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The 2 pension MOA (Memorandum of Agreement) from 2021 (2745) and 2022 (1253)

These are an integral, signed, part of each collective agreement to settle the 2021 strike. Those MOA are specific to the education sector. They remain in effect until a new collective agreement is signed.

CUPE Bill 17 Explainer

CUPE Fact of Fiction on Bill 17

Why is free collective bargaining under threat?

Part 7 of Bill 15 which voids all pension arbitration orders and superintendent orders

Timelines of extensions

CAAT and pension participants in NB

September 22, 2023: Impasse letter from CUPE lawyers (Koskie Minsky) demanding to trigger MOA arb. process

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November 27: CUPE 2745 and 1253 response to Nov 22 letter

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CUPE press conference release

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- November 30, 2023 – Ernie Steeves’ letter to education sector employees
- December 1, 2023 – CUPE Response to Ernie Steeves’ letter
- Local 1253 – Article 24 of the collective agreement: RETIREMENT AND PENSIONS
- Local 2745 – Article 24 of the collective agreement: RETIREMENT AGE AND PENSIONS
- NB Nursing Homes – Article 26 of the collective agreement: PENSIONS

**NEGOTIATIONS BETWEEN
TREASURY BOARD
AND
THE CANADIAN UNION OF PUBLIC EMPLOYEES**

**LOCAL 1253
(General Labour, Trades and Services, Part II)**

Presented on November 13, 2021

EMPLOYER'S BEST AND FINAL OFFER

Term

A collective agreement with a term of five (5) years from April 1, 2019 to March 31, 2024.

Wages

	Effective date	General Economic Increase (GEI)	Adjustment
Year 1	April 1, 2019	2%	+ \$0.25 per hour increase
Year 2	April 1, 2020	2%	+ \$0.25 per hour increase
Year 3	April 1, 2021	2%	+ \$0.25 per hour increase
Year 4	April 1, 2022	2%	+ \$0.25 per hour increase
Year 5	April 1, 2023	2%	+ \$0.25 per hour increase

When all the increases and adjustments are added and compounded, the wage rate (top step) will increase by the following amounts (as examples) by the last increase in the collective agreement (April 1, 2023).

- School Bus Driver 16.81%
- School Custodian I 17.37%
- Maintenance Repairworker I 16.85%
- Maintenance Repairworker 3 (JP) 15.78%

Employees will receive retroactive payments based on the effective dates of the GEI and adjustments above. The gross retroactive payment for an employee working the regular annual number of hours and weeks since April 1, 2019 at the top step of their pay scale in the following classifications (as examples only) would be an estimated:

- School Bus Driver (6 hours per day) \$3,700
- School Custodian I \$6,700
- Maintenance Repairworker I \$7,000
- Maintenance Repairworker 3 (JP) \$7,900

Casuals

Effective on the date of signing of the collective agreements, the rate of pay for previously excluded casuals will be adjusted to 100% of the applicable regular rate of pay for the job classification.

Pension

MEMORANDUM OF AGREEMENT
PROVINCE OF NEW BRUNSWICK
(the "Province")
and
CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 1253
(the "Union")

- 1) The Parties agree to negotiate in good faith the specific terms and conditions of a new pension plan, no later than June 30, 2022, or a mutually agreed to later date. This transition process shall be supported by the Parties' respective actuaries.
- 2) The terms and conditions of the new pension plan shall include the following:
 - a) subject to eligibility requirements, all employees who are members of the Union shall participate in the plan;
 - b) sustainability, affordability and security for the Province and the plan members;
 - c) **the Province will provide transition payments to the new pension plan to ensure its sustainability on transition. These payments shall fully amortize the deficiency that exist upon transition as identified in the actuarial report for the period ending December 31, 2020 (the "Existing Deficiencies") in the Local 1253 plan on a schedule to be agreed to by the parties;**
 - d) contribution rates shall be fair and equitable for both the Province and the plan members;
 - e) there shall be no loss of the accrued pension amount for the plan members;
 - f) **the Province shall not be permitted to take any contribution holidays;**
 - g) the contributions of the plan members and the Province shall transition over an agreed to period to be equal as determined by actuarial valuations;
 - h) the plan design will identify any future funding risks of a fully funded plan and the appropriate risk mitigation approach as recommended by the actuaries;
 - i) a new funding formula.
- 3) In the unlikely event the Parties are unable to agree on some of the matters in the process of amending the current plan or creating a new pension plan, they will submit the outstanding issues to a Board made up of two actuaries, one appointed by each party, and a chairperson designated by the actuaries appointed by the parties. It is understood that this third person will be associated with one of the following actuarial firms: PBI, Buck, Ecklers, Mercers or another appropriate professional as mutually agreed to by the parties. If the Parties are unable to agree to the chairperson shall be chosen by random from the above list. The Board's decision will be final and binding.

Other items

All the items that follow are the other items already agreed-to and signed by the parties since the start of collective bargaining.

**NEGOTIATIONS BETWEEN
TREASURY BOARD
AND
THE CANADIAN UNION OF PUBLIC EMPLOYEES
LOCAL 2745
(Steno, Typing, Clerical, Regulatory and Office Equipment Operation)**

Presented on November 13, 2021

EMPLOYER'S BEST AND FINAL OFFER

Term

A collective agreement with a term of five (5) years from March 1, 2018 to February 28, 2023.

Wages

	Effective date	General Economic Increase (GEI)	Adjustment
Year 1	March 1, 2018	2%	+ \$0.25 per hour increase
Year 2	March 1, 2019	2%	+ \$0.25 per hour increase
Year 3	March 1, 2020	2%	+ \$0.25 per hour increase
Year 4	March 1, 2021	2%	+ \$0.25 per hour increase
Year 5	March 1, 2022	2%	+ \$0.25 per hour increase

When all the increases and adjustments are added and compounded, the wage rate (top step) will increase by the following amounts (as examples) by the last increase in the collective agreement (March 1, 2022).

- Education Assistant 14.98%
- District Administrative Support II 16.98%
- Library Worker II 16.84%

Employees will receive retroactive payments based on the effective dates of the GEI and adjustments above. The gross retroactive payment for an employee working the regular annual number of hours and weeks since March 1, 2018 at the top step of their pay scale in the following classifications (as examples only) would be an estimated:

- Education Assistant \$8,700
- District Administrative Support II \$11,000
- Library Worker II \$6,900

Casuals

Effective on the date of signing of the collective agreements, the rate of pay for previously excluded casuals will be adjusted to 100% of the applicable regular rate of pay for the job classification.

Pension

MEMORANDUM OF AGREEMENT
PROVINCE OF NEW BRUNSWICK
(the "Province")
and
CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 2745
(the "Union")

- 1) The Parties agree to negotiate in good faith the specific terms and conditions of a new pension plan, no later than June 30, 2022, or a mutually agreed to later date. This transition process shall be supported by the Parties' respective actuaries.
- 2) The terms and conditions of the new pension plan shall include the following:
 - a) subject to eligibility requirements, all employees who are members of the Union shall participate in the plan;
 - b) sustainability, affordability and security for the Province and the plan members;
 - c) **the Province will provide transition payments to the new pension plan to ensure its sustainability on transition. These payments shall fully amortize the deficiency that exist upon transition as identified in the actuarial report for the period ending December 31, 2020 (the "Existing Deficiencies") in the Local 2745 plan on a schedule to be agreed to by the parties;**
 - d) contribution rates shall be fair and equitable for both the Province and the plan members;
 - e) there shall be no loss of the accrued pension amount for the plan members;
 - f) **the Province shall not be permitted to take any contribution holidays;**
 - g) the contributions of the plan members and the Province shall transition over an agreed to period to be equal as determined by actuarial valuations;
 - h) the plan design will identify any future funding risks of a fully funded plan and the appropriate risk mitigation approach as recommended by the actuaries;
 - i) a new funding formula
- 3) In the unlikely event the Parties are unable to agree on some of the matters in the process of amending the current plan or creating a new pension plan, they will submit the outstanding issues to a Board made up of two actuaries, one appointed by each party, and a chairperson designated by the actuaries appointed by the parties. It is understood that this third person will be associated with one of the following actuarial firms: PBI, Buck, Ecklers, Mercers or another appropriate professional as mutually agreed to by the parties. If the Parties are unable to agree to the chairperson shall be chosen by random from the above list. The Board's decision will be final and binding.

Other items

All the items that follow are the other items already agreed-to and signed by the parties since the start of collective bargaining.

Bill 17 Explainer

The attack on CUPE Locals 1253, 2745 & NBCNHU

What happened in the legislature?

The Government has introduced a new law impacting three CUPE locals, concerning over 9000 active members and even more retirees. The law breaks signed contracts and promises that were made to those active and past CUPE members. If passed, the law will force three CUPE groups to convert their negotiated pension plans.

How are decisions made about our pensions now?

Our pension plans are in our collective agreements. This means that both sides of the table have longstanding agreements that changes to the pension plans must happen through collective bargaining. On top of this collective agreement language, to end the strike in 2021, CUPE Locals 1253 and 2745 agreed to a process with government where pensions would ultimately be subject to a binding arbitration process. These locals have been engaging in that process in good faith.

What kind of pension plan do we have now?

The three (3) CUPE groups in question (1253, 2745 and NBCNHU) have Defined Benefit (DB) pension plans. This is the type of plan that promises you a specific amount in retirement determined by a formula. This amount is a promise and cannot be reduced.

What does government want?

The Government wants total control over workers' working conditions. Government has introduced a law that breaks these three locals' articles on pensions and dictates current and future benefits without input or collaboration from those impacted and the unions that represent them.

