their Basic Seniority Territory; if unable to hold work;

(d) fill, on a voluntary basis, permanent vacancies in other bargaining units, non-scheduled or management positions, or work outside the Company as determined by the Labour Adjustment Committee, on the Basic Seniority Territory;

(e) on a voluntary basis, accept work outside of the Company at the Location, as determined by the Labour Adjustment Committee;

(f) fully exhaust seniority in their own bargaining unit on their Region; if unable to hold work;



- (g) fill, on a voluntary basis, permanent vacancies in other bargaining units, non-scheduled or management positions, or work outside the Company as determined by the Labour Adjustment Committee, on the Region;
- (h) fully exhaust seniority in their own bargaining unit on the system; the employee must displace a junior employee holding a Permanent Position at the Location where the junior employee holding the position is located; if unable to hold work;
- (i) fill permanent vacancies in other bargaining units, non-scheduled or management positions at the Location, Region, System, or accept work outside the Company at the location as determined by the Labour Adjustment Committee.

3.3(a) Prior to an employee being required to fill a permanent vacancy or displace beyond the Region pursuant to Article 3.2, the Labour Adjustment Committee will meet and review whether any alternatives are available.

(b) Relocation benefits will be triggered only when permanent vacancies are filled or when an employee displaces onto a Permanent Position.

(c) (i) The consolidated seniority date for an employee shall be the first date that an employee entered a position in the bargaining unit.  
An employee electing the benefits under this Article, who is unable to hold or displace into a Permanent position through the normal exercise of seniority at their location shall be required to do the following, in order, to obtain a Permanent Position:

- 1) An employee unable to hold or displace into a Permanent Position through the normal exercise of seniority at the location shall be required to exercise consolidated seniority to displace the junior employee holding a Permanent Position at the location. Consolidated seniority will be utilized in determining the junior employee to be displaced in such circumstances;
- 2) An employee unable to hold or displace into a Permanent Position at the location through the normal exercise of seniority or the exercise of consolidated seniority, shall be required to displace into a Permanent Position on the BST through the normal exercise of seniority. An employee unable to displace into a Permanent Position on the BST through the normal exercise of seniority, shall be required to exercise consolidated seniority to displace the junior employee holding a Permanent Position on the BST. Consolidated seniority will be utilized in determining the junior employee to be displaced in such circumstances;

- 3) An employee unable to hold or displace into a Permanent Position on the BST through the normal exercise of seniority or through the exercise of consolidated seniority, shall be required to displace into a Permanent Position on the Region through the normal exercise of seniority. An employee unable to hold or displace into a Permanent Position on the Region through the normal exercise of seniority, shall be required to exercise consolidated seniority to displace the junior employee holding a Permanent Position on the Region. Consolidated seniority will be utilized in determining the junior employee to be displaced in such circumstances;
- 4) An employee unable to hold or displace into a Permanent Position on the Region through the normal exercise of seniority or the exercise of consolidated seniority, shall be required to displace into a Permanent Position on the System through the normal exercise of seniority. An employee unable to hold or displace into a Permanent Position on the System through the normal exercise of seniority, shall be required to exercise consolidated seniority to displace the junior employee holding a Permanent Position on the System. Consolidated seniority will be utilized in determining the junior employee to be displaced in such circumstances;

NOTE: In the application of the above provisions, employees will only be required to exercise consolidated seniority in circumstances where the employee ultimately displaced and unable to hold a Permanent Position has not completed 8 or more years of CCS or commenced service on or after January 1, 1994.

- (ii) When a new Permanent Position is created or a permanent vacancy exists in the bargaining unit, an employee electing benefits under this Article 3 and in receipt of benefits under this Article 3, unable to fill such Permanent Position or resultant permanent vacancy through the normal exercise of seniority, shall be required to exercise consolidated seniority in order to secure such position in preference to a more senior laid off employee.
  - (iii) When obtaining a Permanent Position in the bargaining unit through the application of section (i) or (ii) above in another seniority territory, such employee will carry their full seniority rights. The employee shall be permitted to exercise such rights while on that seniority territory.
- (d) Notwithstanding any other provisions in the Collective Agreement to the contrary, while working in a position on another TC Local 1976 of the USW Seniority List, another Bargaining Unit, Non-Scheduled or Management position or outside the Company, an employee will continue to hold and accumulate seniority on the list from which s/he has been displaced or transferred from, until s/he refuses recall to a permanent vacancy or Permanent Position on the former seniority list.

Failure to do so will result in loss of seniority in the original bargaining unit, except as provided in Article 21.8 of the Collective Agreement, unless otherwise mutually agreed. An employee failing to return to a position in the bargaining unit when working outside of the Company will have his/her record closed, unless otherwise mutually agreed.

- (e) In filling permanent vacancies in other bargaining units, these must be vacancies which occur after all bulletining and recall provisions of the relevant Collective Agreements have been exhausted.

3.4(a) If unable to hold work pursuant to Article 3.2, an employee shall continue to receive his/her Basic Weekly Rate of pay and benefits applicable to the position permanently held at the time of the change, paid on the same bi-weekly basis as s/he was paid while in active service with the Company, until permanent work becomes available under the obligations identified in Article 3.2. At such time, the employee will be required to obtain a position in accordance with the obligations identified in Article 3.2 and, if required to relocate, shall be eligible for the relocation benefits contained in Article 3.7, pursuant to the requirements of Article 6.

- (b) Employees must accept temporary vacancies within the BST in accordance with existing rules in their Collective Agreement. Expenses will be paid where such provisions exist in their Collective Agreement.

- (c) Employees on Employment Security must avail themselves of work at their home Location in accordance with the following:

- (i) An employee will be required to accept permanent and temporary vacancies, subject to qualifications, at the home Location, in other bargaining units, non-scheduled positions, management positions or positions outside of the Company as identified by the Labour Adjustment Committee. Vacancies outside of the employee's bargaining unit, must be vacancies which occur after all bulletining and recall provisions of the relevant Collective Agreement have been exhausted.

- (ii) An employee accepting a vacancy in another bargaining unit, non-scheduled, management position or position outside of the Company will continue to accumulate seniority in the original bargaining unit. Such employee must accept recall to the first permanent vacancy, or temporary vacancy of an expected duration of 90 days or more, in the original bargaining unit at the home Location. Failure to do so will result in loss of seniority in the original bargaining unit, except as provided in Article 21.8 of the Collective Agreement.

- (iii) Should a permanent vacancy, or a temporary vacancy with an expected duration of 90 days or more, outside the employee's bargaining unit arise at a time when several members of other unions are on employment security the vacancy will be offered to employees in order of CCS. Only the most junior employee (i.e. in years of CCS) will be required to accept the vacancy. This provision comes into effect only after acknowledgement by the Canada Employment and Immigration Commission that it will not invalidate the SUB registration.

NOTE: Employees on Employment Security will be required to fill vacancies in accordance with this work at home Location provision before employees in receipt of Enhanced SUB or SUB.

- (iv) Should a temporary vacancy of less than 90 days outside the employee's bargaining unit arise at a time when several members of other unions are on employment security, the employees will be ranked in CCS order and the senior employee (i.e. in years of CCS) will be required to fill the vacancy.

NOTE: Employees on employment security will be required to fill vacancies in accordance with this work at home Location provision before employees in receipt of Enhanced SUB or SUB.

- (v) An employee who accepts a vacancy will be compensated, while so employed, at their employment security basic rate of pay or the established rate for the vacancy, whichever is the higher. In the application of this provision, if it is necessary to supplement the basic rate of the position concerned, each week so supplemented shall be deducted from the employee's employment security salary. Provided the employee remains in a position to which a supplement applies, such supplement will be paid until such time as the amount expended for supplementary payments equals the amount of the employment security salary s/he would have received had s/he not been required to fill a vacancy or, until the employee vacates the position, whichever date comes first. If an employee is released from a position occupied pursuant to paragraph (i) above and still eligible for benefits, his/her benefits will be calculated on the basis of his/her original bargaining unit basic rate of pay.

NOTE: An employee who is working outside of the Company will not have his/her employment security entitlement period reduced by the number of weeks of top off received (as per Appendix "F").

- (vi) An employee who refuses a recall to a temporary vacancy of less than 90 days, will forfeit his/her employment security benefits for the duration of that vacancy, but all other rights remain.

NOTE: For permanent vacancies, or temporary vacancies of 90 days or more, Article 3.9 applies.

- (vii) These provisions shall operate over any clause in any Collective Agreement to the contrary.

- (d) Any outside earnings an employee was receiving prior to the date of the notice will not be deducted from benefits received under this Article. In all other cases, outside earnings will be deducted.

3.5 The maximum duration of the Employment Security Benefit

8 - 15 completed years CCS ..... 4 years at 100% Basic Weekly Rate  
16 - 25 completed years CCS ..... 5 years at 100% Basic Weekly Rate  
26 plus completed years CCS ..... 6 years at 100% Basic Weekly Rate

- 3.6 Should an employee in receipt of benefits under this Article 3 be recalled to a Permanent Position in accordance with the obligations outlined in Article 3.2, the employee's benefit entitlement outlined in Article 3.5 shall be reinstated for any subsequent 1.1(a) change according to the employee's years of CCS with no reduction for benefits already received.

- 3.7(a) Employees required to relocate, pursuant to Article 3 and who actually relocate their principle place of residence, providing the requirements of Article 6 have been met, will be entitled to the relocation benefits pursuant to Article 6 or, in lieu, providing they actually relocate their principle place of residence may choose a lump sum relocation benefit as follows:

- within the Region \$25,000 Homeowner \$14,000 Renter/Mobile Home Owner

NOTE: Where more than one relocation within the Region is involved, the second and subsequent relocations within the Region shall be provided in accordance with Article 6 of this Agreement.

- beyond the Region \$50,000 Homeowner \$29,000 Renter/Mobile Home Owner

NOTE: Employees will be required to pay back one-half of the lump sum relocation benefit if they voluntarily cease their employment relationship with the Company within two years of receiving the lump sum relocation benefit.

- (b) Employees eligible to receive the benefits contained in Article 3 and 4 of the ISA that are occupying permanent positions transferred to another location under the transfer of work provisions of the Collective Agreement, Article 37, will be eligible to receive lump sum relocation benefits. Employee transferring voluntarily to another location will not be eligible to receive lump sum relocation benefits provided in accordance with Article 3.7 (a), but will be eligible to receive Article 6 benefits, providing the requirements of Article 6 have been met.
- 3.8 An ES employee electing to be covered by the benefits contained in this Article 3, who fails to meet the requirements outlined in Article 3.2 (a) or (c), shall forfeit his/her seniority and will forever forfeit entitlement to benefits under the Income Security Agreement.
- 3.9 An employee electing to be covered by the benefits contained in this Article 3, who fails to meet the requirements outlined in Article 3.2 (f), (h), or (i), may opt to receive the benefits contained in Article 4. Such employee will forever forfeit entitlement to benefits under Article 3 of the Income Security Agreement. Article 4 benefits will be reduced by any wages received under Article 3.
- 3.10 Employees on Employment Security benefits as of March 12, 1995, and governed by the rights and obligations of the current Article 7 of the Job Security Agreement will continue to be governed by those provisions along with the following additional conditions which will come into effect three (3) months following the ratification of the Memorandum of Settlement.
- (a) The duration of Employment Security benefit entitlement will be limited to the duration outlined in Article 3.5 of this Agreement;
- (b) When an employee has expended his/her Employment Security benefit and is not occupying a Permanent Position, such employee must occupy a Permanent Position pursuant to Article 3.2 or elect options 1, 2 or 3 pursuant to Article 4.1.
- (c) While an employee currently on Employment Security is in the transition period of 4 to 6 years outlined above, such employee will be required, in addition to the current requirements of Article 7 of the Job Security Agreement, to fill permanent vacancies in all other bargaining units, non-scheduled or management positions on the Region or accept work outside of the Company at the home Location. Any earnings will offset the Company's Employment Security payments.
- (d) When permanent vacancies occur on the System within the bargaining unit, the Labour Adjustment Committee will meet to ensure the filling of such vacancies. A senior working employee in the same bargaining unit may voluntarily fill the vacancy, if by doing so, an ES employee on his/her Region obtains a Permanent Position. If the Labour Adjustment Committee cannot fill such a vacancy on a voluntary basis as outlined above, then the junior employee in the bargaining unit



on the Region currently on Employment Security must fill that vacancy on the System.

