

# **Letter of Understanding 25 (LOU 25)**

Between

Jazz Aviation LP (The Company)

And

Unifor and its Local 2002 (The Union)

## **RE: AMENDMENT TO SECTION 10 OF MEMORANDUM OF SETTLEMENT – Demographic Shift Plan**

### **WHEREAS:**

1. On January 27, 2016 Unifor and the Company entered into a Memorandum of Settlement (MOS) amending Collective Agreement No. 3;
2. The MOS was ratified by the Unifor membership on February 19, 2016;
3. The parties have agreed to create two separate Collective Agreements (CBA) in accordance with the MOS. Once this has been established this LOU will be incorporated in both CBAs;
4. A Voluntary Severance Package "VSP" program will be initiated based on a five (5) year period commencing in 2016. Parties agree to meet in the 5th year of both CBAs to discuss the feasibility of VSPs in future years;
5. Employees in both CBAs will be able to apply for a Voluntary Severance Package "VSP" and the Company will award on a bargaining unit seniority basis to eligible participants under the terms below;
6. The VSP program is only available to pre – date of ratification (DOR) employees.

Now therefore, the parties agree to the following:

1. There will be a minimum of 175 VSPs available for the five (5) year program. The allocation of the VSPs will be as follows for each division and for each year:

Division	2016	2017	2018	2019	2020
Line	30	30	20	20	20
Heavy	10	10	10	10	10
Tech 2	5	0	0	0	0

**2. Section 2 - General:**

- 2.1 An Eligible employee will receive four weeks' pay per year of service to a maximum of 98 weeks in year one and 75 weeks in subsequent years.
- 2.2 Calculation will be based on partial years, not just full completed years of service.
- 2.3 VSPs will be awarded by Bargaining Unit Seniority. For ongoing VSPs beyond the creation of two (2) CBAs, Bargaining Unit Seniority will be in accordance with each CBA.
- 2.4 The exit date will be at the Company's discretion based on operational requirements however the Company will take into consideration the exit date an employee selects and will do its best to accommodate such date. The exit date will not change once established.
- 2.5 Employees will receive VSP payments in accordance with their selection between lump sum or semi-monthly payments. Eligible amounts of the lump sum payment may be transferred to a personal registered retirement savings plan (RRSP) on a before tax basis.
- 2.6 Once VSP is selected by an eligible employee and the VSP is granted, the VSP will be locked in and binding. This means the employee who has been awarded the VSP will not be able to change or withdraw their selection. The application process will be outlined in its own section below.
- 2.7 In January of each year while the VSPs are in place the Company and the Union Bargaining Committee will have a review of the processing of the VSP program.

2.8 Employees who accept the Voluntary Severance Package that have reached the criteria for retirement in accordance with the Jazz Retirement Policy will be able to utilize their accumulated sick credits in accordance with articles 11.05.09 and 11.05.10.

2.9 Any unused VSP(s) of the current year will be carried over to the following year. If the unused VSP(s) are not used in the following year those VSP(s) will not be transferable the year after and these VSPs will be taken out. It is understood the unused VSP would be allotted first before the current years are allotted. The carry over VSP(s) will be at the value of the year in which they are carried over to. For example, if a year one (2016) VSP is carried over to year 2 (2017) then the value of that VSP will become four week pay per year of service to a maximum of 75 weeks.

2.10 When the 2 CBAs and a separate certification is issued by CIRB to reflect the separate bargaining unit for the Heavy Maintenance Employees the Line Maintenance component of YHZ's VSPs will come out of the Line Maintenance allotment. Prior to the 2 CBA's and a separate certification being issued the Line Maintenance component of YHZ's VSPs will come out of the Heavy Maintenance allotment.

### **3. Section 3 – Eligibility & Allotment:**

#### **3.1 Line Maintenance:**

- a. All Tech 1 scoped permanent active employees at the Line Bases will have the opportunity to apply for a (VSP) as well as employees on approved leaves.
- b. Approved leave will include maternity/paternity leave and have indicated their intention to return to work.
- c. Approved leave will also include employees currently on STD/LTD/WCB and have a scheduled return to work date which coincides with the closure of their claim.
- d. The 30 VSPs for **2016** will be allocated as follows:

	YVR	YYC	YYZ	YUL	YWG	YEG	YQB	YOW	On Hold	Total
2016	6	6	6	6	1	1	1	1	2	30

The two (2) VSPs on hold status will be kept aside for usage for bases that may require additional VSPs for 2016. The Union and Company will jointly agree to the allocation of the two (2) VSPs.