What does this legislation do?

Bill 17 requires that our pension plans be transferred into an existing shared risk plan that have been designed for other unions. This would mean the DB benefits you have already earned (and would have earned in the future), would be converted to the terms and conditions of those existing plans. The Bill presents a smokescreen of a "negotiation" process, but the key decision to move into a shared risk plan is mandated and is therefore the only outcome. Imposing a pension outcome outside of bargaining is a clear breach of our collective bargaining rights. The legislation also overrides pension arbitration and other legal decisions that have benefited CUPE members. Bill 17 is an incredibly heavy-handed legislation that attacks not only your retirement security, but your Charter rights. Government can't just legislate what they haven't achieved at a free and fair bargaining table.

What is CUPE doing?

Rest assured your CUPE Locals are taking this issue very seriously and are evaluating all options in response. Please stay tuned and be ready to stand in solidarity against this attack on your pension and your union rights.



What is “Free Collective Bargaining” and why is it under threat?

Workers have rights, and different interests than their employers in the workplace. To protect those rights and advocate for their interests, workers created unions. Unions are a democratic group of workers who represent their members in the workplace. Unions bargain on behalf of workers and sign contracts with employers. These contracts are called collective agreements.

Collective bargaining is the process of negotiating these signed contracts. Collective bargaining is a legally protected right. The Supreme Court of Canada has ruled that collective bargaining falls under the Charter-protected right to freedom of association. This freedom is in section 2 d) of the Charter of Rights and Freedoms. This means that collective bargaining, and everything it produces (collective agreements, strikes, picket lines, etc.) is a constitutional right.

“Recognizing that workers have the right to bargain collectively as part of their freedom to associate reaffirms the values of dignity, personal autonomy, equality and democracy that are inherent in the Charter.”

– Supreme Court of Canada

In a perfect world, unions advocate for what workers want, employers advocate for what they want, and both sides reach a compromise. That’s free collective bargaining – unions must have access to a meaningful conflict resolution process. However, governments of all stripes try to bypass workers’ rights when it becomes inconvenient for them. A government can attack free collective bargaining by:

- Imposing a collective agreement through legislation;
- Imposing a wage increase mandate through legislation;
- Ordering a group of striking workers back to work through legislation;
- Backtracking on a signed commitment by imposing new terms through legislation;
- The use of the “notwithstanding clause”

When governments attack free collective bargaining, they are met with the political and legal resistance of Canada’s unions.

Currently, Blaine Higgs’ conservative government is attacking free collective bargaining in New Brunswick. They have introduced new legislation that will break the signed collective agreements of three CUPE locals, CUPE 1253 (School District Unions – General Labour & Trades), CUPE 2745 (Educational Support Staff) and the New Brunswick Council of Nursing Home Unions. Now that decisions have been made or options put forward that are not in his favour, Blaine Higgs doesn’t think he will get his way so wants to force his outcome through legislation. He will use a smokescreen to do this – he will call it “interest arbitration” but it’s really a process that can only lead to the government’s preferred outcome. This is not a free or fair conflict resolution process.

The labour movement must unite in standing against attacks to free collective bargaining, in all its forms. An attack on one of us is an attack on all of us. Allowing the government to proceed with breaking collective agreements using legislation would set a dangerous practice for all signed agreements in the province. The government must be met with our collective resistance.



db/cope491



NBCNHU
N.B. Council
of Nursing
Home Unions



CSFSNB
Conseil des
syndicats des
foyers de soins
du N.-B.

CUPE-SCFP

The government's new law Fact vs Fiction

WHAT GOVERNMENT CLAIMS

This is not about free collective bargaining.

They tried to negotiate with the unions prior to introducing the legislation.

The government will need to pay \$365 million into the plans before they are transferred, therefore the plans are unsustainable.

Pension payments would be subject to adjustments under the terms of the existing shared-risk plan.

THE REALITY

The three CUPE locals affected by this legislation have negotiated pension plans in their collective agreements.

- NBCNHU: Article 26
- 1253: Article 24 & Memorandum of Agreement
- 2745: Article 24 & Memorandum of Agreement

By introducing legislation that forces a pension plan transfer, the government is breaking signed contracts.

Two of the locals received letters on Thursday to pick one plan out of three existing shared risk plans by Monday, Nov 27 (plans administered by other unions). The other local did not know about the transfer until the legislation was introduced on Wednesday morning (Nov 29).

The government has intentionally underfunded the three locals' plans for many years. The underfunding started when Blaine Higgs became Finance Minister. In addition, the unions suggested several improvements that were ignored. For example, if the province had allowed Educational Assistants to work 12 minutes more per day, they would have been included in their defined benefit pension plan.

The members' pension payments can be less than \$10,000 per year. That is below the poverty line. There is no guarantee that this transfer will improve benefits, and in fact, they may be reduced.



PART 7

**TRANSITIONAL PROVISIONS, REPEALS AND
COMMENCEMENT**

Orders and other decisions

24 *The following orders and decisions are null and void and are of no force or effect:*

PARTIE 7

**DISPOSITIONS TRANSITOIRES,
ABROGATIONS ET ENTRÉE EN VIGUEUR**

Ordonnances et autres décisions

24 *Est nulle et non avenue et n'a aucune force exécutoire :*

16

Pension Plan Sustainability and Transfer Act

Bill 17

(a) the order of the Superintendent dated January 30, 2023, in respect of the Pension Plan for General and Service Employees of New Brunswick Nursing Homes, established effective April 1, 1982, and registered with the Superintendent as NB.0447938, as amended;

(b) any order made by the Tribunal or the Board in respect of the order of the Superintendent referred to in paragraph (a); and

(c) any decision of an arbitrator or arbitration board appointed or established in accordance with a collective agreement or an act other than this Act for the purpose of arbitrating a dispute with respect to a transferring plan between an employer participating in the transferring plan and the bargaining agent for the employees participating in that plan.

Application of the Nursing Homes Pension Plans Act and the regulation under the Act

25 *If the provisions of the Nursing Homes Pension Plans Act and of New Brunswick Regulation 2010-109 under that Act apply to a transferring plan, they cease to apply to the transferring plan on and after the transfer date specified in the relevant transfer agreement.*

Repeal of the Nursing Homes Pension Plans Act

26 *The Nursing Home Pension Plans Act, chapter*

a) l'ordonnance du surintendant datée du 30 janvier 2023 portant sur le régime appelé Pension Plan for General and Service Employees of New Brunswick Nursing Homes, entré en vigueur le 1^{er} avril 1982, enregistré auprès du surintendant et portant le numéro NB.0447938, avec ses modifications;

b) toute ordonnance rendue par le Tribunal ou la Commission portant sur l'ordonnance du surintendant mentionnée à l'alinéa a);

c) toute décision d'un arbitre ou d'un conseil d'arbitrage nommé ou constitué en conformité avec une convention collective ou une loi autre que la présente loi aux fins d'arbitrage d'un différend à l'égard d'un régime cédant entre l'employeur qui participe à ce régime et l'agent négociateur des salariés qui y participent.

Application de la Loi sur les régimes de pension du personnel des foyers de soins et de son règlement

25 *Si les dispositions de la Loi sur les régimes de pension du personnel des foyers de soins et du Règlement du Nouveau-Brunswick 2010-109 pris en vertu de cette loi s'appliquent à un régime cédant, elles cessent de s'appliquer à celui-ci à partir de la date du transfert fixée dans l'accord de transfert concerné.*

Abrogation de la Loi sur les régimes de pension du personnel des foyers de soins

26 *La Loi sur les régimes de pension du personnel*

MARITIMES REGIONAL OFFICE – BUREAU RÉGIONAL DES MARITIMES

91, allée Woodside Lane, Fredericton, NB E3C 0C5

Tel./Tél.: (506) 458-8059 Fax/Téléc.: (506) 452-1702 / cupe.ca / scfp.ca

December 1, 2023

RE: TIMELINES OF EXTENSIONS IN PENSION TALKS

The two Memorandum of Agreements (MOA) signed in the collective agreements of CUPE Local 1253 (2022) and CUPE Local 2745 (2021).

- 2022: CUPE initiated the discussions on both the L. 2745 and L. 1253 MOAs.
- June 2022: Province asked for time to do due diligence after they got our CAAT proposal in June (Local 2745) and August 2022 (1253).
- August 24, 2022: agreement to extend to September 9, 2022 – At the request of GNB
- September 9, 2022: extend to September 16, 2022 – at request of CUPE.
- September 15, 2022: extend to September 30, 2022 – at request of CUPE, though Amy Beswarick from Treasury Board notes GNB had hoped to extend to “at least Oct 31”
- September 30, 2022: agreement to extend to November 25, 2022 – at request of GNB
- November 25, 2022: agreement to continue negotiations into 2023 – since CUPE had not heard from government, GNB agreed. Amy Beswarick asks for dates, which we responded to in January 2023 which led to the February 2023 dates.
- February 13, 2023: CUPE receives response from government on the CAAT proposal.
- February to September 2023: Ongoing discussions between Finance and Treasury Board and the CUPE pension legal representative (Koskie Minsky) for the process to be used on selecting the panel of actuaries in case of impasse. There were many meetings with Minister Ernie Steeves and the Locals.
- September 2023: Declaration of Impasse letters from both Locals to Treasury Board (from law firm Koskie Minsky on behalf of CUPE)
- November 22, 2023: Letter from Treasury Board threatening a special law will bypass the MOA process if CUPE still refuses the shared risk options.