During this ES period, the Labour Adjustment Committee will meet to develop additional opportunities and/or options for such employees, including but not limited to placement assistance, job searches, special training, etc., with the ultimate goal of finding permanent employment opportunities.

- 3.11 An employee on Employment Security, called to temporary work outside his/her bargaining unit will revert to Employment Security status at the termination of such work, provided s/he has exercised his/her obligations to hold work pursuant to the Employment Security rules. Additionally, when an employee is recalled to work within his/her own bargaining unit and where the nature of that work is that it is expected to be of a defined term or a special project of any kind then, at the termination of such work, provided s/he has exercised his/her obligations to work pursuant to the employment security rules s/he will revert to Employment Security status.
- 3.12 Where an employee is recalled within his/her own bargaining unit on account of an apparent permanent increase in workload, and where such workload increase turns out to be temporary, a consequent staff reduction (not as a result of a change contemplated in Article 1.1 (a) of this Agreement) within one year of the original recall will not give a rise to a layoff. It is understood that in the application of this provision, the number of individuals going onto Employment Security status following a staff reduction will be no greater than the numbers recalled initially from Employment Security status as a result of the increase in workload. In these circumstances, the provisions of Article 3.6 do not apply.
- 3.13 Should a layoff occur which does not come within the scope of Article 1.1 (a), the affected employees who have completed eight or more years (96 months) of CCS and commenced service prior to January 1, 1994, will be permitted to displace the junior employee(s) receiving benefits under this Article 3 at the location, if any, for the duration of such layoff. The junior employee(s) so displaced will be laid off and entitled to the benefits contained in Article 5 of this Agreement, subject to eligibility. When the senior employee(s) are recalled to work and no longer in receipt of Article 3 benefits, the junior employee(s) previously displaced from Article 3 benefits, provided that they continue to be on layoff, will resume the unused Article 3 benefits. In no circumstance will the total duration or amount of Article 3 entitlement exceed the duration or amount of entitlement of the junior employee originally displaced.

**ARTICLE 4  
ENHANCED BENEFITS AND ALTERNATIVE OPTIONS**

4.1 An employee who has completed eight or more years (96 months) CCS and commenced service prior to January 1, 1994, and is affected by a change pursuant to Article 1.1(a) of this Agreement and elects not to fulfill the obligations under Article 3 of this Agreement, will be required to do the following in order to become eligible for the benefits contained in Article 4 of this Agreement:

NOTE: Article 9 - Transfer of Benefits may apply

- (a) fully exhaust seniority in their own bargaining unit at their Location; if unable to hold work;
- (b) fully exhaust seniority in their own bargaining unit on their Basic Seniority Territory; if unable to hold work;
  - Relocation benefits will be triggered only when permanent vacancies are filled or when an employee displaces onto a Permanent Position.

NOTE: Any employee may choose Article 4.3, Option 1, 2, or 3 prior to accepting work in other bargaining units.

- (c) fill vacancies in other bargaining units, non-scheduled or management positions at the home Location; if unable to hold work;

NOTE: Any employee may choose Article 4.3, Option 1, 2, 3 or 4 prior to accepting work outside of Canadian Pacific.

- (d) accept work outside of Canadian Pacific at the home Location as determined by the Labour Adjustment Committee;
- (e) exercise one of the options as outlined in Article 4.3 or the benefit outlined in Article 4.2.

**ENHANCED BENEFITS**

4.2 If unable to hold work pursuant to Article 4.1 and having not elected one of the options contained in Article 4.3, an eligible employee may elect to receive the Enhanced SUB as outlined below. However, if an employee affected by a change pursuant to Article 1.1(a), has chosen to be governed by the rights and obligations of Article 4 prior to the implementation of the change, and not elected one of the options in Article 4.3, a senior employee at the location of the above-mentioned affected employee may choose to elect Options 1, 2 or 3 contained in



Article 4.3 in order to keep the affected employee working in a Permanent Position.

## ELIGIBILITY

- 4.2.1 (a) An employee who fulfills the above requirements and who is not disqualified under Clause (b) hereof, shall be eligible for a benefit payment in respect of each Claim Week provided s/he meets all of the following requirements:
- (i) For Enhanced SUB payment, a continuous waiting period of seven days in the period of layoff has expired. Each period of layoff will require a new seven-day waiting period in order to establish eligibility for Enhanced SUB, except that once an employee has been on layoff for more than seven days, and is recalled to work for a period of less than ninety calendar days, such employee will immediately become eligible for Enhanced SUB upon layoff within such ninety days;
  - (ii) He/she has made application for benefits in the prescribed form and in accordance with the procedures prescribed by the Committee;
  - (iii) He/she continues to exercise full seniority rights on his/her Basic Seniority Territory as provided in the Collective Agreement and no work continues to be available for the employee to fill at the home Location in other bargaining units, non-scheduled, management or work outside the Company as determined by the Labour Adjustment Committee, except as otherwise expressly provided in Clause (ii), paragraph (b) of this Article 4.2.1.
- (b) Notwithstanding anything to the contrary in this Article, an employee shall not be regarded as laid off:
- (i) during any day or period in which his/her employment is interrupted by leave of absence for any reason, sickness, injury, disciplinary action (including time held out of service pending investigation), failure to exercise seniority (except as otherwise expressly provided for in Clause (b)(ii) hereof, retirement, Act of God, including but not limited to fire, flood, tempest or earthquake or a reduction or cessation of work due to strikes by employees of the Railway;
  - (ii) during any interval between the time that s/he is recalled to the service of the Company after a period of layoff, and the time at which s/he actually resumes work during any waiting period provided for in the Collective Agreement; except that an employee who does not, as a consequence of the foregoing, return to service on the day work is available shall be

governed by the provisions of Article 4.2.7 of this Agreement, on the same basis as if s/he had returned to work on the date such work became available;

- (iii) if s/he declines, for any reason, other than as expressly provided for in Clause (b)(ii) above, recall to work on his/her Basic Seniority Territory in accordance with the seniority provisions of the Collective Agreement;
- (iv) if, as provided in Article 4.2.11, s/he fails to accept either a temporary or permanent vacant position at his/her home Location in other bargaining units, non-scheduled positions, management positions or positions outside of the Company as identified by the Labour Adjustment Committee;
- (v) in respect of any period in which s/he is receiving other payments of any kind or nature directly from the Company, except as otherwise expressly provided in Article 4.2.7;
- (vi) during any recognized period of seasonal layoff;
- (vii) after his/her dismissal from the service of the Company.

## ENTITLEMENT

4.2.2 An Eligible Employee will be allowed a gross layoff benefit credit in accordance with the table below:

8 - 15	completed years CCS	.....	2 years
16 - 22	completed years CCS	.....	3 years
23 - 29	completed years CCS	.....	4 years
30 plus	completed years CCS	.....	5 years

The number of years of CCS will be calculated from the last date of entry into the Company's service as a new employee. The benefit level will be calculated as per the rate of pay of the Permanent Position held on the date of the change.

4.2.3 An Eligible Employee who is laid off, and whose layoff benefit credit is reduced due to Enhanced SUB payment being made during the period of layoff in accordance with Article 4.2 of this Agreement, will, on recall to a temporary position, accumulate layoff benefit credits in accordance with the above provisions of this Article. If the accumulation of credits increases the duration of entitlement, all previous weeks paid out since the 1.1(a) change will be deducted.

4.2.4 An Eligible Employee, as defined above, may, at the expiration of the seven-day waiting period specified in paragraph (i) of said Article 4.2.1(a), make application to a designated officer in the form and manner prescribed by the Committee, for Enhanced SUB as follows:

- (a) During any week following the seven-day waiting period referred to in Article 4.2.1 that an Eligible Employee is not eligible for unemployment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for unemployment insurance benefits, or account unemployment insurance waiting period, such employee may claim an Enhanced SUB for each complete week of seven calendar days laid off of an amount that, when added to outside earnings, will result in the employee receiving 80 per cent of his/her Basic Weekly Rate at time of layoff (hourly-rated employees 40 x the basic hourly rate; seasonal employees, 80 percent of average weekly earnings over the eight weeks preceding layoff).
- (b) An Enhanced SUB for each complete week of seven calendar days laid off following the seven-day waiting period referred to in Article 4.2.1 of an amount that, when added to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week, will result in the employee receiving 80 per cent of his/her Basic Weekly Rate at time of layoff (hourly-rated employees 40 x the basic hourly rate; seasonal employees, 80 percent of average weekly earnings over the eight weeks preceding layoff).
- (c) Enhanced SUB provided for under Article 4.2.4 shall cease when an Eligible Employee has exhausted the benefit accumulation as specified in Article 4.2.2 of this Agreement.

4.2.5 Employees electing Enhanced SUB may elect, at the same time, to continue to be covered by any or all of the current benefits (Dental, Extended Health & Vision Care and/or Group Life Insurance) at their expense. The direct payment must be made by the 20th of the month for coverage for the next month. An employee's decision to elect one or all of these benefits will be binding for the duration during which the employee is in receipt of Enhanced SUB after being laid off from his/her permanent job.

4.2.6 It shall be the responsibility of the employee to report for each week for which s/he is claiming an Enhanced SUB under this Agreement, any amounts received in unemployment insurance benefits in respect of such week, as well as any wages earned during such week while employed outside the Railway. In the event an employee does not report all such outside earnings for any particular week, this will be interpreted as notice from the employee that his/her outside earnings for such week are the same as those for the previous week.

4.2.7 No Enhanced SUB will be made for parts of a Claim Week except that:

(a) Recall not covered by Clause (b) below:

An employee who has qualified for Enhanced SUB in accordance with Clause (a) of Article 4.2.1 and who returns to work for part of the last Claim Week and thereby receives earnings from the Company in that last Claim Week, may make application for a partial Enhanced SUB which, when added to the earnings received in that week and to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week, will result in the employee receiving 80 per cent of his/her Basic Weekly Rate at time of layoff (hourly-rated employees 40 x the basic hourly rate).

(b) Temporary recall for less than five working days:

An employee who has qualified for Enhanced SUB in accordance with Clause (a) of Article 4.2.1 will not have his/her Enhanced SUB payment reduced for any Claim Week during which s/he returned to the service temporarily for less than five working days.

#### EXAMPLE OF PAYMENT FOR PART WEEK ON RECALL

4.2.8 See example listed in Article 5.9

#### SPECIAL PROVISION FOR EMPLOYEES WITH TWENTY YEARS OR MORE OF CCS

4.2.9 (a) An employee with 20 years of CCS who, in any calendar year, is laid off and unable to hold work on his/her Basic Seniority Territory shall, upon return to work, count the period of layoff, up to a maximum of 100 days in any such calendar year from 1976 on, towards the qualifying period for vacation in the ensuing years; such period of layoff in one year shall, upon return to work, also count as service for determining the vacation entitlement in the following year. Layoff days credited for vacation purposes shall not be used in any other manner to obtain additional credit.