In addition, if VSP(s) are not utilized within a particular base the Union and Company will jointly agree to the allocation of these VSP(s).

In the event item 2.10 above is met the YHZ line allotment will come out of the two (2) VSPs on hold status.

e. The 30 VSPs for **2017** will be allocated as follows:

	YVR	YYC	YYZ	YUL	YWG	YEG	YQB	YOW	On Hold	Total
<b>2017</b>	6	6	6	6	1	1	1	1	2	30

The two (2) VSPs on hold status will be kept aside for usage for bases that may require additional VSPs for 2017. The Union and Company will jointly agree to the allocation of the two (2) VSPs.

In addition, if VSP(s) are not utilized within a particular base the Union and Company will jointly agree to the allocation of these VSP(s).

In the event item 2.10 above is met the YHZ line allotment will come out of the two (2) VSPs on hold status.

f. The 20 VSPs for **2018** will be allocated as follows:

	YVR	YYC	YYZ	YUL	YWG	YEG	YQB	YOW	YHZ Line	Total
<b>2018</b>	4	4	4	4	4					20

If VSP(s) are not utilized within a particular base the Union and Company will jointly agree to the allocation of these VSP(s).

**NOTE:** Although YHZ line allotment is mentioned here this will only apply if the conditions set out in item 2.10 above are met.

g. The 20 VSPs for **2019** will be allocated as follows:

	YVR	YYC	YYZ	YUL	YWG	YEG	YQB	YOW	YHZ Line	Total
<b>2019</b>	4	4	4	4	4					20

If VSP(s) are not utilized within a particular base the Union and Company will jointly agree to the allocation of these VSP(s).

**NOTE:** Although YHZ line allotment is mentioned here this will only apply if the conditions set out in item 2.10 above are met.

- h. The 20 VSPs for **2020** will be allocated as follows:

	YVR	YYC	YYZ	YUL	YWG	YEG	YQB	YOW	YHZ Line	Total
<b>2020</b>	4	4	4	4			4			20

If VSP(s) are not utilized within a particular base the Union and Company will jointly agree to the allocation of these VSP(s).

**NOTE:** Although YHZ line allotment is mentioned here this will only apply if the conditions set out in item 2.10 above are met.

### 3.2 Heavy Maintenance:

- All Tech 1 scoped permanent active employees at the YHZ Heavy Maintenance base will have the opportunity to apply for a (VSP) as well as employees on approved leaves.
- Approved leave will include maternity/paternity leave and have indicated their intention to return to work.
- Approved leave will also include employees currently on STD/LTD/WCB and have a scheduled return to work date which coincides with the closure of their claim.
- The VSPs will be allocated as follows:

<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
10	10	10	10	10

### 3.3 Tech 2:

- All Tech 2 scoped permanent active employees at all bases including the Line and Heavy Maintenance base will have the opportunity to apply for a (VSP) as well as employees on approved leaves.
- Approved leave will include maternity/paternity leave and have indicated their intention to return to work.

- c. Approved leave will also include employees currently on STD/LTD/WCB and have a scheduled return to work date which coincides with the closure of their claim.
- d. The VSPs will be allocated as follows:

	YVR	YYC	YYZ	YUL	YHZ	Total
<b>2016</b>	1	1	1	1	1	5

**NOTE:** In the event item 2.10 above is met one (1) VSP will be made available to the YHZ Tech 2 classifications.

#### **4. Section 4 - Application Process:**

- 4.1 A joint memo between the Company and the Union will go out across the country inviting employees to apply for a VSP.
- 4.2 The timeline for the program application for each year will be as follows:

VSP Year	Application Period	Processing Period
2016	April 1 - 30, 2016	May 1 - 30, 2016
2017	Oct 1 - Oct 31, 2016	Nov 1 - Nov 30, 2016
2018	Jan 1 - Oct 31, 2017	Nov 1 - Nov 30, 2017
2019	Jan 1 - Oct 31, 2018	Nov 1 - Nov 30, 2018
2020	Jan 1 - Oct 31, 2019	Nov 1 - Nov 30, 2019