MARK HANCOCK

National President/Président national

CANDACE RENNICK

National Secretary-Treasurer/Secrétaire-trésorière nationale

PATRICK GLOUTNEY, FRED HAHN, JUDY HENLEY, SHERRY HILLIER, LEE-ANN KALEN

General Vice-Presidents/Vice-présidences générales

MARITIMES REGIONAL OFFICE – BUREAU RÉGIONAL DES MARITIMES

91, allée Woodside Lane, Fredericton, NB E3C 0C5

Tel./Tél.: (506) 458-8059 Fax/Télé.: (506) 452-1702 / cupe.ca / scfp.ca

December 1, 2023

RE: WHO IS IN THE CAAT PLAN IN NEW BRUNSWICK?

The CAAT Pension Plan was originally created to support the Ontario College system, the CAAT Plan now serves over 360 participating employers in multiple provinces, in 17 industries including the for-profit, non-profit, and broader public sectors. It currently has more than 91,700 active and retired members. The CAAT Plan is respected for its pension and investment management expertise and focus on long-term stability and benefit security. At January 1, 2023, the CAAT Plan was 124% funded on a going-concern basis. This information is available at <https://www.caatpension.ca/about-us>

On December 1, 2023, Premier Blaine Higgs said in the Legislature, “Just ask your local actuary” that “DB plans don’t work”. The Premier forgets that the Canadian Institute of Actuaries themselves joined CAAT. In fact, CAAT has reputable employers across the country. It is the fastest growing pension plan in Canada. This is because it delivers a win-win for both sides of the bargaining table. This explains why unions and employers are rushing to join.

CAAT was recently the basis of the settlement between Unifor and the Big 3 automakers. That’s very high-profile private sector employers joining CAAT, voluntarily. Shared risk plans, on the other hand, have not grown outside of our province. The only way people are joining it now is when they are forced in.

Some notable members of CAAT:

- **The Saint John Airport is under the CAAT Plan** <https://www.caatpension.ca/news/general-news-listing/CAAT-lands-a-new-participating-employer-with-Saint-John-Airport>
- **The New Brunswick College of Family Physicians (NBCFP),** along with the College of Family Physicians of Canada are under the CAAT Plan. This is the case in many other provinces (NS, BC, SASK). <https://www.caatpension.ca/members/about-your-merged-plan/cfpc>
- **The Canadian Institute of Actuaries is under the CAAT Plan,** along with many other reputable employers, see the whole list here: <https://www.caatpension.ca/about-us/employers-that-participate>

MARK HANCOCK

National President/Président national

CANDACE RENNICK

National Secretary-Treasurer/Secrétaire-trésorière nationale

PATRICK GLOUTNEY, FRED HAHN, JUDY HENLEY, SHERRY HILLIER, LEE-ANN KALEN

General Vice-Presidents/Vice-présidences générales

September 22, 2023

James Harnum
Direct Dial: 416-542-6285
Direct Fax: 416-204-2819
jharnum@kmlaw.ca

Amy Beswarick
Associate Deputy Minister
Province of New Brunswick

Dear Ms. Beswarick,

Re: CUPE Local 1253 – declaration of impasse in pension negotiations under Memorandum of Agreement re "PENSION"

We are writing on behalf of our client, CUPE Local 1253 ("Local 1253"), with respect to the above-noted matter. We are sending a similar letter on behalf of CUPE Local 2745 at the same time ("Local 2745" and collectively with Local 1253, the "Locals"). As required by the Memorandums of Agreement re "PENSION" in each collective agreement (the "MOAs"), the Locals have been engaged in discussions with the Province about the creation of a new pension scheme for their members.

Local 1253 understands that the Province has determined that it will not consider the option proposed by the Locals, namely entry into the CAAT Pension Plan. To the extent that this is not already abundantly clear, Local 1253 hereby gives notice that it will not consent to the imposition of a Shared Risk Pension Plan, as proposed by the Province.

Local 1253 notes that very recent reports on the GLT&S Pension Plan indicate a good performance that will very likely represent a lesser deficit from years past. Combined with the fact that the Province of New Brunswick is reporting major budget surpluses makes the CAAT Pension Plan a very attractive solution for the Province. The assessment of the CAAT Proposal you presented in your response of February 13, 2023 do not support, reflect or represent factors required in the Memorandum of Agreement.

In the alternative, at this juncture, Local 1253 is adding another option for the Province's consideration. Namely, retain the current plan, but increase member contributions to 10% and change the retirement age to 65 years old with a penalty between the age of 60 and 65. Local 1253 requests that the Province choose this option, or the CAAT Pension Plan option. Local 1253 has never agreed to a Shared Risk Plan prior to this Memorandum and they are maintaining this position.

If the Province is unwilling to accept either option, Local 1253 believes that the parties are at impasse, and under Clause 3 of the MOAs, this issue must be brought before the Board of Actuaries that is to be constituted once the parties reach impasse.

Our client also reminds the Province that despite Arbitrator MacPherson's June 9, 2023 decision, clarifying her award from June of 2021, which made clear that the Province owes an additional \$5,528,900 into the Local 1253 Plan for the 2021 year, no further payments have been made into that Plan with respect to amounts owing from 2021.

Our clients are ready to proceed to the Board of Actuaries, but in order to do that, we will need to discuss exactly what the process will be for that proceeding. As these discussions will include technical legal issues with respect to issues such as evidence, expert reports, the use of witnesses, appeal routes and other legal issues, we request that you let us know who the Province will using as counsel in this matter, so that we can have those discussions with that individual. It is important to the Locals that this be moved along in a timely manner, so please respond to us as soon as possible.

Yours truly,

A handwritten signature in black ink, appearing to be 'JH', with a long horizontal flourish extending to the right.

James Harnum
Partner
JH:ss

September 22, 2023

James Harnum
Direct Dial: 416-542-6285
Direct Fax: 416-204-2819
jharnum@kmlaw.ca

Amy Beswarick
Associate Deputy Minister
Province of New Brunswick

Dear Ms. Beswarick,

Re: CUPE Local 2745 – declaration of impasse in pension negotiations under Memorandum of Agreement re "PENSION"

We are writing on behalf of our client, CUPE Local 2745 ("Local 2745"), with respect to the above-noted matter. We are sending a similar letter on behalf of CUPE Local 1253 at the same time ("Local 1253" and collectively with Local 2745, the "Locals"). As required by the Memorandums of Agreement re "PENSION" in each collective agreement (the "MOAs"), the Locals have been engaged in discussions with the Province about the creation of a new pension scheme for their members.

Local 2745 understands that the Province has determined that it will not consider the option proposed by the Locals, namely entry into the CAAT Pension Plan. To the extent that this is not already abundantly clear, Local 2745 hereby gives notice that it will not consent to the imposition of a Shared Risk Pension Plan, as proposed by the Province. Given these facts, Local 2745 believes that the parties are at impasse, and under Clause 3 of the MOAs, this issue must now bring these issues before the Board of Actuaries that is to be constituted once the parties reach impasse.

The Locals were hopeful that a consensual resolution could be reached that protected the interests of their members, and also delivered the "sustainability, affordability and security for the Province and the plan members" that is called for in the MOAs. The Locals believe that the CAAT option satisfied each of the requirements of the MOAs and are disappointed that the Province does not appear willing to accept this option.

The Local 2745 Pension Plan needs significant funding if it is to deliver the pensions that have been promised by the Province, and Local 2745 does not believe that it can wait any longer to resolve the issues facing its plan. In April of this year, we wrote to you, imploring the Province to begin funding the deficit in the Local 2745 Plan. While receipt of the correspondence was acknowledged, no further response has been delivered, and to our knowledge, no additional funding has been provided to the Local 2745 Plan. As set out in that letter, our actuary estimates that the \$52 million deficit identified in the Plan would have grown to approximately \$70 million as of January 1, 2023, and that this number continues to grow by \$400K-\$500K per month.

This funding issue, which is the direct result of the Province failing to honour its commitments to the Local's members and properly fund these plans, must be dealt with as soon as possible. Our clients are ready to proceed to the Board of Actuaries, but in order to do that, we will need to discuss exactly what the process will be for that proceeding. As these discussions will include technical legal issues with respect to issues such as evidence, expert reports, the use of witnesses, appeal routes and other legal issues, we request that you let us know who the Province

will using as counsel in this matter, so that we can have those discussions with that individual. It is important to Local 2745 that this be moved along in a timely manner, so please respond to us as soon as possible.

Yours truly,

James Harnum
Partner
JH:ss



October 25, 2023

James Harnum
Direct Dial: 416-542-6285
Direct Fax: 416-204-2819
jharnum@kmlaw.ca

VIA E-MAIL

(angela.mazerolle@fcnb.ca)

Financial and Consumer Services Commission
200 - 225 rue King Street
Fredericton, NB E3B 1E1

Attention: Angela Mazerolle, Superintendent of Pensions

Dear Ms. Mazerolle:

**Re: Response to Letter of October 4, 2023, regarding potential contempt
of order of January 30, 2023
(Our File No. 23-0548)**

We are counsel to the Canadian Union of Public Employees and its New Brunswick Council of Nursing Homes Unions (the "**Union**"). We write in response to the Superintendent of Pensions (the "**Superintendent**") letter of October 4, 2023, concerning potential contempt of the Superintendent's Order of January 30, 2023.

As requested, these submissions detail the steps that the Union has taken and are willing to take, to ensure that the order of the Superintendent is complied with and to help ensure the sustainability of the Pension Plan for General & Service Employees of NB Nursing Homes (the "**Plan**").