(b) An employee with 20 years of CCS who is laid off and unable to hold work on his/her Basic Seniority Territory will have his/her group life insurance continued during the period of layoff, up to a maximum period of two years from the date of layoff.

4.2.10 Any agreement reached between the parties shall not be valid in respect of benefits under this Agreement unless approved by the Canada Employment and Immigration Commission on the basis that no deductions shall be made from the Government unemployment insurance payments by reason of Enhanced SUB. Notwithstanding anything contained in this Agreement, no Eligible Employee shall receive for any week, a layoff payment under this Agreement in excess of that which can be allowed the employee without any reduction in his/her unemployment insurance payment.

#### WORK AT HOME LOCATION

4.2.11 Employees on Enhanced SUB must avail themselves of work at their home Location in accordance with the following:

- (a) An employee will be required to accept permanent and temporary vacancies, subject to qualifications, at his/her home Location, in other bargaining units, non-scheduled positions, management positions or positions outside of the Company as identified by the Labour Adjustment Committee. Vacancies outside of the employee's bargaining unit, must be vacancies which occur after all bulletining and recall provisions of the relevant Collective Agreement have been exhausted.
- (b) An employee accepting a vacancy in another TC Local 1976 of the USW Seniority List, bargaining unit, non-scheduled, management or outside of the Company will continue to accumulate seniority in his/her original bargaining unit Seniority List. Such employee must accept recall to the first permanent vacancy, or temporary vacancy of an expected duration of 90 days or more, in his/her original bargaining unit at his/her home Location. Failure to do so will result in loss of seniority in his/her original bargaining unit Seniority List, except as provided in Article 21.8 of the Collective Agreement. An employee failing to return to a position in the bargaining unit when working outside of the Company will have their record closed, unless otherwise mutually agreed.
- (c) Should a permanent vacancy, or a temporary vacancy with an expected duration of 90 days or more, outside the employee's bargaining unit arise at a time when several members of other unions are on Enhanced SUB and receiving benefits, the vacancy will be offered to employees in order of CCS. Only the most junior employee (i.e. in years of CCS) will be required to accept the vacancy. This provision comes into effect only after acknowledgement by the Canada Employment and Immigration Commission that it will not invalidate the SUB registration.

NOTE: Employees in receipt of Enhanced SUB will be required to fill vacancies in accordance with this work at home Location provision before employees on SUB (Article 5).

- (d) Should a temporary vacancy of less than 90 days outside the employee's bargaining unit arise at a time when several members of other unions are on Enhanced SUB and receiving benefits, the employees will be ranked in CCS order and the senior employee (i.e. in years of CCS) will be required to fill the vacancy.

NOTE: Employees in receipt of Enhanced SUB will be required to fill vacancies in accordance with this work at home Location provision before employees on SUB (Article 5).

- (e) An employee who accepts a vacancy will be compensated, while so employed, at 80% of his/her basic rate of pay or the established rate for the vacancy, whichever is the higher. In the application of this provision, if it is necessary to supplement the basic rate of the position concerned, each week so supplemented shall be deducted from the employee's Enhanced SUB entitlement. Provided the employee remains in a position to which a supplement applies, such supplement will be paid until such time as the amount expended for supplementary payments equals the amount of the Enhanced SUB entitlement s/he would have received had s/he not been required to fill a vacancy or, until the employee vacates the position, whichever date comes first. If an employee is released from a position occupied pursuant to paragraph (a) above and still eligible for benefits, his/her benefits will be calculated on the basis of his/her original bargaining unit basic rate of pay.
- (f) An employee who refuses a recall to a vacancy will forfeit his/her Enhanced SUB for the duration of that vacancy, but all other rights remain.
- (g) These provisions shall operate over any clause in any Collective Agreement to the contrary.

**4.3 ALTERNATIVE OPTIONS**

OPTION ONE

- (i) An employee who is also eligible for Early Retirement under the Company's Pension Plan, will be entitled to receive a monthly separation allowance until the age of 65 which, when added to his/her company pension, will give the employee an amount equal to a percentage of his/her average annual earnings over his best five-year period, as defined under the pension rules, in accordance with the following formula:

Years of Pensionable Service at Time Employee Elects Retirement	Percentage Amount as Defined Above
35 & over	80
34	78
33	76
32	74
31	72
30	70
29	68
28	66
27	64
26	62
25	60

- (ii) An employee who elects to be covered by the provisions of this Option One shall be entitled to have his/her Group Life Insurance continued, fully paid by the Company, and Extended Health and Vision Care benefits continued, co-paid by the Company and the employee, until age of normal retirement, at which time s/he will be provided a Paid-up Life Insurance Policy, fully paid by the Company in an amount equal to that in effect in existing Collective Agreement.
- (iii) The separation allowance shall cease upon the death of the employee who dies before reaching the age of sixty-five (65).
- (iv) An employee entitled to the separation allowance as herein above set out may elect to receive in its stead a lump sum payment equal to the present value of his/her monthly separation payments calculated on the basis of a discount rate of ten (10) per centum per annum.
- (v) An employee who elects benefits under this Option One will not be entitled to any other benefits provided elsewhere in this Agreement.



## OPTION TWO (A)

- (i) An employee with Employment Security who is at least fifty years of age and who will be eligible for Early Retirement under the Company's Pension Plan within five (5) years will be entitled to a bridging benefit as defined herein. An employee who is within five years of normal retirement (age 65), but who is not eligible for early retirement without reduction, will be entitled to benefits under this Option Two (A).
- (ii) An employee who elects to be covered by the provisions of this Option Two (A) will be paid on the same bi-weekly basis as s/he was paid while on active service with the Company. Normal deductions covering pension, income tax, union dues, etc., will be made in the usual manner. In the application of this Option Two (A), it is understood that active employment is severed and the employee will not be entitled to future wage adjustments.
- (iii) An employee covered by the provisions of this Option Two (A) will be compensated on the basis of 65% of the Basic Weekly Rate of pay of the Permanent Position held at the time the employee elects the provisions of this Option Two (A).
- (iv) An employee covered by the provisions of this Option Two (A) will, at the time s/he qualifies for early retirement under the Company's Pension Plan, also be entitled to a separation allowance in accordance with the terms contained in Option One of this Agreement.
- (v) An employee covered by the provisions of this Option Two (A), while on the bridging plan, will accumulate credit for pension eligibility purposes and pension contributions will continue to be made.
- (vi) An employee who elects to be covered by the provisions of this Option Two (A) shall be entitled to have his/her Group Life Insurance continued, fully paid by the Company, and Extended Health and Vision Care benefits continued, co-paid by the Company and the employee, until s/he qualifies for normal retirement, at which time s/he will be provided a Paid-up Life Insurance Policy, fully paid by the Company in an amount equal to that in effect in existing Collective Agreement. The employee will also be covered by the provisions of the Dental Plan co-paid by the Company and the employee. This Dental coverage, however, will only remain in effect until the date of the employee's early retirement.
- (vii) An employee who elects to be covered by the provisions of this Option Two(A) will at the time of so electing, make an irrevocable application for bridging and early retirement to the appropriate Company officer and,



except as provided in this Option Two(A) of this Agreement, s/he will not be entitled to any other benefits provided elsewhere in this Agreement.

- (viii) All payments under Option Two (A) shall cease upon the death of the employee.

#### OPTION TWO (B)

- (i) An employee who is at least 48 years of age and who will be eligible for early retirement in less than 7 years but more than 5 years, will be entitled to a bridging benefit as defined herein.
- (ii) An employee who elects to be covered by the provisions of this Option Two (B) will be paid on the same bi-weekly basis as s/he was paid while on active service with the Company. Normal deductions covering pension, income tax, union dues, etc., will be made in the usual manner. In the application of this Option Two(B), it is understood that active employment is severed and the employee will not be entitled to future wage adjustments.
- (iii) An employee covered by the provisions of this Option Two (B) will be compensated on the basis of 65% of the Basic Weekly Rate of pay of the Permanent Position held at the time the employee elects the provisions of this Option Two(B).
- (iv) An employee covered by the provisions of this Option Two (B) will, at the time s/he qualifies for early retirement under the Company's Pension Plan, also be entitled to a separation allowance lump sum in accordance with Article 8 of this Agreement.
- (v) An employee covered by the provisions of this Option Two (B), while on the bridging plan, will accumulate credit for pension eligibility purposes and pension contributions will continue to be made.
- (vi) An employee who elects to be covered by the provisions of this Option Two (B) shall be entitled to have his/her Group Life Insurance continued, fully paid by the Company, and Extended Health and Vision Care benefits continued, co-paid by the Company and the employee, until s/he qualifies for normal retirement, at which time s/he will be provided a Paid-up Life Insurance Policy, fully paid by the Company in an amount equal to that in effect in the existing Collective Agreement. The employee will also be covered by the provisions of the Dental Plan, co-paid by the Company and the employee. This Dental coverage, however, will only remain in effect until the date of the employee's early retirement.

- (vii) An employee who elects to be covered by the provisions of this Option Two (B) will at the time of so electing, make an irrevocable application for bridging and early retirement to the appropriate Company officer and, except as provided in this Option Two (B) of this Agreement, s/he will not be entitled to any other benefits provided elsewhere in this Agreement.
- (viii) All payments under Option Two (B) shall cease upon the death of the employee.

### OPTION THREE

- (i) An employee who is not eligible for a benefit payment pursuant to Options One or Two (A) or (B) may, upon submission of formal resignation from the Company's service, claim a severance payment of \$65,000.
- (ii) An employee who elects to be covered by the provisions of Option Three shall be entitled to have his/her Group Life Insurance continued for one year, fully paid by the Company, and Extended Health and Vision Care benefits co-paid by the Company and the employee, continued for one year.
- (iii) An employee who elects benefits under this Option Three will not be entitled to any other benefits provided elsewhere in this Agreement.
- (iv) In no event shall the amount of benefit provided under this Option Three exceed the straight earnings that an employee would have earned on the position permanently held at the time the employee elects this benefit had such employee continued to work until age 65.

## OPTION FOUR

- (i) Notwithstanding anything in the Collective Agreement to the contrary, an employee choosing this option shall be provided with a leave of absence for a period of up to three years while attending an educational-training program approved by the Labour Adjustment Committee. During this time period, an employee will continue to receive his/her Basic Weekly Rate of pay applicable to the position permanently held at the time of the change, paid on the same bi-weekly basis as s/he was paid while in active service with the Company. Normal deductions covering pension, income tax, union dues, etc., will be made in the usual manner. An employee who elects to be covered by this option shall be entitled to have his/her Group Life Insurance continue, fully paid by the Company, and Extended Health and Vision Care, and Dental benefits continue, co-paid by the Company and the employee, while receiving this benefit.
- (ii) Employees will be subject to be called to work while not attending courses. This does not include weekends while courses are in session, nor does this include Christmas break or mid-term break (i.e. 1 week break in February or March).
- (iii) All outside earnings during this period of leave will be deducted from the employee's pay. Upon completion, the employee shall forfeit his/her seniority. In the event the employee is the successful candidate for a Permanent Position within the Company for which s/he was trained, such employee will forfeit future entitlement to Article 3 or Article 4 benefits. 4.4

4.4 Employees required to relocate pursuant to Article 4 be entitled to the relocation benefits provided pursuant to the provisions of Article 6, or, in lieu, if having met the requirements of Article 6, may choose a lump sum relocation benefit as follows:

- \$25,000 Home Owner \$14,000 Renter/Mobile Home Owner

NOTE: (a) Where more than one relocation is involved, the second and subsequent relocations shall be provided in accordance with Article 6 of this Agreement.