- 4.3 Under written mutual agreement between the Union – Bargaining Chairperson and the Company - Manager, Labour Relations the timeline(s) set above can be changed. A joint memo will be sent out to the employees identifying the change in timeline(s).
- 4.4 All eligible employees can make an application for a VSP thorough the application form attached as Appendix A to this LOU. This will include the preferred exit date the employee would like to exit the organization.
- 4.5 Once an employee fills out the application form, the form will be sent to the Union for collection. The form will specifically be sent to the respective Bargaining Representative during the 'Application Period' set above for each respective year.
- 4.6 The Company and the Union will meet to review the forms and identify who is eligible for a VSP in order of Bargaining Unit Seniority during the 'Processing Period' set above for each respective year. Once these employees have been

selected each eligible employee will be notified. The eligible employees will be notified by the form the employee had originally submitted to the Union, being sent back to the employee after both parties have filled out the administrative section of the form. This form will be sent back to the employee electronically.

4.7 Once the eligible employee has been notified, a face to face meeting will take place during the 'Processing Period' set above for each respective year. The face to face meeting will have Union Representative(s) including the eligible employee as well as Company Representative(s). This meeting will take place during the 'Processing Period' set above for each respective year. The eligible employees will be notified of the meeting date and attendance is to be mandatory.

4.8 The granting or denial of the VSP will be determined at this face to face meeting. If granted the VSP document will be signed by all applicable parties with the exit date being confirmed in the document. Once the VSP has been granted it is considered as final and cannot be rescinded.

## **5. Section 5 – Travel Eligibility:**

5.1 The employee travel pass allotment is being offered in accordance with the Jazz Aviation LP and Air Canada CPA Travel Policy. This pass allotment is offered as a result of specific circumstances. Note that Air Canada travel policies are updated on a regular basis and are subject to change from time to time.

5.2 Employees who have met the travel milestone program will be eligible for travel privileges in accordance with the Retirement Policy;

5.3 An employee may be eligible for the Travel Milestone program based on one of the following current criteria:

- ◆ 25 years of service or
- ◆ Age 65 with minimum 10 years of service or
- ◆ Factor 80 (age + min 10 years of service = 80)

5.4 Employee(s) must contact the Jazz Employee Travel Department for more information regarding the Milestone Program. As with any travel program, the above is subject to change in accordance with the Air Canada Travel policy.

5.5 Employees who do not meet a retirement travel milestone may be eligible for the following pass program:

- 2 passes per year of service to max 40

- Priority is one priority lower than the employees' current active priority (i.e. C2 will now be C3, C4 will be C5)

5.6 These passes are applicable for the employee, their spouse and their eligible dependents in accordance with the Jazz CPA Travel Policy.

5.7 There is no annual limit to the number of passes an employee may use from the pass allotment each year of eligibility, however, this travel privilege will cease and an employee's travel profile will be closed on the earlier of when:

- The employees own total allotment has been used.
- The employee passes away.
- Termination and or change of the current Travel Agreement between Air Canada and Jazz Aviation LP

#### **Section 6 – Benefits:**

6.1 Program participants will be permitted to continue, at one-hundred percent (100%) employee cost, their current extended health care (EHC excluding out of country coverage) plan and basic group life insurance for six (6) months after leaving active service or until employment with another company, whichever comes first.

6.2 Following six (6) months of benefit continuance, if an employee has elected to continue their coverage, they must apply for independent health care coverage with Great West Life or an alternate insurer within sixty (60) days at their own cost without the requirement to supply evidence of insurability.



This Letter of Understanding shall come into force upon execution and will apply for the term of the Collective Agreement and can be extended by mutual agreement.

All other provisions of the Collective Agreement will continue to apply, except as expressly modified by this Letter of Understanding.

IN WITNESS WHEREOF, the parties have signed this AGREEMENT, this 23rd day of MARCH, 2016.

For the Company:

Kel Rebin  
Vice President Maintenance

Cesar Longhi  
Director, Line & Heavy Maintenance

Raj Roy  
Manager, Labour Relations

For the Union:

Joe Poon  
President, YUL, Unifor

John Szurawski  
Bargaining Representative, Unifor

Stuart Warren  
Bargaining Representative, YVZ, Unifor

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