

INCOME SECURITY AGREEMENT

between

CANADIAN PACIFIC

and the

UNITED STEELWORKERS TC LOCAL 1976

Regarding operations of the

Police Communications Centre

January 1, 2018



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between

Canadian Pacific

- hereinafter referred to as the Company -

and the

UNITED STEELWORKERS TC LOCAL 1976

-- Hereinafter referred to as the Union--

Regarding operations of the

Police Communications Centre

Revised as of January 01, 2018

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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) "Basic Seniority Territory" means that Seniority Territory as set out in Appendix "A".
- (b) "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.)
- (c) "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.
- (d) "Claim Week" means a full week of seven consecutive calendar days of layoff.
- (e) "Collective Agreement" means a Collective Agreement between the Company and the Union representing employees of the Company.
- (f) "Committee" means the Labour Adjustment Committee established pursuant to Article 2.
- (g) "Company" means Canadian Pacific and their subsidiaries and joint properties.
- (h) "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.
- (i) "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.
- (j) "Location" means greater metropolitan area.
- (k) "Master Agreement" means the Memorandum of Agreement entered into between the Company and the Union on April 28, 1995.
- (l) "Permanent Position" means a position that has been bulletined as permanent.
- (m) "Railway" means Company.
- (n) "Supplemental Unemployment Benefits" (SUB) means weekly layoff benefits.
- (o) "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.

(p) "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 15, 16 and 17 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) 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.
- 1.3 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.
- 1.4 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
SUPPLEMENTAL UNEMPLOYMENT BENEFITS AND SEVERANCE PAYMENTS

ELIGIBILITY

3.1 (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 3.1.
- (b) An employee who, on being laid off, does not qualify under paragraph (i) of Article 3.1 (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 3.1 (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 3.8 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 3.12, 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 3.8;
 - (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.

3.2 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 3.1, (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

3.3 (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 3 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 3 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

- 3.4 Except as provided in Article 3.3 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 3 of this Agreement, will, on recall, accumulate layoff benefit credits in accordance with the above provisions of this Article.
- 3.5 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 3 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.
- 3.6 An Eligible Employee, as defined in Article 3.1 may, at the expiration of the seven-day waiting period specified in paragraph (ii) of said Article 3.1 (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 3.1 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 3.1 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 3.6 shall cease when an Eligible Employee has exhausted the benefit accumulation as specified in Article 3.3 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 3.1 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 3.1 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).

3.7 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.

3.8 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 3.1 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 3.1 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

3.9 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
SUB Claim Weeks 3, 4 & 5		80% of basic weekly salary at the time of lay off (80% x \$600)	-\$480*

(* \$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

- 3.10 (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.
- 3.11 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

- 3.12 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 USWA 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 14.5 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

- 3.13 (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 week's 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.

3.14 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 3.1 (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 3.1 (c) (i) and 3.1 (c) (iii) of the Income Security Agreement.
- c) Notwithstanding the provisions of Article 3.13 to the contrary, the severance formula for an individual claiming a severance payment under the provisions of this Article 3.14 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 week's 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 4 RELOCATION EXPENSES

4.1 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

4.2 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 4.5, 4.4, 4.7 and 4.10; 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 4.10 (b))

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

RELOCATION BENEFITS

4.3 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.

- 4.4 An allowance of up to \$1000, effective January 1, 2012, for incidental expenses actually incurred as a result of relocation.
- 4.5 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 \$270 effective January 1, 2012, for an employee without dependents, and that an additional amount of \$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.
- 4.6 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.
- 4.7 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.
- 4.8 (a) Except as otherwise provided in Article 4.8 (c), reimbursement of 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 4.12 - Appraisal Procedure.
- (c) Notwithstanding the provisions of Article 4.8 (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 4.12 - 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 \$17,000, effective January 1, 2012, specified in paragraph (a) of this Article 4.8 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 4.8 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 4.8 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 4.8 must be made within twelve months of the final determination of value.

Note: Notwithstanding other provisions of Article 4.8, 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.

- 4.9 (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 \$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 4.8(a)).
- 4.10 (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 \$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.
- 4.11 (a) Alternatively to Article 4.8, 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

- 4.12 When an Eligible Employee desires to sell his/her home, under the provisions of Article 4.8 (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 4.8 (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 4.12(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 4.12(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 4.12(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 5
MAINTENANCE OF BASIC RATES**

- 5.1 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 5.1(b) (i) follows:

Date	Basic Rate	Incumbency Level
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 6
EARLY RETIREMENT BENEFIT**

6.1 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.

6.2 To be entitled to this benefit, an employee must be eligible for early retirement and a member of the CP Pension Plan.

6.3 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

6.4 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 7
GOVERNMENT ASSISTANCE PROGRAMS

- 7.1 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 8
NON-APPLICABILITY OF SECTIONS 52, 54, AND 55, PART I AND SECTIONS 214
TO 226 INCLUSIVE OF PART III OF THE CANADA LABOUR CODE

- 8.1 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.

- 8.2 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 9
AMENDMENT**

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

**ARTICLE 10
DURATION**

10.1 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.

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be executed this 15th day of November, 2017, at Calgary, Alberta.

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 "

Implementation of CTC Decisions

**CANADIAN NATIONAL RAILWAYS
CP RAIL**

Calgary, December 15 , 2005

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

Dear Madam:

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,

(Sgd.) E.J. Maclsaac
Manager, Labour Relations