NOTE: (b) Employees will be required to pay back one-half of the lump sum relocation benefit if they voluntarily cease their employment relationship with the Company within two years of receiving the lump sum relocation benefit.

NOTE: Changes made to Article 4 which include changes to the header and restructuring of the article, have been made in response to concerns raised by the HRDC and do not change the intent of the benefit provisions and/or obligations as originally negotiated between the parties.

**ARTICLE 5**  
**SUPPLEMENTAL UNEMPLOYMENT BENEFITS AND SEVERANCE PAYMENTS**

ELIGIBILITY

5.1(a) An employee who is not disqualified under Clause (c) hereof, shall be eligible for a benefit payment in respect of each Claim Week provided s/he meets all of the following requirements:

- (i) He has two years or more of continuous employment relationship at the beginning of the calendar year in which the period of continuous layoff in which the Claim Week occurs began (calendar year shall be deemed to run from January 1st to December 31st);
- (ii) For Supplemental Unemployment Benefit payment, a continuous waiting period of seven days in the period of layoff has expired. Each period of layoff will require a new seven-day waiting period in order to establish eligibility for Supplemental Unemployment Benefits, except that once an employee has been on layoff for more than seven days, and is recalled to work for a period of less than ninety calendar days, such employee will immediately become eligible for Supplemental Unemployment Benefits upon layoff within such ninety days;
- (iii) S/He has made application for benefits in the prescribed form and in accordance with the procedures prescribed by the Committee;
- (iv) S/He has exercised full seniority rights in his/her own bargaining unit at the Location; then on his/her Basic Seniority Territory as provided for in the relevant Collective Agreement, except as otherwise expressly provided in Clause (c), paragraph (ii) of this Article 5.1.

(b) An employee who, on being laid off, does not qualify under paragraph (i) of Article 5.1 (a) shall, if still laid off in the next calendar year, qualify under said paragraph (i) if at the beginning of said next calendar year s/he has two years of continuous employment relationship. The seven-day waiting period provided for in Paragraph (ii) of Article 5.1 (a), shall commence from the 1st day of January of that year.

(c) Notwithstanding anything to the contrary in this Article, an employee shall not be regarded as laid off:

- (i) during any day or period in which his/her employment is interrupted by leave of absence for any reason, sickness, injury, disciplinary action (including time held out of service pending investigation), failure to

exercise seniority (except as otherwise expressly provided for in Clause (c) (ii) hereof), retirement, Act of God, including but not limited to fire, flood, tempest or earthquake or a reduction or cessation of work due to strikes by employees of the Railway;

- (ii) during any interval between the time that s/he is recalled to the service of the Company after a period of layoff, and the time at which s/he actually resumes work during any waiting period provided for in the relevant Collective Agreement; except that an employee who does not, as a consequence of the foregoing, return to service on the day work is available shall be governed by the provisions of Article 5.8 of this Agreement, on the same basis as if s/he had returned to work on the date such work became available;
  - (iii) if s/he declines, for any reason, other than as expressly provided for in Clause (c) (ii) above, recall to work on his/her Basic Seniority Territory in accordance with the seniority provisions of the relevant Collective Agreement;
  - (iv) If, as provided in Article 5.12, s/he fails to accept either a temporary or permanent vacant position at his/her home Location in other bargaining units, non-scheduled positions or management positions.
  - (v) in respect of any period in which s/he is receiving other payments of any kind or nature directly from the Company, except as otherwise expressly provided in Article 5.8;
  - (vi) during any recognized period of seasonal layoff.
  - (vii) after his/her dismissal from the service of the Company;
- (d) Supplemental Unemployment Benefit (SUB) Plans provide that payments in respect of guaranteed annual remuneration or in respect of deferred remuneration or severance pay benefits are not reduced or increased by payments received under the SUB Plan.

5.2 An employee who is on layoff on the effective date of this Agreement and not receiving Supplemental Unemployment Benefits but who now qualifies for benefit payments in accordance with the terms of this Agreement shall be entitled to claim Supplemental Unemployment Benefit payments for the period of layoff subsequent to the date such claim is received by the designated Company officer providing such claim is submitted within sixty calendar days of the effective date of this Agreement. The period of continuous layoff immediately prior to the date claim is received by the designated Company officer shall be applied to the

waiting period defined in Article 5.1, (a) (ii). Such employee who fails to file a claim within sixty calendar days of the effective date of this Agreement will forfeit his/her right to any benefit payments unless subsequently returned to work and again laid off.

### SUB - ENTITLEMENT

- 5.3(a) Employees who have less than 8 years of CCS and who are affected by either Article 1.1(a) or (b), will be allowed a gross layoff benefit credit of five weeks for each such year. This will be calculated from the last date of entry into the Company's service as a new employee.
- (b) Employees who have 8 or more years of CCS, and who are affected by Article 1.1(b), will be allowed a gross layoff benefit credit of six weeks for each such year. This will be calculated from the last date of entry into the Company's service as a new employee.

NOTE: In arriving at net layoff benefits available for an employee, any previous layoff payments made by the Trustee under the provisions of previous Job Security Agreements and Article 5 of this Agreement must be taken into account on a "weeks of benefits paid" basis.

For example, if an employee with 10 years CCS was laid off under the provisions of this Agreement, s/he would be treated as follows:

Gross weeks of layoff benefits entitlement --10 (yrs) x 6 (weeks)	60 weeks
Less weeks of layoff benefits paid under the provisions of previous Job Security Agreements and Article 5 of this Agreement	10 weeks
Net Layoff Benefits available	50 weeks

- (c) The accumulation of gross layoff benefit credits pursuant to the above shall apply until such time as the employee has completed twenty (20) years of CCS, when the maximum layoff benefit will apply:

Years of CCS	Maximum Period for Which Weekly Benefits Payable for Each Period of Lay Off
20 years or more but less than 25 years	3 years
25 years or more but less than 30 years	4 years
30 years or more	5 years

- 5.4 Except as provided in Article 5.5 hereof, an Eligible Employee who is laid off, and whose layoff benefit credit is reduced due to Supplemental Unemployment Benefit payment being made during the period of layoff in accordance with Article 5 of this Agreement, will, on recall, accumulate layoff benefit credits in accordance with the above provisions of this Article.
- 5.5 An employee who at the beginning of the calendar year has completed 12 years of CCS and subsequently receives Supplemental Unemployment Benefits due to layoff in accordance with the provisions of Article 5 of this Agreement shall, upon subsequent layoff from a Permanent Position, be credited with the accumulated layoff benefit weeks s/he had to his/her credit at the time of layoff.
- 5.6 An Eligible Employee, as defined in Article 5.1 may, at the expiration of the seven-day waiting period specified in paragraph (ii) of said Article 5.1 (a), make application to a designated officer in the form and manner prescribed by the Committee, for Supplemental Unemployment Benefits as follows:
- (a) Employees with TWO or more years of continuous employment relationship and LESS THAN TWENTY YEARS CCS:
- (i) A Supplementary Unemployment Benefit for each complete week of seven calendar days laid off following the seven-day waiting period referred to in Article 5.1 of an amount that, when added to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week, will result in the employee receiving 80 per cent of his/her Basic Weekly Rate at time of layoff (hourly-rated employees 40 x the basic hourly rate).



- (ii) During any week following the seven-day waiting period referred to in Article 5.1 that an Eligible Employee is not eligible for unemployment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for unemployment insurance benefits, or account unemployment insurance waiting period, such employee may claim Supplementary Unemployment Benefits for each complete week of seven calendar days laid off of the maximum unemployment insurance weekly benefit currently in force (for 1995 the maximum payment is \$448.00) or such lesser amount that when added to the employee's outside earnings for such week will result Weekly Rate (hourly-rated employees 40 x the basic hourly rate).
  - (iii) Supplemental Unemployment Benefits provided for under Article 5.6 shall cease when an Eligible Employee has exhausted the benefit accumulation as specified in Article 5.3 of this Agreement.
- (b) Employees with TWENTY OR MORE YEARS of CCS:
- (i) A Supplemental Unemployment Benefit for each complete week of seven calendar days laid off following the seven-day waiting period referred to in Article 5.1 of an amount that, when added to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week, will result in the employee receiving 80 per cent of his/her Basic Weekly Rate at time of layoff (hourly-rated employees 40 x the basic hourly rate).
  - (ii) During any week following the seven-day waiting period referred to in Article 5.1 that an Eligible Employee is not eligible for unemployment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for unemployment insurance benefits, or account unemployment insurance waiting period, such employee may claim a Supplemental Unemployment Benefit for each complete week of seven calendar days laid off of an amount that, when added to outside earnings, will result in the employee receiving 80 per cent of his/her Basic Weekly Rate at time of layoff (hourly- rated employees 40 x the basic hourly rate).
- 5.7 It shall be the responsibility of the employee to report for each week for which s/he is claiming a Supplemental Unemployment Benefit under this Agreement, any amounts received in unemployment insurance benefits in respect of such week, as well as any wages earned during such week while employed outside the Railway. In the event an employee does not report all such outside earnings for any particular week, this will be interpreted as notice from the employee that his/her outside earnings for such week are the same as those for the previous week.



5.8 No Supplemental Unemployment Benefits will be made for parts of a Claim Week except that:

(a) Recall not covered by Clause (b) below:

An employee who has qualified for Supplemental Unemployment Benefits in accordance with Clause (a) of Article 5.1 and who returns to work for part of the last Claim Week and thereby receives earnings from the Company in that last Claim Week, may make application for a partial Supplemental Unemployment Benefit which, when added to the earnings received in that week and to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week, will result in the employee receiving 80 per cent of his/her Basic Weekly Rate at time of layoff (hourly-rated employees 40 x the basic hourly rate).

(b) Temporary recall for less than five working days:

An employee who has qualified for Supplemental Unemployment Benefits in accordance with Clause (a) of Article 5.1 will not have his/her Supplemental Unemployment Benefit payment reduced for any Claim Week during which s/he returned to the service temporarily for less than five working days.

EXAMPLE OF PAYMENT FOR PART WEEK ON RECALL

5.9 Assume that an employee with a rate of \$15.00 per hour (\$120.00 per day, \$600.00 per week) is laid off Friday, February 10/95 (last day worked February 9/95) and recalled to work Wednesday, March 22/95. This is 40 days, or 5 weeks and 5 days.

For the purpose of this illustration, the employee's Supplemental Unemployment Benefit Claim Week is Friday to Thursday, and the unemployment insurance claim week is Sunday to Saturday.