After the Order was issued, the Union filed a Notice of Appeal, objecting to one specific aspect of the Order (the "**Appeal**"). Shortly after the Appeal was filed, the Union had discussions with certain members of the Board of Trustees of the Plan, who raised a concern that the Appeal was going to have a deleterious effect on the ability to address the Plan's funding issues, as other parties would be able to take the position that the Superintendent's Order was not operative. As a result, the Union engaged counsel to the Superintendent and jointly requested that the Energy and Utilities Board lift the statutory stay with respect to all aspects of the Appeal other than the single issue that had been appealed. This was the first of several steps that the Union has taken to ensure that the Order of the Superintendent can be put into operation.

The Union has also attended several meetings with the various parties, including the New Brunswick Association of Nursing Homes and the Board of Trustees and its professional advisors.

The Union's position, communicated both in person and in writing, is that contributions need to be increased to reflect the decision of the Superintendent and that this needs to occur as soon as possible. On July 5, 2023, the Union wrote to the Board of Trustees, in response to the Board of Trustees request for consent to increase the contribution rates. That letter included the following passages:

The purpose of this letter is to inform the Trustees that the Union's position is that the Trustees must act immediately to increase the "capped contribution rate" (as that term is used in the June 26th email) to 10.48% of earnings (payable by both employers and employees), in accordance with the December 31, 2021 actuarial valuation. The Union also recognizes that this number will change in January of 2024, on the basis of the normal cost calculations done in the December 31, 2022 actuarial report.

In the June 26th email, the Trustees appear to be asking for the consent of the Union and the Association to increase the contribution rates. The Union objects to this transfer of responsibility and urges the Trustees to administer the Plan in accordance with the decision of the Superintendent of Pensions, and in accordance with the fiduciary obligations of the Trustees. The Sponsors do not have a role in administering the Plan. While the Union and the Association will certainly have a role in determining how to deal with any unfunded liability that cannot be funded through the contributions required under the Funding Policy, the decision makes clear that the "capped contribution rate" is to be calculated on an annual basis by the Trustees. Given that the Superintendent has determined this, and that her decision on this issue has not been appealed, the Union's position is that this is a binding determination that must be followed by the Trustees.

We also point out that Article 8.04 of the Trust Agreement requires the Trustees to "administer the Plan in accordance with the terms of this Agreement and the Plan, **and the requirements of applicable federal and provincial legislation**" (emphasis added). The Funding Policy set out in the Nursing Homes Pension Plan Act Regulations provides clear legislative direction to the Trustees on this issue. Further, Article 9.01 of the Trust Agreement requires that employers and members "pay all Contributions to the Trust Fund in an amount and in the manner required pursuant to the provisions of the Plan, any Collective Agreement, any Participation Agreement, **applicable legislation**, and any reciprocal agreements". The Trust Agreement, which the Union and Association are bound to, thus requires that contributions owing pursuant "applicable legislation" be paid.

For over ten years, amounts properly owing to the Pension Plan have not been calculated and collected by the Trustees. This has created a funding crisis in the Plan, through no fault of the Union

and the Association. The Trustees' continuing failure to demand the correct contributions be made is a clear breach of their fiduciary obligation. This must be corrected immediately.

The Union also notes that the June 26th email suggests that a notice period will be required as increasing the contribution rate is an adverse amendment. This is simply incorrect. No amendment to the Pension Plan is needed. Instead, the existing terms simply need to be properly applied by the Trustees. Where amendments to the Plan or the Trust are required, the Sponsors have the responsibility for ensuring this is done. However, in this case, no amendment is required.

For the reasons set out above, the Union does not believe that its consent is required to increase the "capped contribution rate" is necessary. **However, without prejudice to the positions raised above, the Union confirms that it does not object to the Trustees raising this amount at the earliest opportunity.**

As the Union's letter of July 5, 2023 makes clear, although the Union does not necessarily agree that its consent is required to increase the contribution rate nor that a Plan amendment is needed, the Union has been clear that it will be reasonable and provide whatever consent is needed to ensure that the sustainability concerns surrounding the Plan are addressed.

The Union's position on this issue was again confirmed in an email to counsel to the Board of Trustees, dated September 15, 2023:

We understand that based on the Association's response, that the Trustees will not be moving to increase contributions on a going forward basis.

We want to make clear that the union's position on this also remains the same. The superintendent's decision requires the contribution rate to be changed immediately and does not require a plan amendment. To the extent that the trustees insist on this, the union would agree to a plan amendment that has the effect of "stopping the bleeding". The union has some concerns about the specific language the Trustees have proposed, but generally speaking, would be fine with the contribution increase occurring immediately.

It is important that the trustees understand that the union's position is that the Trustees must act immediately, in accordance with the superintendent's decision, and in accordance with their fiduciary obligation, to ensure that the plan is administered in accordance with applicable law. The superintendent's decision is now final, and there is no reason to wait on increasing the contribution rate. Continued failure to do this causes continuing harm to the benefit security of the plan's members and is in direct opposition to the decision of the superintendent. Given the employer association's

position, we understand the trustees will continue to fail to act to correct this problem. The union objects to this in the strongest possible terms.

The Union has been pushing this issue forward and seeking to have the other necessary parties take the actions that are needed to address the funding issues in the Plan. We are hopeful that an order from the Superintendent will issue on this basis.

As a final note, we see that your letter of October 4, 2023 was only addressed to the Board of Trustees, the Association and the Union. Your January 30, 2023 order also directed the Minister of Finance to "comply with section 12 of the NHPPA" and table a report to the Legislative Assembly within 6 months. That period ended on July 30, 2023 and to our knowledge, no such report has been tabled or is even being worked on. It is unclear to us why no such threats of contempt are being levelled against the Minister at this time.

Yours truly,



James Harnum
JH:ss



November 22, 2023

jharnum@kmlaw.ca

Dear Mr. Harnum:

Re: CUPE Local 1253 (the “Local”) – next steps in achieving sustainable pension arrangements

I refer to your letter dated September 22, 2023 (the “**September Letter**”), which is the first pension related communication provided by the Local since our proposal presented to the Local over seven months earlier on February 13, 2023 (the “**February Proposal**”). Our February Proposal reviewed the Local’s CAAT proposal in detail and suggested an alternate way forward. The February Proposal set out material and essentially fatal deficiencies in the CAAT proposal including the following key issues:

1. Regulation – Under the CAAT proposal, Government of New Brunswick employees will be participating in a pension plan regulated under the laws of another province. The Province is not willing to cede its jurisdiction.
2. Parity – Government seeks reasonable parity with the pension arrangements for other public sector employees in New Brunswick. CAAT would not provide this.
3. Regulatory Transition Uncertainty – the regulatory path for a transition from a New Brunswick unregistered plan to an Ontario registered plan is highly uncertain.
4. Affordability and Cost sharing – A transfer to CAAT would require substantially greater employer and therefore taxpayer funding. Although the amount is not expressly set out in the February Proposal - we had expected there would be further discussions - we have estimated the total required funding to be an extraordinary sum of over \$1 billion (~\$1.162B) in employer past service costs for the two plans (CUPE 2745 and GLT&S 1253) over the first 15 years.
5. Portability – Portability within New Brunswick registered plans is easily attained. Portability with CAAT would be highly uncertain.

Regrettably, the September Letter does not provide any meaningful response to the February Proposal. The late addition of another uncosted option for the existing plan – which is not sustainable in its current form – does not provide a basis for constructive discussions. The declaration of an impasse essentially on the basis of the Local’s failure to respond in a timely or substantive basis to the February Proposal indicates an unwillingness to engage in resolving these issues on a timely basis.

The September Letter makes it clear that the dispute resolution processes under Clause 3 of the MOA are not effective or enforceable for the reasons stated in the September Letter and otherwise. At best, these provisions are an agreement to agree. Given the history of the matter to date, there is no reason to expect that the parties can achieve a resolution on the many remaining process and other issues, either on a timely basis or at all.

For these and other reasons, the Government is considering introducing legislation next week to establish a fair, comprehensive, and timely interest arbitration framework to resolve these outstanding pension issues. This framework would provide for the efficient transfer of these pension plans (CUPE 2745 and GLT&S) to an existing shared risk plan registered under the New Brunswick *Pension Benefits Act*. The



terms of the transfer and the receiving shared risk plan will be determined under the interest arbitration framework.

In lieu of such legislation, we are prepared to move on a mutually agreed basis with an alternate dispute resolution process that provides for the following basic framework:

1. Selection of an appropriate existing shared risk plan as the destination shared risk plan;
2. Appropriate information sharing on the financial status and terms of both the transferring plan and the destination shared risk plan;
3. Ninety (90) days for the conclusion of an MOU setting out the terms of transfer to the destination shared risk plan;
4. Mutual appointment of a dispute resolution authority at this time, so that in the event direct discussions are not successful, this person may conduct mediation and, if necessary, arbitration to resolve any outstanding matters; and
5. Preparation of a transfer agreement between the administrator of the transferring plan and the administrator of the destination shared risk plan.

We require a response to this proposed process by **November 27, 2023**. In the absence of an affirmative response by this date, government intends to proceed with legislation to establish a neutral interest arbitration process.

I am available this afternoon and any day or evening this week to discuss any questions.