In these circumstances the employee's benefit entitlement would be as follows:

SUB Claim Week 1 - NIL (waiting period)

SUB Claim Week 2 - (i) employee with less than  
20 years CCS -  
unemployment insurance  
maximum -\$448

(from SUB)	(ii) employee with 20 or more years of CCS - 80% of basic weekly salary at the time of layoff (80% x \$600)	-\$480
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SUB Claim Weeks 3, 4 & 5	80% of basic weekly salary at the time of lay off (80% x \$600)	-\$480*
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(\* \$330 from unemployment insurance; \$150 from SUB)  
(UI pays 55% of insurable earnings up to a maximum of \$448)

Upon recall: SUB Claim Week (March 17 - 23, 1995, inclusive)

- For unemployment insurance purposes, employee works 2 days (March 22 and 23/95 - both of which fall in one unemployment insurance claim week) - Earnings \$240
- Deduct unemployment insurance allowable earnings (25% of employee's unemployment insurance entitlement of \$330) \$ 83
- Earnings for unemployment insurance purposes \$157
- Unemployment insurance entitlement during last SUB claim week - \$330 - \$157 = \$173

In order to make up the 80% of his/her Basic Weekly Rate during the last SUB claim week, i.e. \$480, the employee would receive

- Two days wages for March 22 and 23/95 \$240
- Unemployment insurance entitlement \$173
- Supplemental Unemployment Benefit \$ 67
- TOTAL \$480

## SPECIAL PROVISIONS FOR EMPLOYEES WITH TWENTY YEARS OR MORE OF CCS

- 5.10(a) An employee with 20 years of CCS who, in any calendar year, is laid off and unable to hold work on his/her Basic Seniority Territory shall, upon return to work, count the period of layoff, up to a maximum of 100 days in any such calendar year from 1976 on, towards the qualifying period for vacation in the ensuing years; such period of layoff in one year shall, upon return to work, also count as service for determining the vacation entitlement in the following year. Layoff days credited for vacation purposes shall not be used in any other manner to obtain additional credit.
- (b) An employee with 20 years of CCS who is laid off and unable to hold work on his/her Basic Seniority Territory will have his/her group life insurance continued during the period of layoff, up to a maximum period of two years from date of layoff.
- 5.11 Any agreement reached between the parties shall not be valid in respect of benefits under this Agreement unless approved by the Canada Employment and Immigration Commission on the basis that no deductions shall be made from the Government unemployment insurance payments by reason of Supplemental Unemployment Benefits. Notwithstanding anything contained in this Agreement, no Eligible Employee shall receive for any week, a layoff payment under this Agreement in excess of that which can be allowed the employee without any reduction in his/her unemployment insurance payment.

## WORK AT HOME LOCATION

- 5.12 Employees on Supplemental Unemployment Benefits must avail themselves of work at their home Location in accordance with the following:
- (a) An employee will be required to accept permanent and temporary vacancies, subject to qualifications, at his/her home Location, in other bargaining units, non-scheduled positions, management positions or positions outside of the Company as identified by the Labour Adjustment Committee. Vacancies outside of the employee's bargaining unit, must be vacancies which occur after all bulletining and recall provisions of the relevant Collective Agreement have been exhausted.
- (b) An employee accepting a vacancy in another TC Local 1976 of the USW Seniority List, bargaining unit, non-scheduled, management or outside of the Company will continue to accumulate seniority in his/her original bargaining unit Seniority List. Such employee must accept recall to the first permanent vacancy, or temporary vacancy of an expected duration of 90 days or more, in his/her original bargaining unit at his/her home Location. Failure to do so will result in loss of seniority in his/her original bargaining unit Seniority List, except as

provided in Article 21.8 of the Collective Agreement. An employee failing to return to a position in the bargaining unit when working outside of the Company will have their record closed, unless otherwise mutually agreed.

- (c) Should a permanent vacancy, or a temporary vacancy with an expected duration of 90 days or more, outside the employee's bargaining unit arise at a time when several members of other unions are receiving Supplemental Unemployment Benefits, the vacancy will be offered to employees in order of CCS. Only the most junior employee (i.e. in years of CCS) will be required to accept the vacancy. This provision comes into effect only after acknowledgement by the Canada Employment and Immigration Commission that it will not invalidate the SUB registration.
- (d) Should a temporary vacancy of less than 90 days outside the employee's bargaining unit arise at a time when several members of other unions are receiving Supplemental Unemployment Benefits, the employees will be ranked in CCS order and the senior employee (i.e. in years of CCS) will be required to fill the vacancy.
- (e) An employee who accepts a vacancy will be compensated, while so employed, at 80% of his/her basic rate of pay or the established rate for the vacancy, whichever is the higher. In the application of this provision, if it is necessary to supplement the basic rate of the position concerned, each week so supplemented shall be deducted from the employee's Supplemental Unemployment Benefit entitlement. Provided the employee remains in a position to which a supplement applies, such supplement will be paid until such time as the amount expended for supplementary payments equals the amount of the Supplemental Unemployment Benefit entitlement s/he would have received had s/he not been required to fill a vacancy or, until the employee vacates the position, whichever date comes first. If an employee is released from a position occupied pursuant to paragraph (a) above and still eligible for benefits, his/her benefits will be calculated on the basis of his/her original bargaining unit basic rate of pay.
- (f) An employee who refuses a recall to a vacancy will forfeit his/her Supplemental Unemployment Benefit entitlement for the duration of that vacancy, but all other rights remain.
- (g) These provisions shall operate over any clause in any Collective Agreement to the contrary.

## SEVERANCE PAYMENT

- 5.13 (a) In cases of permanent staff reductions, an employee with two years or more of continuous employment relationship at the beginning of the calendar year, may, upon submission of formal resignation from the Company's service, claim a severance payment as set forth below but such severance payment will not in any event exceed the value of one and one-half years' salary at the basic rate of the position held at the time of abolishment, displacement or layoff.
- (b) For each year of CCS or major portion thereof calculated from the last date of entry into the Company's service as a new employee, an employee will be allowed credit weeks as follows:
- For each of the first seven years - one weeks pay.
  - Eight or more years of CCS - 2.25 weeks pay for all years of compensated service.
- (c) An employee choosing to sever within the first week following lay-off would be entitled to the full severance as provided by the above severance formula.
- (d) An employee choosing to sever between the eighth day and the thirtieth day following lay-off would be entitled to 80% of the above determined severance if such employee has less than eight years of CCS, or 95% if such employee has eight or more years of CCS.
- (e) An employee choosing to sever in the second or any subsequent month following lay-off will have his/her severance entitlement further reduced for each additional month by 15% if such employee has less than eight years of CCS, or 3% if such employee has eight or more years of CCS.
- (f) Notwithstanding any other provision in this Agreement, if upon the effective date of resignation from the Company's service an employee is eligible for an early retirement pension, s/he will not be eligible for a severance payment.
- (g) An employee eligible for a severance payment who resigns and who at a later date will become eligible for an early retirement pension under the Company pension rules shall be entitled to receive the lesser of:
- (i) his severance payment entitlement under this Agreement;
  - OR
  - (ii) a lump sum amount equal to the basic pay s/he would have earned had s/he worked until eligible for an early retirement pension. The basic pay is to be calculated at the employee's basic rate of pay in effect at the time of his/her resignation.

5.14 An employee laid off as a result of a non-permanent staff reduction will be entitled to claim a severance payment subject to meeting the applicable requirements of this Article, as well as the following:

- (a) S/He has been laid off and a continuous waiting period of thirty calendar days in the period of layoff has expired except that if an employee, during such waiting period, is recalled to work for a total of less than five working days the said 30-day waiting period will not be interrupted as a consequence thereof. Each period of layoff will require a new 30- day waiting period in order to establish eligibility for a severance payment except that once an employee has been on layoff for more than thirty calendar days, and is recalled to work for a period of less than ninety calendar days, such employee will immediately become eligible for a severance payment upon layoff within such ninety days;

NOTE: An employee subject to item (a) above may claim weekly layoff benefits pursuant to Article 5.1 (a) (ii) of the Income Security Agreement pending expiration of the 30 day waiting period provided in item (a) above.

- (b) S/He has exercised full seniority rights on his/her Basic Seniority Territory as provided for in the Collective Agreement, except as otherwise expressly provided in Article 5.1 (c) (i) and 5.1 (c) (iii) of the Income Security Agreement.

- (c) Notwithstanding the provisions of Article 5.13 to the contrary, the severance formula for an individual claiming a severance payment under the provisions of this Article 5.14 is as follows:

For each year of CCS or major portion thereof calculated from the last date of entry into the Company's service as a new employee, an employee will be allowed credit weeks as follows:

- For each of the first ten years - one weeks pay;
- For the eleventh and subsequent years of CCS - two weeks pay.

- (d) An employee choosing to sever during the second full month following his/her lay-off will have his/her severance entitlement reduced by 35% if s/he has less than eight years of CCS and a further monthly reduction of 15% for the third and subsequent months. An employee with eight or more years of CCS will have his/her severance entitlement reduced by 8% if s/he chooses to sever during the second full month following his/her lay-off and a further monthly reduction of 3% for the third and subsequent months.

## **ARTICLE 6 RELOCATION EXPENSES**

6.1 To be eligible for relocation expenses an employee:

- (a) must have been laid off or displaced, under conditions where such layoff or displacement is of a permanent nature, with the result that no work is available at his/her home Location and, in order to hold other permanent work on the Railway, such employee is required to relocate; or
- (b) must be engaged in work which has been transferred to a new location and the employee moves at the instance of the Company; or
- (c) must be affected by a notice which has been issued under Article 1.1 (a) of this Agreement and s/he chooses to relocate as a result of receiving an appointment on a bulletined permanent vacancy which at the time is not subject to notice of abolishment under Article 1.1(a) of this Agreement and such relocation takes place in advance of the date of the change, provided this will not result in additional moves being made; or
- (d) must qualify for the benefits contained in Article 3 or Article 4 and be required to relocate to have work under the provisions of Article 3 or Article 4 of this Agreement.

6.2 In addition to fulfilling at least one of the conditions set forth above, the employee:

- (a) must have two years' CCS; and
- (b) must be a householder, i.e., one who owns or occupies unfurnished living accommodation. This requirement does not apply to Articles 6.5, 6.6, 6.7 and 6.10; and
- (c) must establish that it is impractical for the employee to commute daily to the new location by means other than privately-owned automobile.
- (d) must be required to travel an additional 25 miles.

(DOES NOT APPLY TO 6.10 (b))

NOTE: Relocation expenses apply only when the employee must relocate beyond the Location.



## RELOCATION BENEFITS

- 6.3 Payment of door-to-door moving expenses for the Eligible Employee's household goods and his/her automobile including packing and unpacking, insurance and up to one month's storage; the mode of transportation to be determined by the Company.
- 6.4 An allowance of up to \$975 effective January 1, 2008, and up to \$1000 effective January 1, 2012, for incidental expenses actually incurred as a result of relocation.
- 6.5 Reasonable transportation expenses from his/her former Location to his/her new location by rail, or if authorized, by bus or employee-owned automobile, and up to \$250 effective January 1, 2008, and up to \$270 effective January 1, 2012, for an employee without dependents, and that an additional amount of \$130 effective January 1, 2008, and up to \$150 effective January 1, 2012, will be paid for each dependent for meals and temporary living accommodation. Receipts will be required for rail or bus transportation.
- 6.6 Upon authorization, an employee may drive his/her automobile to his/her new location at an allowance per kilometer (or per mile) as specified in the current Collective Agreement.
- 6.7 In order to seek accommodation in his/her new location and/or to move to his/her new location, an employee will be allowed a continuous period of leave up to one week (seven consecutive calendar days). Payment for such leave shall not exceed one week's pay at his/her regular weekly rate. For other than weekly rated employees, 5 basic days or 40 hours straight-time pay shall constitute one week's pay.
- 6.8 (a) Except as otherwise provided in Article 6.8 (c), reimbursement of up to \$16,000 effective January 1, 2008, and up to \$17,000 effective January 1, 2012, for loss sustained on the sale of a relocating employee's private home which s/he occupied as a year-round residence. Loss sustained is determined as the difference between the value determined at the outset plus any real estate agent fees, legal fees, including those legal fees on purchase of a home at the new location, and any mortgage closure penalties, and the amount established as the selling price in the deed of sale.
  - (b) The procedure to be followed in respect of determining the loss, if any, on the sale of a home shall be as described in Article 6.12 - Appraisal Procedure.



(c) Notwithstanding the provisions of Article 6.8 (a):

- (i) should a change take place involving relocation of Railway employees whereby the number of homes being listed for sale by such Railway employees represent 15 per cent or more of the residential homes in the municipality, the employees required to relocate shall be reimbursed for the full loss on such homes, which loss shall be determined by the procedures described in Article 6.12 - Appraisal Procedure. The number of Railway employees' homes referred to above shall, for the purpose of establishing the 15 per cent, include the homes of all Railway employees that are being offered for sale as a result of and at the time of the change;

or

- (ii) should a change occur involving relocation of Railway employees covered by this Agreement as well as Railway employees covered by other Collective Agreements, the maximum amount of \$16,000 effective January 1, 2008, and \$17,000 effective January 1, 2012, specified in paragraph (a) of this Article 6.8 shall be adjusted upward to equal the maximum amount paid account loss on sale of home to any employee covered by such other Collective Agreement.

(d) An Eligible Employee who desires to sell his/her house and receive any benefit to which s/he may be entitled under Article 6.8 must advise the Company's officer concerned accordingly and also sell his/her home within twelve months of the date the initial change takes place. No employee shall be entitled to any claim under Article 6.8 if the house is not listed for sale within sixty days of the date of the final determination of value and thereafter the house continues to be listed for sale. Any claim for reimbursement under Article 6.8 must be made within twelve months of the final determination of value.

NOTE: Notwithstanding other provisions of Article 6.8, special cases of loss on sale of homes may be submitted to the Committee for adjudication, but such special cases shall not be subject to arbitration.

6.9 (a) Payment of the cost of moving a wheeled mobile home which the employee occupies as a year-round residence. The selection of the mover and the cost of moving the mobile home shall require the prior approval of the Company and shall not, in any event, exceed a total cost of \$8,000 effective January 1, 2008, and \$9,000 effective January 1, 2012. Receipts shall be required.

(b) In a case where it is alleged a mobile home, that is occupied by the employee as a year-round residence, is not moveable, the Company will select an independent appraiser who will determine if the mobile home is moveable or not. If it has been determined that the mobile home is not moveable, the loss on sale of home provision will apply (Article 6.8(a)).

- 6.10 (a) If an employee who is eligible for moving expenses does not wish to move his/her household to his/her new location s/he may opt for a monthly allowance of \$260 effective January 1, 2008, and \$290 effective January 1, 2012, which will be payable for a maximum of twelve months from the date of transfer to his/her new location. Should an employee elect to transfer to other locations during such twelve-month period following the date of transfer, s/he shall continue to receive the monthly allowance referred to above, but subject to the aforesaid 12-month limitation. An employee who elects to move his/her household effects to a new location during the twelve-month period following the date of his/her initial transfer will only be eligible for relocation expenses under this Article for one such move and payment of the monthly allowance referred to above shall terminate as of the date of his/her relocation.
- (b) If an employee must travel more than an additional 15 miles but less than an additional 25 miles from his/her residence to the new work location, such employee will be entitled to a monthly allowance of \$290 effective January 1, 2013, which will be payable for a maximum of twelve months from the date of transfer to his/her new location. Should an employee elect to transfer to other locations during such twelve-month period following the date of transfer, s/he shall continue to receive the monthly allowance referred to above, but subject to the aforesaid twelve-month limitation.
- 6.11(a) Alternatively to Article 6.8, the cost of terminating an unexpired lease and legal costs connected therewith up to a value of three months' rent where the relocating employee was renting a dwelling, will be paid. Should the law require payment of more than three months' rent in order to terminate a lease, such additional amount will be paid providing the employee first secures the Company's approval to pay in excess of three months' rent.
- (b) Where a lease was entered into following the notice of the change without prior approval of the Company, no benefit will be provided. Such prior approval will not be unreasonably withheld.

#### APPRAISAL PROCEDURE

- 6.12 When an Eligible Employee desires to sell his/her home, under the provisions of Article 6.8 (b) of this Agreement, the following procedure will apply:
- (a) On advising the Company officer concerned of his/her desire to sell his/her house, the employee shall include pertinent particulars as outlined in sample form attached, including his/her opinion as to the fair market value of his/her house.

- (b) This fair market price of the house shall be the price determined as of a date sufficiently prior to the date of the change in order that the fair market value will be unaffected thereby.
- (c) Within 15 working days from date of receipt of employee's advice of his/her desire to make a claim, the Company officer shall advise the employee concerned whether the suggested fair market value is satisfactory and, if so, such price shall be the fair market value as contemplated by Article 6.8 (a) of this Agreement.
- (d) If, however, the officer concerned is not satisfied that the price requested by the employee is the fair market value, then an effort shall be made to resolve the matter through joint conference of the officer and the employee concerned and the appropriate Union representative if so desired by the employee; such joint conference to be held within 5 working days from date of advice to employee concerned as referred to in Article 6.12(c).
- (e) If such joint conference does not resolve the matter, then within 5 days from the date of the final joint conference arrangements shall be made for an impartial appraisal to be undertaken as soon as possible by an independent real estate appraiser. The fair market price established by such appraiser shall become the fair market value for the purpose of this Agreement, and such price shall be binding on both parties.
- (f) The employee and Company officer concerned shall endeavour to mutually agree upon the independent appraiser referred to in Article 6.12(e). If they are unable to agree, then the Minister of Labour shall be requested to appoint such an independent appraiser.
- (g) The residence shall not have been listed for sale with any appraiser appointed pursuant to the provisions of this Appraisal Procedure, nor with such appraiser's employee, fellow employee or partner.
- (h) The fees and expenses of any appraiser appointed in accordance with Articles 6.12(e) or (f) shall be paid by the Company.

NOTE: In the event an employee desires to sell his/her home at a price which is less than the fair market value as determined by the provisions of this Appraisal Procedure, the Company will be given the right in priority to everyone else to purchase the home.

PARTICULARS OF HOUSE TO BE SOLD

Name of Owner

Address:  
No. Street  
/City-Town

Type of House, i.e. Cottage  
Bungalow  
Split Level

Year Built:

No. of Rooms: Bathrooms:

Type of Construction  
(i.e. brick veneer,  
stucco, clapboard):

Finished Basement: Yes No

Type of heating  
(i.e., oil, coal, gas, electricity)

Garage: Yes No

Size of Lot:

Fair Market Value: \$

Other Comments:

Date:

Signature:

**ARTICLE 7  
MAINTENANCE OF BASIC RATES**

7.1 An employee whose rate of pay is reduced by \$2.00 or more per week, by reason of being displaced due to a change brought about as a result of Technological, Operational or Organizational change, pursuant to an Article 1.1 (a) Notice, will continue to be paid at the basic weekly or hourly rate applicable to the position permanently held at the time of the change providing that, in the exercise of seniority, s/he

(a) first accepts the highest-rated position on his/her Seniority List or equal to or higher position on another Seniority List at his/her Location to which his/her seniority and qualifications entitle him/her; or

(b) if no position is available at his/her location, s/he accepts the highest-rated position on his/her Basic Seniority Territory to which his/her seniority and qualifications entitle him/her. The maintenance of basic rate, will continue until:

(i) The dollar value of the incumbency above the prevailing job rate has been maintained for a period of three years, and thereafter until subsequent general wage increases applied on the basic rate of the position s/he is holding erase the incumbency differential; or

(ii) the employee fails to apply for a position, the basic rate of which is higher by an amount of \$2.00 per week or more than the basic rate of the position which s/he is presently holding and for which s/he is qualified at the Location where s/he is employed; or

(iii) the employee's services are terminated by discharge, resignation, death or retirement.

In the application of (ii) above, an employee who fails to apply for a higher-rated position, for which s/he is qualified, will be considered as occupying such position and his/her incumbency shall be reduced correspondingly. In the case of a temporary vacancy, his/her incumbency will be reduced only for the duration of that temporary vacancy.

An example of the application of Article 7.1(b) (i) follows:

<u>Date</u>	<u>Basic Rate</u>	<u>Incumbency Level</u>
Oct. 1, 1995	500.00	550.00
Jan. 1, 1996 (2% inc.)	510.00	560.00
Jan. 1, 1997 (3% inc.)	525.30	575.30
Jan. 1, 1998 (3% inc.)	541.05	591.05
Jan. 1, 1999 (3% inc.)	557.28	591.05
Jan. 1, 2000 (3% inc.)	573.99	591.05
Jan. 1, 2001 (3% inc.)	591.20	Incumbency disappears

**ARTICLE 8  
EARLY RETIREMENT BENEFIT**

- 8.1 In special cases of permanent staff reduction or special case(s) of staff reductions lending themselves to special offers of optional early retirement separation allowances to eligible employees, the following early retirement benefit may be offered to prevent the otherwise unavoidable relocation and permanent separation of employees with two or more years of service.
- 8.2 To be entitled to this benefit, an employee must be eligible for early retirement and a member of the CP Pension Plan.
- 8.3 The separation allowance to apply in each of such special case of optional early retirement is to be a lump sum payment calculated on the basis of the following formula:

Completed Years of CCS	Number of Weeks Salary Credited for Each Year of Service Remaining to Normal Retirement
35 or more	4.5
34	4.4
33	4.3
32	4.2
31	4.1
30	4.0
29	3.9
28	3.8
27	3.7
26	3.6
25	3.5
24	3.4
23	3.3
22	3.2
21	3.1

- 8.4 Special cases of early retirement must be made with the mutual agreement of the Director, Labour Relations and the President of the Union.

NOTE: (a) A partial year of service remaining to normal retirement is to be expressed on a monthly basis, e.g. 4 years and 1 month (or major portion thereof) equals 4-1/12 (4.083) years.

(b) One week's salary shall be the employee's Basic Weekly Rate at the time of the change.

## **ARTICLE 9 TRANSFER OF BENEFITS**

- 9.1 Where an employee who has completed 8 or more years of CCS and who commenced service prior to January 1, 1994, is affected by a change pursuant to Article 1.1 (a) of this Agreement and is unable to hold a Permanent Position in his/her bargaining unit or is required to relocate in order to hold a Permanent Position in his/her bargaining unit, Article 4.3, Option 1, 2 or 3 will be offered to senior employees in his/her bargaining unit in seniority order on the affected Seniority List at the Location of the affected employee.