Yours truly,



Amy Beswarick
Associate Deputy Minister, Chief Human Resources Officer
Office of the Chief Human Resource Officer
Finance and Treasury Board

c. Mark Janson mjanson@cupe.ca
Iris Lloyd president@1253.ca
Marcos Salib msalib@cupe.ca
Sandy Harding sandyh@cupe.ca
Natalie Kenny Natalie.Kenny@gnb.ca
Jennifer Johnson jennifer.johnson@gnb.ca
Jean-Yves Bernard jean-yves.bernard@gnb.ca

1375, boul. St. Laurent Blvd., Ottawa, ON K1G 0Z7

Tel./Tél. : (613) 237-1590 Fax/Télec. : (613) 237-5508 Toll free/Sans frais : (844) 237-1590

cupemail@cupe.ca/courriel@scfp.ca – cupe.ca/scfp.ca

BY EMAIL
(Amy.Beswarick@gnb.ca)

November 27, 2023

Amy Beswarick
Associate Deputy Minister, Chief Human Resources Officer
Office of the Chief Human Resource Officer
Finance and Treasury Board

Dear Ms. Beswarick:

Re: CUPE Local 1253 and CUPE Local 2745 (the “Locals”) – next steps in achieving sustainable pension arrangements

The “alternate dispute resolution” framework government now proposes is not in any way a legitimate process. Government is well aware that the Shared Risk model remains the key issue in dispute between the parties. Government has long wanted these pension plans converted to a Shared Risk model, while the two Locals do not. The processes you propose in your letter, whether legislative or otherwise, only leads to the government’s preferred outcome of a Shared Risk plan. You can call the process “neutral” but we all know it is not. There is only one potential outcome under what you propose: government imposing a Shared Risk plan against the wishes of our members. This is dictating, not collective bargaining.

The government is threatening these steps despite the fact that we *already have an agreed-upon process to resolve our pension differences*. This process was agreed to in the last round and was encoded in a Memorandum of Understanding with each Local. We remind you that the *agreed-upon process was your government’s own proposal*. Premier Higgs repeatedly promised that this process would be independent and would not involve government imposing or dictating its desired outcome. CUPE agreed to this process to resolve our strike and we have been engaging with you at the agreed-upon table in good faith since.

...2

MARK HANCOCK

National President/Président national

CANDACE RENNICK

National Secretary-Treasurer/Secrétaire-trésorière nationale

PATRICK GLOUTNEY, FRED HAHN, JUDY HENLEY, SHERRY HILLIER, KAREN RANALLETTA

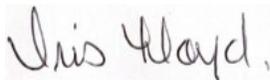
General Vice-Presidents/Vice-présidences générales

Our Locals heard your concerns regarding pensions. We put forward a compromise proposal that we strongly believe would not only be better for our members than a Shared Risk plan, but *would actually be better for government itself than your own proposal*. Your government unfortunately rejected this win-win framework at the table. Not long ago, we declared impasse in our agreed-upon process and asked government to move to the arbitration panel both sides had agreed to. Faced with the prospect of having to arbitrate its inferior proposal, government now responds with a threat to break its agreement and effectively impose government's longstanding preferred pension outcome.

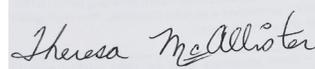
CUPE Local 1253 and 2745 fully reject the government's proposal of a false dispute resolution process that can only lead to a Shared Risk plan. Should government introduce legislation that attempts to trample on the collective bargaining rights of our members, we will have no choice but to respond with a powerful defense of those rights. CUPE is Canada's largest union and we have a long and proud history of defending the right to collectively bargain, which is protected by the Canadian Charter of Rights and Freedoms. Should government proceed, you risk an unprecedented setback in labour relations and the loss of millions in taxpayer money attempting to legally defend your indefensible attack on our Charter rights.

This is not CUPE's preferred path forward. We urge government to abandon this legislative threat and to uphold its commitment to free and fair collective bargaining and to the specific dispute resolution process both sides already agreed to. CUPE awaits you there in good faith.

In solidarity,



Iris Lloyd
President, CUPE Local 1253



Theresa McAllister
President, CUPE Local 2745

db/cope491

c.c.

Natalie Kenny Natalie.Kenny@gnb.ca
Jennifer Johnson jennifer.johnson@gnb.ca
Jean-Yves Bernard jean-yves.bernard@gnb.ca
Mark Janson mjanson@cupe.ca
Marcos Salib msalib@cupe.ca
Sandy Harding sandyh@cupe.ca
Adrienne Paradis aparadis@cupe.ca

Government of NB's Letter to 1253 & 2745: Fact vs Fiction

WHAT THE LETTER CLAIMS

"I refer to your letter dated September 22, 2023 which is the first pension related communication (...) over seven months"

"Government seeks reasonable parity with the pension arrangements for other public sector employees"

"Estimated the total required funding to be an extraordinary sum of over \$1 billion"

"The declaration of an impasse essentially on the basis of the Local's failure to respond in a timely or substantive basis to the February Proposal indicates an unwillingness to engage in resolving these issues on a timely basis."

"There is no reason to expect that the parties can achieve a resolution on the many remaining process and other issues, either on a timely basis or at all"

"The Government is considering legislation to establish a fair, comprehensive and timely interest arbitration framework [to] provide for the efficient transfer of these pension plans to an existing shared risk plan."

THE REALITY

The Locals rejected the proposal in February. Since then, the locals were reviewing several options and met with members of cabinet. There were many delays from the government's side earlier in the process.

Our proposal would be of similar cost for government, lower risk and is projected to be better for members.

This figure is more than the entire value of the two plans put together. Government should be transparent about its financial figures and where they obtain them.

From the Locals' perspective, the parties were too far apart and needed to move forward with the actuarial panel phase of the process as outlined in the Memorandum of Agreement.

1253 & 2745 have engaged in this process in good faith. We asked to move into the agreed actuarial panel process in September and indicated a willingness to discuss process issues with government. Government never engaged in this discussion.

There is no fairness in forcing the adoption of a process that has only one outcome. Interest arbitration should be unfettered, like collective bargaining. Free, fair and without constraints.



Education Sector: GNB Threatens to Break Signed Collective Agreements

Fredericton, NB – CUPE Local 1253, which represents 2800 school district bus drivers, custodians and trade workers, along with CUPE Local 2745, representing 4400 educational support staff, held a press conference today to denounce the provincial government's threats to free collective bargaining.

Last week, the provincial government delivered a message to the two education locals, signalling the provinces' intent to breach the contract that concluded the 2021 public sector strike. They issued an ultimatum to the locals: abandon the hard-fought agreement on pensions established in November 2021 and March 2022, or face the imposition of a new pension plan through legislation this week.

In response to this unwarranted threat, CUPE Locals 2745 and 1253 took a firm stand and sent a stern response to the government this Monday. "We will not negotiate under threat. We have a fair pension plan agreement in place for our members, and the government's attempt to change the rules of the game is unacceptable," said Theresa McAllister, President of CUPE 2745.

Iris Lloyd, President of CUPE 1253, added, "The introduction of a new law would constitute a breach of our collective agreement, a contract that Premier Higgs himself advocated for. It is a betrayal of the very process he championed."

Approximately 20,000 New Brunswickers endured a 16-day strike, resulting in hardships for tens of thousands of families, all in pursuit of a fair agreement. The Premier and his Cabinet's decision to disregard this hard-won compromise have broader implications for the entire province. CUPE sounds the alarm for all entities with contracts under the Higgs government — unions, communities, First Nations, businesses, etc. Theresa McAllister warned, "If the government can break its promise to us, what's to stop them from breaking other promises? There must be consequences for renegeing on agreements."

"As New Brunswickers, we take promises seriously. Signed contracts, negotiated in good faith, are the foundation of modern labour relations," said Iris Lloyd. "If the government tests this foundation, the ground will shake around them," added Lloyd.

CUPE Locals 2745 and 1253 call on all MLAs to support and protect free collective bargaining. "It is crucial for the government to follow the established processes laid out in the signed contracts. Both locals assert their readiness to proceed with the agreed-upon steps, and the ball is now in the government's court," concluded McAllister.

For more information:

Iris Lloyd - CUPE Local 1253 President
506-349-8806

Theresa McAllister - CUPE Local 2745 President
506-424-1417

Simon Ouellette – CUPE Communications Representative
506-229-6038

La province menace de déchirer les conventions collectives en éducation

Fredericton, N.-B. – La section locale 1253 du SCFP représentant 2800 conducteurs d'autobus, concierges et gens de métiers du milieu scolaire, ainsi que la section locale 2745, représentant 4400 membres du personnel de soutien éducatif, ont tenu une conférence de presse aujourd'hui. Les syndiqués dénoncent les menaces du gouvernement provincial envers le droit de libre négociation collective.

La semaine dernière, le gouvernement provincial a adressé un message aux deux sections locales de l'éducation, indiquant leur intention de rompre le contrat conclu à la suite de la grève du secteur public en 2021. Ils ont lancé un ultimatum aux sections locales : abandonnez l'accord sur les pensions obtenu par la grève en novembre 2021 et mars 2022, ou bien subissez l'imposition d'un nouveau régime de retraite par voie législative cette semaine.

En réaction à cette menace injustifiée, les sections locales du SCFP 2745 et 1253 ont pris une position ferme et ont envoyé une réponse sévère au gouvernement ce lundi. « Nous ne négocierons pas sous la menace. Nous avons un accord équitable sur les pensions en place pour nos membres. Le gouvernement n'a pas le droit de changer les règles du jeu à mi-chemin », a déclaré Theresa McAllister, présidente du SCFP 2745.