NOTE: It was not the intention of the parties to provide to employees at the location, Article 4.3, Option 1, 2, or 3 benefits, when there are junior employees holding permanent positions in the bargaining unit on the Basic Seniority Territory, who have not completed 8 or more years of CCS or commenced service on or after January 1, 1994, or have previously forfeited employment security benefits. (e.g. Article 4.1 (b))

- 9.2 Should a senior employee at the Location referred to in Article 9.1 above, choose not to elect to receive the benefits contained in Article 4.3, Option 1, 2 or 3, the benefits contained in Article 4.3, Option 1, 2 or 3 will be offered to senior employees in the bargaining unit in seniority order on the affected Seniority List at the Location on the BST the affected employee elects to displace, provided that the employee ultimately displaced and unable to hold a Permanent Position has completed 8 or more years of CCS and commenced service prior to January 1, 1994.
- 9.3 Should a senior employee at the Location referred to in Article 9.2 above, choose not to elect to receive the benefits contained in Article 4.3, Option 1, 2 or 3, the benefits contained in Article 4.3, Option 1, 2 or 3 will be offered to senior employees in the bargaining unit in seniority order on the affected Seniority List at the Location on the Region the affected employee elects to displace, provided that the employee ultimately displaced and unable to hold a Permanent Position has completed 8 or more years of CCS and commenced service prior to January 1, 1994.
- 9.4 Should a senior employee at the Location referred to in Article 9.3 above, choose not to elect to receive the benefits contained in Article 4.3, Option 1, 2 or 3, the displaced employee will not be required to displace beyond his/her Region, if this would result in a junior employee who has completed 8 or more years CCS and who commenced service prior to January 1, 1994 being unable to hold a Permanent Position. However, should an employee elect to displace under such circumstances, s/he shall be required to displace an employee in the bargaining unit at the Location where the junior employee in the bargaining unit is located and will be eligible to receive relocation benefits in accordance with Article 6, Relocation Benefits. At this time, Article 4.3, Option 1, 2 or 3 will be offered to

senior employees in the bargaining unit in seniority order on the affected Seniority List at this Location, in order to keep the affected employee working in a Permanent Position.

NOTE 1: In the application of Articles 9.1 through 9.4, it was the intent of the parties to provide such transfer of benefit opportunities first to the affected Department of the affected Seniority List, then if unused, to the affected Seniority List, unless otherwise mutually agreed.

NOTE 2: In the application of Articles 9.1 through 9.4, that transfer of benefit will only be available to senior employees in circumstances where there are qualified employees available to fill the resultant vacancies and that as a result of filling such vacancies, a Permanent Position is made available to an employee who otherwise would be in receipt of Article 3.4 (a), Article 4.2 or Article 4.3 benefits.



**ARTICLE 10  
SEASONAL EMPLOYEES**

- 10.1 Seasonal employees are defined as those who are employed regularly by the Company but who normally only work for the Company during certain seasons of the year. Articles 5 and 7 of this Agreement shall apply to these employees except that payment may not be claimed by any seasonal employee during or in respect of any period or part of a period of layoff falling within the recognized seasonal layoff period for such group. In respect of seasonal employees laid off during the recognized seasonal working period, the seven-day waiting period provided for in Article 5.1 (a) (ii) will apply, except that in the case of a seasonal employee who is not recalled to work at the commencement of the recognized seasonal working period, the seven-day waiting period will begin on the commencement date of the recognized seasonal working period. Seasonal employees and recognized seasonal working periods shall be as defined in Memorandum of Agreement signed between the Company and the Union.

**ARTICLE 11  
GOVERNMENT ASSISTANCE PROGRAMS**

- 11.1 All payments under this Agreement are to be reduced in whole or in part in each case by any amount payable for the same purpose under a Government Assistance Program.

**ARTICLE 12  
NON-APPLICABILITY OF SECTIONS 52, 54, AND 55; PART I AND SECTIONS 214  
TO 226 INCLUSIVE OF PART III OF THE CANADA LABOUR CODE**

- 12.1 The provisions of this Agreement are intended to assist employees affected by any technological change to adjust to the effects of the technological change and Sections 52, 54 and 55, Part I, of the Canada Labour Code do not apply.
- 12.2 The provisions of this Agreement are intended to minimize the impact of termination of employment on the employees represented by the Union party to this Agreement and are intended to assist those employees in obtaining other employment and Sections 214 to 226 of Part III of the Canada Labour Code do not apply.

**ARTICLE 13  
AMENDMENT**

13.1 The parties hereto may at any time during the continuance of this Agreement amend its provisions in any respect by mutual agreement.

**ARTICLE 14  
DURATION**

14.1 This Agreement shall remain in effect until revised in the manner and at the time provided for in respect of the revision of the Collective Agreement.

Signed at Calgary, Alberta, Canada, November 15, 2017

FOR THE COMPANY:

FOR THE UNION:

(Signed) Myron Becker  
Assistant Vice President  
Labour Relations

(Signed) S. Hadden  
President  
TC Local 1976, USW

Dave Guerin  
Senior Director,  
Labour Relations

Nancy Lapointe  
Vice President, District 5  
TC Local 1976, USW

Brianne Sly  
Assistant Director  
Labour Relations

Nathalie Lapointe  
Staff Representative  
USW

## APPENDIX "A"

### TC Local 1976, USW, IBEW(S&C), RCTCBASIC SENIORITY TERRITORIES

#### 1. Atlantic Region

##### Dominion Atlantic Railway

All Company Lines in Nova Scotia

##### Saint John

All Company Lines in New Brunswick

##### Quebec Central

Chaudiere Sd., Vallee Sd., Levis Sd., Tring Sd.

##### Farnham

Adirondack Sd. (Mi. 0.0 to 34.0), Newport Sd., Sherbrooke Sd.,  
Stanbridge Sd., St-Guillaume Sd.

##### Laurentian

Berthierville Sd., Buckingham Sd., Lachute Sd., M&O Sd.,  
Ste-Agathe Sd., St-Gabriel Sd., St-Maurice Valley Sd.,  
Trois-Rivieres Sd., Winchester Sd. (Mi. 18.9 to 20.0),  
Park Ave. Sd. (Mi. 9.0 to 19.9), Vaudreuil Sd. (Mi. 3.2 to 18.9).

##### Montreal Terminal

Farnham Connection Sd., Park Avenue Sd. (Mi. 5.9 to 9.0),  
St-Luc Branch Sd., Vaudreuil Sd. (Mi. 0.0 to 3.2), WestmountSd.,  
Adirondack Sd. (Mi. 34.0 to 50.3), Lacolle Sd.

#### 2. Eastern Region

##### Smiths Falls

Winchester Sd., Cornwall Sd., Prescott Sd., Ellwood Sd.,  
Brockville Sd., Belleville Sd. (Mi. 0.0 to 0.6),  
Chalk River Sd. (Mi. 0.0 to 114.5), Belleville Sd. (Mi. 0.6 to 184.8).

##### T, H & B

Hamilton Sd. (Mi. 0.0 to 37.3), Dunnville Sd., Fort Erie Sd.

##### London

Galt Sd. (Mi. 15.0 to 114.6), Owen Sound Sd., Goderich Sd.,  
St. Thomas Sd., Port Burwell Sd., St. Marys Sd., Hamilton Sd.  
(Mi. 37.3 to 39.0), Windsor Sd., Waterloo Sd. (Mi. 0.0 to 15.8).

### Toronto

Belleville Sd. (Mi. 184.8 to 206.0), Mactier Sd. (Mi. 0.0 to 126.9), Canpa Sd., North Toronto Sd., Galt Sd. (Mi. 0.0 to 15.0), Havelock Sd. (Mi. 62.5 to 182.4), Nephton Sd., Parry Sound Sd. (Mi. 0.0 to 0.4).

### Sudbury

Chalk River Sd. (Mi. 114.5 to 115.3), North Bay Sd., Cartier Sd. (Mi. 0.0 to 111.0), Parry Sound Sd. (Mi. 0.4 to 121.7), Temiscaming Sd., Nickel Sd., Webbwood Sd., Little Current Sd.

### Schreiber

Cartier Sd., Nemegos Sd., White River Sd., Heron Bay Sd., Nipigon Sd. (Mi. 0.0 to 126.5), Manitouwadge Sd.

## **3. Prairie Region**

### Lakehead

Nipigon Sd. (Mi. 132.9 to 126.5), Kaministiquia Sd., Ignace Sd., Keewatin Sd.

### Winnipeg

Winnipeg Terminal, Winnipeg Beach Sd., La Riviere Sd. (Mi. 0.0 to 11.5), Lac du Bonnet Sd. (Mi. 0.0 to 7.7), Keewatin Sd. (Mi. 18.5 to 125.7), Glenboro Sd. (Mi. 0.0 to 0.4), Emerson Sd., Arborg Sd., Carberry Sd. (Mi. 0.0 to 9.2).

### Brandon

Arcola Sd., Bredenbury Sd., Broadview Sd. (Mi. 0.0 to 129.0), Carberry Sd. (Mi. 9.2 to 133.1), Estevan Sd., Glenboro Sd. (Mi. 4.0 to 146.7), Gretna Sd., La Riviere Sd. (Mi. 11.5 to 111.0), Lyleton Sd., Minnedosa Sd., Napinka Sd., Rocanville Sd., Russell Sd.

### Saskatoon

Bulyea Sd., Doddsland Sd., Hardisty Sd., Kerrobert Sd. (Mi. 1.2 to 102.5), Lanigan Sd. (Mi. 6.1 to 104.6), Lloydminster Sd., Macklin Sd., Melfort Sd., Prince Albert Sd., Reford Sd., Sutherland Sd., Tisdale Sd., White Fox Sd., Wilkie Sd., Wynyard Sd., Neudorf Sd., Kelvington Sd.

### Moose Jaw

Altawan Sd., Amulet Sd., Assiniboia Sd., Bromhead Sd., Dunelm Sd., Expanse Sd., Fife Lake Sd., Gravelbourg Sd., Indian Head Sd., Kisbey Sd., Lanigan Sd. (Mi. 0.0 to 6.1), Maple Creek Sd. (Mi. 0.0 to 2.3), Notukeu Sd., Outlook Sd., Shamrock Sd., Shaunavon Sd., Swift Current Sd., Tyvan Sd., Vanguard Sd., Wood Mountain Sd., Broadview Sd. (Mi. 129.0 to 130.9), Kerrobert Sd. (Mi. 0.0 to 1.2), Radville Sd., Weyburn Sd.

#### 4. Pacific Region

##### Medicine Hat

Brooks Sd. (Mi. 0.0 to 167.0), Maple Creek Sd. (Mi. 2.3 to 147.4), Empress Sd., Bassano Sd., Acme Sd., Burstall Sd., Hatton Sd., Irricana Sd., Langdon Sd., Pennant Sd.

##### Lethbridge

MacLeod Sd. (Mi. 10.5 to 107.0), Aldersyde Sd., Cardston Sd., Coutts Sd., Crowsnest Sd. (Mi. 0.0 to 100.9), Lomond Sd., Pecten Sd., Stirling Sd., Taber Sd., Turin Sd.

##### Calgary

Red Deer Sd., Laggan Sd., MacLeod Sd. (Mi. 0.0 to 10.5), Brooks Sd. (Mi. 167 to 175.8).

##### Edmonton

Breton Sd., Hoadley Sd., Wetaskiwin Sd., Willingdon Sd., Coronation Sd., Lacombe Sd., Leduc Sd.

##### Revelstoke

Shuswap Sd., Mountain Sd., Laggan Sd. (Mi. 136.3 to 136.6), Windermere Sd. (Mi. 139.9 to 142.5), Okanagan Sd.

##### Kootenay

Windermere Sd. (Mi. 0.0 to 139.9), Cranbrook Sd., Fording River Sd., Kimberly Sd., Kingsgate Sd., Nelson Sd., Boundry Sd., Rossland Sd., Slocan Sd., Crowsnest Sd. (Mi. 100.9 to 101.1).

##### Canyon

Cascade Sd. (Mi. 0.0 to 109.7), Thompson Sd., Mission Sd.

##### Vancouver

Cascade Sd. (Mi. 109.7 to 129.0), Westminster Sd. (Mi. 0.0 to 8.4), Page Sd.