Iris Lloyd, présidente du SCFP 1253, a ajouté : « L'introduction d'une nouvelle loi constituerait une violation de notre convention collective, un contrat que Higgs lui-même a plaidé en faveur. C'est une trahison du processus même qu'il a défendu. »

Environ 20 000 Néo-Brunswickois et leurs familles ont dû endurer une grève de 16 jours dans le but d'obtenir un accord équitable. La décision du premier ministre et de son cabinet de négliger ce compromis durement gagné a des implications plus larges pour toute la province. Le SCFP sonne l'alarme pour tous les groupes ayant des contrats avec le gouvernement Higgs - syndicats, communautés, Premières Nations, entreprises, etc. Theresa McAllister a lancé cet avertissement : « Si le gouvernement peut rompre sa promesse envers nous, qu'est-ce qui l'empêchera de rompre d'autres promesses ? Il faut qu'il y ait des conséquences pour ceux qui brisent leurs accords légaux signés. »

« En tant que Néo-Brunswickois, nous prenons les promesses au sérieux. Les contrats signés, négociés de bonne foi, sont la base des relations de travail modernes », a déclaré Iris Lloyd. « Si le gouvernement teste cette base, le sol tremblera autour d'eux », a ajouté Lloyd.

Les sections locales 1253 et 2745 appellent tous les députés provinciaux à soutenir et à protéger la négociation collective libre. « Il est crucial que le gouvernement suive les processus établis dans les contrats signés. Les deux sections locales affirment leur disponibilité à suivre les étapes convenues, et la balle est maintenant dans le camp du gouvernement », a conclu McAllister.

Pour plus d'information:

Marcos Salib - Représentant syndical du SCFP

506-609-3147

Simon Ouellette - Conseiller syndical aux communications du SCFP

506-229-6038

November 29, 2023

Dear Employee,

**Re: Proposed change to the Pension Plans for CUPE 2745 and CUPE 1253
Employees of NB School Districts (CUPE 2745 Pension Plan &
General Labour Trades & Services Pension Plan)**

The Department of Finance and Treasury Board is responsible for the CUPE 2745 Plan and GLT&S Plan. I am writing to let you know about new proposed legislation which, if adopted, will mean some changes to your pension plan to ensure that it remains viable for you.

Please note:

- You will not lose the pension benefits you have earned.
- For those of you participating in one of the plans, you will continue to do so for the time being. There is no immediate change.
- For those of you who are unable to participate in either plan due to the current full time eligibility criteria, you will be able to join the existing shared risk plan once certain eligibility criteria is met.
- Those contributing to the Part Time and Seasonal plan will continue to do so for now.
- Retirees will continue to receive their monthly pension payment.

Over the years, the Province has made ongoing attempts to negotiate reforms on this matter through the collective bargaining process. As your employer, we have a responsibility to ensure our employees have a pension plan that is comparable to that of other employees and one that has enough money in it to continue to pay you in retirement. With your current pension plan, that viability has been and continues to be at risk.



Prior to the decision to move forward with legislation, government had asked CUPE to agree to transfer these pension plans to one of the existing NB shared risk plans, which have been performing well, are fully funded, and have been able to provide cost-of-living adjustments (COLA) annually to all of their members. As an example, on January 1st 2024, all plan members of the NB Public Service Pension Plan will receive a COLA of 5.32% for 2024, compared to your plans which will provide a COLA of 2% applicable to retirees only.

Considering legislation has not been an easy decision for government to take. Your pension plan has been in bad shape for years. Currently, the combined deficit of the CUPE 2745 and GLT&S plans is \$162.0 million, and that will continue to increase without significant plan reform.

The goal with the legislation, is to move your pension plan into a larger well-established shared risk pension plan administered within New Brunswick. This will ensure current retirees and those still working have a sustainable pension in the future.

As a government, we are responsible to ensure that our employees have access to a pension plan, and one that is not at risk of being unable to fund retirement benefits for all of its members. We must also be responsible with taxpayer dollars as we move toward a better, more secure model for them and for you.

Further updates regarding this matter will be communicated to you as they become available. A new section has been added to the CUPE 2745 and CUPE 1253 (GLT&S) Pension Plan webpages, which will provide timely updates: cupe2745pension.ca and gltspension.ca. An informative document that provides answers to frequently asked questions about pension reform will also be available on these plan pages.

In the meantime, if you have questions about existing public service shared risk pension plans in New Brunswick, contact Vestcor. Vestcor has been administering shared risk plans since their inception. They will be happy to answer any questions you may have about shared risk plans. Please submit your questions to: info@cupe2745pension.ca or info@GLTSpension.ca or call [1-800-561-4012](tel:1-800-561-4012).

Sincerely,

A handwritten signature in blue ink, appearing to read "Ernie L. Steeves", with a long horizontal flourish extending to the right.

Hon. Ernie L. Steeves
Minister of Finance and Treasury Board

ATTENTION: Yesterday, members of Locals 1253 and 2745 received a letter from Finance Minister Steeves describing why government is moving ahead with plans to force members into a shared risk pension plan.

This letter is full of misleading and entirely false claims.



November 29, 2023

Dear Employee,

Re: Proposed change to the Pension Plans for CUPE 2745 and CUPE 1253 Employees of NB School Districts (CUPE 2745 Pension Plan & General Labour Trades & Services Pension Plan)

The Department of Finance and Treasury Board is responsible for the CUPE 2745 Plan and GLT&S Plan. I am writing to let you know about new proposed legislation which, if adopted, will mean some changes to your pension plan to ensure that it remains viable for you.

Please note:

- ~~You will not lose the pension benefits you have earned.~~
- For those of you participating in one of the plans, you will continue to do so for the time being. There is no immediate change.
- For those of you who are unable to participate in either plan due to the current full time eligibility criteria, you will be able to join the existing shared risk plan once certain eligibility criteria is met.
- Those contributing to the Part Time and Seasonal plan will continue to do so for now.
- ~~Retirees will continue to receive their monthly pension payment.~~

~~Over the years, the Province has made ongoing attempts to negotiate reforms on this matter through the collective bargaining process. As your employer, we have a responsibility to ensure our employees have a pension plan that is comparable to that of other employees and one that has enough money in it to continue to pay you in retirement. With your current pension plan, that viability has been and continues to be at risk.~~

There are deficits in our current plans, but the existence of a deficit does not mean a pension plan is broken. Our plans pay an average of \$8K-\$11.5K **annually** in pensions. The real problem is that for more than a decade, **government failed to make its required contributions to the plans** (but members always made our required contributions!). CUPE 1253 won a major grievance on this issue in 2021 when the arbitrator ordered the government to begin properly funding the plan. Government is attempting the cynical tactic of manufacturing a “crisis” to force through its preferred “Shared Risk” solution.

Government cannot make this claim. You have already earned a Defined Benefit (DB) pension which is a promise to pay you a specific amount in retirement. A DB pension cannot be reduced. Bill 17 would force the benefits you have already earned to be converted to shared risk benefits. Your guaranteed pension would be replaced by a non-guaranteed pension.

Retirees would also see their guaranteed pensions replaced by a non-guaranteed shared risk benefit. Retirees would continue to receive a monthly pension payment, but it would no longer be a guaranteed amount and could be reduced.

CUPE agreed to the province's proposed pension arbitration process to end the strike in 2021. **We have been engaging in this process in good faith.** In this process we have been advancing a DB proposal which would ensure you have real ongoing retirement security. In September, we asked government to move ahead to the arbitration process, where we were confident our win-win DB proposal would succeed. Government responded with this legislative attack. Our pension plans are in our collective agreements and have been subject to negotiation for decades. Government cannot simply legislate what they have failed to achieve at a free and fair collective bargaining table

Prior to the decision to move forward with legislation, government had asked CUPE to agree to transfer these pension plans to one of the existing NB shared risk plans, which have been performing well, are fully funded, and have been able to provide cost-of-living adjustments (COLA) annually to all of their members. As an example, on January 1st 2024, all plan members of the NB Public Service Pension Plan will receive a COLA of 3.32% for 2024, compared to your plans which will provide a COLA of 2% applicable to retirees only.

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The goal with the legislation, is to move your pension plan into a larger well-established shared risk pension plan administered within New Brunswick. This will ensure current retirees and those still working have a sustainable pension in the future.

As a government, we are responsible to ensure that our employees have access to a pension plan, and one that is not at risk of being unable to fund retirement benefits for all of its members. We must also be responsible with taxpayer dollars as we move toward a better, more secure model for them and for you.

Further updates regarding this matter will be communicated to you as they become available. A new section has been added to the CUPE 2745 and CUPE 1253 (GLT&S) Pension Plan webpages, which will provide timely updates: cupe2745pension.ca and gltspension.ca. An informative document that provides answers to frequently asked questions about pension reform will also be available on these plan pages.

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Sincerely,



Hon. Ernie L. Steeves
Minister of Finance and Treasury Board

With Bill 17 **government has made a choice to attack your Charter-protected rights to collectively bargain.** Their lawyer has publicly confirmed that the legislation overrides the collective agreements government signed with CUPE. **This is an unprecedented attack on your rights.** Government must now decide if it believes in collective bargaining, or if it wants to push forward this legislation. It cannot do both. CUPE of course stands with workers and their rights to freely bargain.

The plans would be projected to return to full funding if the government were to simply make its required contributions. CUPE proposed a win-win path forward that would insulate government from all pension risk, while providing a secure DB plan for members. **Higgs rejected this proposal and has instead chosen this legislative attack.**

AGREEMENT

BETWEEN

TREASURY BOARD

AND

THE NEW BRUNSWICK COUNCIL OF SCHOOL DISTRICT UNIONS

THE CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 1253

GROUP: GENERAL LABOUR, TRADES & SERVICES, PART II

EXPIRES: MARCH 31, 2024

such application, the employee will be notified in writing of the results of his/her request giving reasons for the decision. The time limits specified may be extended by mutual consent. Application forms to request a reclassification can be obtained at the School District Office.

23.09 Classification Appeal Procedure

Where an employee, after following the procedure under Article 23.08 is not satisfied with the results, he/she may within ten (10) days of receiving such results submit the reclassification grievance to a single adjudicator to be agreed on at a later date.

The reference to adjudication must be sent to the Chief Officer of Human Resources, Treasury Board with a copy provided to the Director of Human Resources, Department of Education and Early Childhood Development.

The Adjudicator covering the above two Articles only (Articles 23.07 and 23.08) shall have all the powers as outlined in this Agreement, including the power to interpret the classification specifications and the provisions of the Collective Agreement.

ARTICLE 24 – RETIREMENT AND PENSION

The parties agree to implement pension changes as outlined below. The changes in numbers 24.03 (a) 1 to 5 below shall apply to all active members as at April 1, 1998 and all new members who have joined after that date.

Any revisions to the plan text which are necessary to achieve the intent of the above changes will be submitted by the Employer to the Union in draft form, for approval by the Union, prior to being finalized.

The costs incurred by the Union for actuarial services with regard to the current round of collective bargaining shall be paid by the Employer from the fund as an expense of plan administration.

Further, it is agreed Article 24 will be amended as follows:

24.01 Retirement Age

Employees may retire in accordance with the Pension Plan presently in effect.

24.02 Definitions

For the purpose of this Article words being used shall have the same meaning as defined in the Pension Plan.

24.03 The Pension Plan presently in effect shall continue to apply to all full-time employees of the Bargaining Unit. Effective April 1, 1998, the pension plan shall be amended in the following manner:

- (a) 1. Retirement age at 60 (voluntary) without penalty.
2. Retirement between 55 and 60 (voluntary) with penalty of 3% per year by which retirement precedes age 60, such penalty to apply to both lifetime benefits and bridging benefits. Effective January 1st, 2001, the penalty shall only apply to the lifetime benefits.
3. Bridging benefit per year of pensionable service of:
 - a. \$10.00 per month from age 60 to age 65;
 - b. \$15.00 per month from age 55 to 60.

Effective January 1st, 2001, the bridge benefit per year of pensionable service of:

- a. \$11.00 per month from age 60 to age 65;
- b. \$15.50 per month from age 55 to 60.

4. Benefit rate of 1.75% of highest consecutive 5-year average earnings up to the YMPE, and 2% of highest consecutive 5-year average earnings in excess of YMPE, per year of pensionable service to and including December 31st, 1996.

Effective January 1st, 2001, the benefit rate is 1.90% of highest consecutive 5-year average earnings up to the YMPE, and 2% of highest consecutive 5-year average earnings in excess of YMPE, per year of pensionable service to and including December 31st, 1999.

5. Effective January 1, 2007 the benefit rate is 1.625% of highest consecutive 5-year average earnings up to the YMPE, and 2% of highest consecutive 5-year average earnings in excess of YMPE, per year of pensionable service from and including January 1, 2000 to and including December 31st, 2005.

For pensionable service after December 31, 2005, the benefit rate is 1.4% of highest consecutive 5-year average earnings up to the YMPE and 2% of highest consecutive 5-year average earnings in excess of YMPE.

The rate described in 24.03(a)(5) only applies to a member who has terminated continuous employment on or after April 1, 2005 and who is entitled to a deferred pension or is receiving an annual pension, or a contributing member.

- (b) 1. In 1998 and subsequent years up to and including 2010, surplus will be available for benefit improvements only to the extent that it exceeds the present value of 1.76% of pensionable earnings of plan members for the period from the date at which the present value is being determined up to December 31, 2010. Any such calculation of present value will be based on 1.76% of pensionable earnings of plan members at the calculation date in question, a future interest rate of 7.75% per annum and a projected future rate of earnings increase of 4.5% per annum.
2. The duties and responsibilities of the Pension Committee established under Subsection 15.04 of the Plan will be expanded to include the following:
 - (i) to the extent permitted by applicable laws and regulations, to determine such changes in plan provisions (other than changes in rates of Employer contribution, or changes which would expand or decrease the employee group eligible for participation in the Plan) as may be desired to improve the benefits of any category of Members provided these changes can be paid for by existing plan surplus and/or current rates of employee and Employer contributions.

Any such changes may be made only following receipt by the Committee of a written report from the Actuary which contains an assessment of the long term financial implications of the proposed changes and an opinion that, following the proposed changes, the long term financial obligations of the Plan can be met by the existing assets and by the established rates of the Employer and employee contributions
 - (ii) to provide recommendations to Treasury Board with respect to investments and selection of investment managers.
3. Section 21.01 of the Plan will be amended to read as follows

“Surplus funds shall not be withdrawn by the Employer under any circumstances. Surplus funds will be held in reserve and set aside for separate accounting, not to be withdrawn or used in any way to lower Employer contributions below a contribution rate of 95% of the employee contributions. Any surplus(es) will not be taken into account for any purposes unless agreed to by both parties.

4. In any valuation to be filed with Canada Customs and Revenue Agency, the Employer may establish an investment reserve to avoid contravention of Income Tax requirements with respect to excess surplus, to the extent that this is necessary to achieve the purpose of item (b) 1 above relating to reservation of surplus for subsidization of Employer future service contributions.
5. Any future changes in plan provisions determined by the Pension Committee in accordance with the expanded responsibilities described in item 2.(i) above, which result in an increase in future service cost, will be subject to establishment of a further reservation of surplus based on the same principles as applied under item (b) 1. above, unless such increase in future service cost can be met by previously agreed increases in employee contributions, or minimum Employer contributions, or both.

(c) Effective January 1, 2007 each member shall contribute to the Plan in any Plan Year, five and one-half percent (5.5%) up to the YMPE and seven percent (7%) of that portion of his/her Earnings which is in excess of the YMPE.

(d) Effective January 1, 2007 members who terminate employment and are immediately eligible upon termination of employment for the payment of an early retirement pension or normal retirement pension will no longer have the option to elect a commuted value transfer.

24.04 Pension Committee

The Employer agrees to amend the Pension Plan outlined in the Collective Agreement between the C.U.P.E. Council of School District Unions and the New Brunswick Treasury Board to revise Article 15 (2) of the Pension Plan text so that the Pensions Committee shall consist of ten (10) members, five (5) of whom shall be appointed by the Canadian Union of Public Employees.

24.05 The Pension Plan text shall be subject to collective bargaining. Changes may be made to the Pension Plan text through the collective bargaining process as agreed to by the parties, or through the Pension Committee when there is mutual agreement. The Pension Plan text, all funding contracts, and all other conjunctive documents will be made available to members of the Pension Committee.

All activities related to the operation of the Pension Plan, including all matters of decision associated with or incidental to the interpretation, application, administration, and investment of the Plan will be fully reported to the members of the Pension Committee.

24.06 The Employer will make available pension coverage for part-time employees effective January 1, 1995. Coverage will be through a voluntary money purchase plan with an employee contribution rate of up to four-point five percent (4.5%) of salary and matching contributions by the Employer. Plan governance will be by a committee on which CUPE 1253 will participate.

ARTICLE 25 - GROUP LIFE INSURANCE

25.01 (a) The Employer shall provide Group Life Insurance coverage for all permanent employees on the following basis:

GROUP LIFE INSURANCE

Basic Coverage - Compulsory
 Premiums paid 100% by the Employer -

either an addition 1 x annual salary
 or
 an addition 2 x annual salary
 or

AGREEMENT

BETWEEN

TREASURY BOARD

AND

THE CANADIAN UNION OF PUBLIC EMPLOYEES

LOCAL 2745

EXPIRES: FEBRUARY 28, 2023

The classifications of the employees covered by this Agreement shall be set out in Schedule "A" to this Agreement plus such additional classifications as the Employer may require. Nothing herein shall compel the Employer to engage employees in all classifications listed in Schedule "A".

23.02 Establishment and Deletion of Classification

Where a new classification not covered in Schedule A is established by the Employer or where changes in a classification create a new classification during the term of this Agreement, the wage rate shall be established in consultation with the Union and shall be made retroactive to the date the new classification was created. In the event no agreement can be reached between the Employer and the Union the question of whether or not changes in a classification creates a new classification and wage rates only can be submitted to adjudication.

23.03 Review of Classification

When an employee requests reclassification of her position, such request will be forwarded to the District Superintendent. At the same time as the request, a form letter informing that such a request has been made, shall be filled in triplicate and sent by the employee to the Director of Human Resources of the Department of Education and Early Childhood Development and the Provincial Recording Secretary and the Regional Vice President concerned. Within forty-five (45) working days of receipt of such application, the employee will be notified in writing of the results of her request giving reasons for the decision. The time limits specified may be extended by mutual consent. If no written notification is given or extension granted within the forty-five (45) working days, the grievance procedure outlined in Article 7 may be initiated. Application forms to request a reclassification can be obtained at the School District Office.

23.04 Classification Appeal Procedure

Where an employee, after following the procedure under Article 23.03 is not satisfied with the results, she may appeal the decision as per the grievance procedure in Article 7 to the Department of Education and Early Childhood Development.

The Adjudicator covering the above two Articles only (Articles 23.02 and 23.03) shall be agreed to by both parties. The Adjudicator shall have all the powers as outlined in this Agreement. The adjudicator's written decision shall be rendered within thirty (30) days of the hearing.

ARTICLE 24 - RETIREMENT AGE AND PENSION

24.01 Retirement Age

Employees may retire in accordance with the Pension Plan presently in effect.