##### Esquimalt and Nanaimo

Victoria Sd., Port Alberni Sd.

**APPENDIX "B"**

**Implementation of CTC Decisions**

**CANADIAN NATIONAL RAILWAYS  
CP RAIL**

March 31, 1971

Mr. R.C. Smith, Chairman  
Associated Non-Operating Unions  
550 Sherbrooke Street West  
Montreal, Quebec

Dear Mr. Smith

Implementation of Canadian Transport  
Commission Decisions

In the event the Company issues a notice under Article 8 of the Job Security Technological Change Agreement relating to a proposed change which requires the proposed implementation date of such change be delayed on account of the Canadian Transport Commission approval not having been received in sufficient time, the Union officers involved may review with the appropriate Company officers the new implementation date proposed if s/he is of the opinion that the revised date might have adverse effects on the employees involved.

Should any dispute arise out of this review, it may be submitted to the Administrative Committee for adjudication. In such instances, however, the arbitration provisions of the Job Security, Technological Change Agreement will not apply.

Yours truly,

(Original Sgd.) K. L. Crump  
Assistant Vice-President  
Labour Relations  
Canadian National Railways

(Original Sgd.) J.C. Anderson  
Vice-President  
Industrial Relations  
Canadian Pacific Railway Co.

## APPENDIX "C"

### re: Insertion of the word "permanent" in Article 1.1(a), and new provision dealing with non-T.O.&O. changes

MONTREAL, April 28, 1995

Mr. D. Deveau  
Executive Vice-President  
TCU Rail, Marine &  
Communication Divisions  
4115 Ontario Street East  
4th Floor  
Montreal, QC H1V 1Z5

Dear Sir:

In negotiating changes to the Job Security Agreement, concerns were raised by the Unions in regard to the insertion of the word "permanent" in Article 1.1(a), as well as a new provision dealing with non-T.O.&O. changes.

Specifically, the Unions expressed concerns that these wording changes may have an impact on the type of notices that may be served in the future. In this regard, it was stated that the Company's intention was simply to clarify the intent and historical understanding of the parties. The type of notice issued would continue to be based on past practice and arbitration jurisprudence.

Yours truly,

(Sgd.) L.S. Wormsbecker

Manager, Labour Relations

## APPENDIX "D"

**re: Protection afforded to employees required to accept  
expanded job opportunities**

MONTREAL, April 28, 1995

Mr. D. Deveau  
Executive Vice-President  
TCU Rail, Marine &  
Communication Divisions  
4115 Ontario Street East  
4th Floor  
Montreal, QC H1V 1Z5

Dear Sir:

In negotiating expanded job opportunities for employees adversely affected by a change pursuant to a notice under Article 1.1(a), questions were raised in regard to the protection that would be afforded to employees who were required to accept any of the expanded job opportunities.

Employees who are required to relocate beyond the BST pursuant to Article 3 of the Income Security Plan, if laid off, regardless of the reason, within one year, will revert back to the benefits available under Article 3 without having to relocate for a period of two years. Prior to employees being required to accept positions pursuant to Article 3, the Labour Adjustment Committee will assess, to the extent possible, the stability of such positions.

When an employee has relocated beyond the BST and such employee is subsequently affected by a permanent change within a two (2) year period, the employee will not be considered as having voluntarily ceased their employment relationship with the Company pursuant to Articles 3.7 and 4.3.

Employees who are required to accept positions within the operating group, where earnings are irregular, would have their earnings adjusted on a quarterly basis.

Yours truly,

Sgd.) L.S. Wormsbecker  
Manager, Labour Relations



## APPENDIX "E"

### **re: Mobile homes not being moveable and amounts payable for relocation purposes**

MONTREAL, April 28, 1995

Mr. D. Deveau  
Executive Vice-President  
TCU Rail, Marine &  
Communication Divisions  
4115 Ontario Street East  
4th Floor  
Montreal, QC H1V 1Z5

Dear Sir:

During negotiation of the Income Security Plan, concerns were raised by the unions with regard to mobile homes not being moveable and the amounts payable for relocation purposes.

It was agreed that the current practice would be applied, whereby if it is determined by an independent appraiser that a mobile home is not moveable, homeowner provisions would apply.

Yours truly,

(Sgd.) L.S. Wormsbecker  
Manager, Labour Relations

## APPENDIX "F"

### re: Employment Security and work outside the Company

MONTREAL, April 28, 1995

Mr. D. Deveau  
Executive Vice-President  
TCU Rail, Marine &  
Communication Divisions  
4115 Ontario Street East  
4th Floor  
Montreal, QC H1V 1Z5

Dear Sir:

During negotiation of the new Income Security Plan, concerns were raised by the unions in regard to the length of entitlement to employment security under Article 3.4 when an eligible employee has taken work outside the Company as determined by the Labour Adjustment Committee.

It is understood that an employee who receives less income while working outside the Company than his employment security salary will have such income topped off to equal 100% of his employment security salary. It is also understood that his employment security entitlement period will not be reduced by the number of weeks of top off received.

Yours truly,

(Sgd.) L.S. Wormsbecker  
Manager, Labour Relations

**APPENDIX "G"**

**re: Supervisor reverting to the bargaining unit**

MONTREAL, July 30, 1997

Mr. R. Page  
Executive Vice-President  
TCU Rail, Marine &  
Communication Divisions  
4115 Ontario Street East  
4th Floor  
Montreal, QC H1V 1Z5

Dear Sir:

This letter deals with the situation of a supervisor reverting to a position in one of your bargaining units in circumstances where the supervisor concerned has been affected by the types of changes covered by Article 1.1(a) of the Income Security Agreement (ISA).

In such circumstances, any bargaining unit employees adversely affected by such reversion to the ranks will be covered by all provisions in the ISA flowing from Article 1.1(a) changes, except that the notice pursuant to that clause will not be issued.

In addition, where a supervisor is released as a result of being affected by the type of change contemplated by Article 1.1(b) of the Income Security Agreement and reverts to a permanent bargaining unit position, adversely affected employees will also be covered by all provisions in the ISA following such reversion, except that the notice pursuant to that clause will not be issued.

If this meets with your understanding of the resolve of the parties, please indicate below.

Yours truly,

(Sgd.) L.S. Wormsbecker  
Manager, Labour Relations

I AGREE: (Sgd.) R. Page  
Executive Vice-President, TCU

## APPENDIX "H"

**re: Memorandum of Agreement Letter Dated June 19, 1997, concerning  
benefits available to a supervisor reverting to the bargaining unit.**

MONTREAL, June 19, 1997

Mr. R. Page  
Executive Vice-President  
Transportation Communications  
Union Rail, Marine, and  
Communications Division  
4115 Ontario Street East, 4th Floor  
MONTREAL, Quebec  
H1V 1J7

Dear Mr. Page:

During the recent negotiations, you expressed a concern with respect to supervisor being released from a supervisory position and reverting to a bargaining unit position immediately prior to the implementation of a T/O/O change and thereby becoming eligible to receive a benefit provided in the Income Security Agreement (ISA), provided that such employee meets the qualifying criteria outlined in the ISA.

This will serve to confirm our understanding that an employee released from a supervisory position and who reverts to a bargaining unit position and meets the qualifying criteria outlined in the ISA, will not be eligible to receive a benefit contained in Article 4, Option 1, 2, 3 or 4, unless such employee has occupied a bargaining unit position for a period of 1 year or will be required to relocate in order to hold a position as a result of the implementation of a T/O/O change. It is also understood that this restriction may be waived by an employee eligible to receive Article 3 benefits of the ISA is required to relocate as a result of the implementation of a T/O/O change during this 1 year period.

Yours truly,

(Signed) L.S. Wormsbecker  
Manager, Labour Relations

I CONCUR: (Signed) R. Page  
Executive Vice-President, TCU

## APPENDIX "I"

**re: Memorandum of Agreement Letter Dated May 7, 1998, concerning  
removal of the 25 year requirement in Pension Rule 9.02(a)**

OTTAWA, May 7, 1998

Mr. R. Page  
Executive Vice-President  
Transportation Communications  
Union Rail, Marine, and  
Communications Division  
4115 Ontario Street East, 4th Floor  
MONTREAL, Quebec  
H1V 1J7

Dear Sir:

During the current round of negotiations it was agreed to remove the 25-year requirement in Pension Rule 9.02(a) as it pertains to employees represented by the Union.

The Union raised concern as to how this change would affect the Income Security Agreement in regard to the Early Retirement and Bridging options, Options One and Two of the ISA, respectively.

This will confirm that this change to the 25-year requirement will in no way alter the current conditions required for eligibility for these benefits; Early Retirement - at least 55 years of age and 25 years of pensionable service, Bridging - within 5 years of preceding requirement for early retirement. This does not preclude an employee electing the above options, at his sole discretion, without the 25-year requirement.

Yours truly,

(Signed) L.S. Wormsbecker  
Manager, Labour Relations

**APPENDIX "J "**

**Letter Dated December 1, 2000, concerning  
the application of Article 5.13**

CALGARY, December 1, 2000

Ms. Nathalie Lapointe  
President  
TC Local 1976, USWA  
4115 Ontario Street East  
4th Floor  
Montreal, Quebec  
H1V 1J7

Dear Madam:

This is in regards to our discussions during negotiations concerning the Union's concerns over the application of Article 5.13 of the Income Security Agreement subsequent to the Stability Rules previously coming into effect, which require an employee wishing to displace at a work location where more than one employee has the same SDM level, job classification, shift and days off to displace the junior employee.

The Union stated that, as a result of the application of the Stability Rules, a reduced number of employees have access to the Severance benefits contained in Article 5.13 of the Income Security Agreement. The Union has requested where permanent staff reductions occur in the future where Article 5.13 may have application, that the parties agree to review this issue on a business case basis at the LAC.

Yours truly,

(Sgd.) L.S. Wormsbecker  
Manager, Labour Relations

## **APPENDIX "K"**

**Letter Dated December 1, 2000, concerning employees promoted to permanent Yardmaster, Assistant Yardmaster or RTC positions reverting to the bargaining unit is deleted.**

## APPENDIX "L"

### Letter dated June 22 , 2006 – Co-ordination of Staff Movement – ISA

Montreal, June 22, 2006

Ms. Nathalie Lapointe  
President  
TC Local 1976, USW  
United Steelworkers  
2360 de LaSalle Room 202  
Montreal, Quebec  
H1V 2L1

Dear Madam:

This is in regard to our discussions during negotiations pertaining to the co-ordination of staff movements under the Income Security Agreement.

During our discussions, it was recognized that in coordinating changes associated with the reduction of work at a work location, disruption could be minimized and work opportunities could be identified.

To this end, it was agreed that when the company anticipates multiple reductions (with potential hiring) are occurring at a given work location, the company may request that the LAC meet and discuss the co-ordination of the implementation of changes in order to limit disruption to employees, assist in ensuring work is available and mitigate unnecessary training and ISA Article 4 benefit costs. Where agreed, such co-ordination may involve adjusting the timing associated with the implementation of reductions, the bidding process, and/or the bulletining of packages under the ISA. The LAC may decide to set a key date to coordinate staff movements. This key date may extend for up to six months in the future. It is understood that the employee identified on the Article 1.1 (a) or (b) notice will be entitled to the ISA benefit.

If the foregoing accurately reflects your understanding of this matter, please indicate your concurrence in the space provided below.

Yours truly,

Jason Copping  
Director Labour Relations

I Concur: Nathalie Lapointe  
President, TC Local 1976, USW