24.02 (a) The Pension Plan presently in effect shall continue to apply to all full-time employees of the Bargaining Unit. Effective July 1, 1982, the Pension Plan shall be amended in the following manner:

- (i) Compulsory after completion of probationary period provided employee is at least 18 years of age.
- (ii) Employee contribution rate - 4.5% of earnings up to YMPE. - 6% of earnings over YMPE.
- (iii) Maximum allowable break-in-service to be extended to one year.
- (iv) Benefit - 2% Five (5) highest consecutive years' average integrated with Canada Pension Plan.
- (v) Vesting to occur after completion of 5 years of service.
- (vi) Escalation to a ceiling of 2% per year in accordance with CPI.

(b) Members of the Pension Plan who were not contributors to any other previous School District Pension Plan shall be entitled to a supplemental annual pension consisting of 50% of the difference between total earned pension (if less than \$1,500 per year) and \$1,500. This clause shall come into effect July 1, 1979.

(c) Notwithstanding Article 24.02 (a)(2), effective September 1, 2007 each member shall contribute to the Plan in any Plan Year, five percent (5%) up to the YMPE and six and one-half percent (6.5%) of that portion of her Earnings which is in excess of the YMPE.

24.03 Definitions

For the purpose of this Article words being used shall have the same meaning as defined in the Pension Plan.

24.04 Pension Committee

The Employer agrees to amend the Pension Plan outlined in the Collective Agreement between the CUPE Unions and the New Brunswick Board of Management to revise Article 15 (2) of the Pension Plan text so that the Pensions Committee shall consist of seven (7) members, three (3) of whom shall be appointed by the Canadian Union of Public Employees.

24.05 Effective April 3, 1990, employees in the Pension Plan whose hours of work are reduced during the five-year period immediately preceding retirement date shall continue to contribute and be credited with benefits in the normal manner.

24.06

(a) The Employer's contribution to the Pension Plan shall be as determined by the actuary to maintain the Plan actuarially sound but would not exceed the current level of 95% of employee contributions.

(b) Notwithstanding Article 24.06 (a), effective April 1st, 2010 the Employer's contribution to the Pension Plan shall be 142.4% of employee contributions. This contribution rate may change at the completion of the next actuarial evaluation.

24.07 Pension for Part-time Employees

A part-time pension plan is to be made available effective September 1, 1995. Coverage will be through a voluntary money purchase plan with employee contribution rate of up to 4.5% of salary and matching contributions by Employer. Plan governance will be by a committee on which CUPE 2745 will participate. The Plan will include members other than those represented by CUPE 2745.

24.08 Effective January 1, 2008 members who terminate employment and are immediately eligible upon termination of employment for the payment of an early retirement pension or normal retirement pension will no longer have the option to elect a commuted value transfer.

ARTICLE 25 - GROUP LIFE INSURANCE

25.01 The group life insurance coverage shall be as determined by the Plan accepted by the Standing Committee on Insured Benefits.

ARTICLE 26 – MEDAVIE BLUE CROSS

26.01 The Employer shall pay seventy-five percent (75%) of the cost of premiums of Blue Cross TD129 Health Plan or its equivalent for all employees who have completed their probationary period. Employees' enrolment in this Plan shall be on a voluntary basis. The Employer shall deduct the employee's share of the cost of premium of the Plan when so authorized by the employee.

PROVINCIAL COLLECTIVE AGREEMENT

between

NEW BRUNSWICK COUNCIL OF NURSING HOME UNIONS



and

NEW BRUNSWICK ASSOCIATION OF NURSING HOMES INC.



October 16, 2016 to October 15, 2022

24.13 Professional Fees

Employee(s) that are required to carry a certification to carry out the duties of their position shall have one hundred dollars (\$100) paid by the Employer towards their annual professional fees. If the professional fees are less than one hundred dollars (\$100) the Employer shall pay the full fees for that certification.

ARTICLE 25 – HEALTH CARE PLAN

25.01 Benefit Package

- (a) The Employer agrees to provide a Health Care Benefit Package Assumption Life Contract No: 09775 for employees during the life of this Agreement. The parties by mutual agreement may change the plan carrier at any time during the life of this Collective Agreement.
- (b) The New Brunswick Association of Nursing Homes Inc. and the New Brunswick Council of Nursing Home Unions shall meet on a regular basis to discuss the Assumption Plan Contract No: 09775.

25.02 Premiums

The premiums for health coverage will be shared on a 75% Employer and 25% Employee basis. Premiums for dental and life coverage will be shared on a 50/50 cost sharing basis.

25.03 Continuation of Payment

An employee shall have the option of continuing his coverage in Articles 25.01 and 25.02 on the cost sharing between the Employer and Employee as provided for in these plans for a period of two (2) months.

ARTICLE 26 – PENSIONS

26.01 Pension Plan

The Pension Plan in effect on the date of signing of this Agreement shall continue as amended from time to time during the life of this Agreement. The parties agree that the Pension Plan shall be amended where necessary to meet the requirements set out in this Article.

26.02 Amendments

- (a) The Pension Board shall be the administrator of the Pension Plan in accordance with the *Pension Benefits Act* of New Brunswick. The administrator shall execute its mandate as set out in the pension document and shall only make any amendments to the plan required by any law to which the Pension Plan is subjected.
- (b) The parties shall meet once a year to ratify proposed amendments recommended by the Joint Board of Trustees of the General and Service Employees' Pension Plan. All

other amendments to the Pension Plan shall be negotiated during collective bargaining.

- (c) The pension trustees shall be allowed to make any other amendments to the Pension Plan to benefit plan members with the understanding that any change in the Pension Plan will not increase the actuarial liability of the Pension Plan.

26.03 Unfunded Liability

In the event the Pension Plan is found to have an unfunded liability during the life of this Agreement, the parties shall meet immediately to negotiate amendments to the Pension Plan in order to eliminate the unfunded liability. The parties agree that the present pension benefits provided in the existing Pension Plan shall not be reduced without mutual agreement.

26.04 Surplus

Surplus in the pension fund shall be used first as a cushion against economic downturn, second to benefit the plan members, and third to offset total annual costs for both the Employer and the Employees. If at any time during the term of this Agreement a surplus accumulates which would require a contribution holiday, the parties shall meet and negotiate any necessary amendments to the Pension Plan, in order to improve benefits for the plan members. No surplus shall be paid out of the fund to any Employer. In the event the Pension Plan is wound up and an actuarial surplus of assets over liabilities is determined, the whole of this surplus shall be paid to the Plan members in a manner deemed appropriate by the parties in accordance with any law to which the Pension Plan is subjected.

26.05 Trust Funds

The Pension Plan document shall be named as the "Trust Funds".

26.06 Contributions

The contribution rate to cover current service cost necessary to provide the benefits set out in the Pension Plan during the life of this Agreement shall be based on pensionable earnings, as follows:

For Employers, 6.5 % of pensionable earnings up to the year's maximum pensionable earnings (Y.M.P.E.) under the Canada Pension Plan plus 8.86 % of any excess; and

For employees, 6.5 % of pensionable earnings up to the year's maximum pensionable earnings (Y.M.P.E.) under the Canada Pension Plan plus 8.86 % of any excess.

Any required or agreed upon increase or reduction in the contribution rate to cover current service cost shall be shared equally between the Employers and the employees. Any pension contribution holiday will have to be agreed by the parties.

26.07 Buy Back Years of Service

A plan member shall have the option to buy back pensionable service for the period of time worked when contributions were not made to the Pension Plan. There shall be no cost to the Pension Plan. The plan member will be responsible for both the Employer and the Employee's current actuarial cost.

26.08 Pension Contribution During Retirement

Following retirement, if an employee is rehired in any nursing home in the province, the Employer will contribute his share to the Pension Plan for all hours worked by the employee, commencing the date of rehire.

ARTICLE 27 – JOB CLASSIFICATION AND RECLASSIFICATION

27.01 Job Descriptions

The Employer agrees to draw up job descriptions for all positions and classifications for which the Union is the bargaining agent within sixty (60) days of the signing of the Agreement. These descriptions shall be presented to the Union and shall become the recognized job descriptions unless the Union presents written objection within thirty (30) days. **All job descriptions must fall within the framework of the Joint Job Evaluation Steering Committee Final Report as referenced in the corresponding Letter of Agreement.**

27.02 No Elimination of Present Classification

No classification shall be eliminated without prior agreement with the Union.

27.03 Changes in Classification

- (a) The classifications covered by this Agreement shall be those listed in Schedule “A” of this Agreement. The Employer agrees to provide the Union with job specifications for classifications listed in Schedule “A” as they are revised.
- (b) Where the Union and/or the employee feels that the employee has been unfairly or incorrectly classified, the employee and/or the Union may submit the matter for review to the Joint Maintenance Committee for determination.
- (c) If a New classification comes into being during the life of this Agreement, or there is a significant change in the level of duties, responsibilities, or qualification requirements of an existing classification, the matter shall be forwarded to the Joint Maintenance Committee to determine the appropriate band for the new or revised classification. Pending determination of the appropriate band, the Employer may set an interim wage rate for such classification.

27.04 Joint Maintenance Process

The terms of the Joint Maintenance Process shall be those as outlined by the Joint Job Evaluation Committee.

27.05 Time Limits Joint Maintenance Process

In no event shall the process outlined in 27.03 and 27.04 exceed six (6) months.

ARTICLE 28 – HEALTH AND SAFETY

- 28.01 (a) Both parties agree that the New Brunswick *Occupational Health and Safety Act* shall apply to this Agreement.