

**PREFACE**

**EMPLOYMENT SECURITY**

**AND**

**INCOME MAINTENANCE**

**PLAN**

This reprint of the Employment Security and Income Maintenance Plan reflects the amendments made to the Employment Security and Income Maintenance Agreement pursuant to the negotiations concluded January 14, 2005



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## DEFINITIONS

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

- A. "Employment Security" means that an employee who has completed 8 years of Cumulative Compensated Service with the Company and was hired prior to January 1, 1994 will have Employment Security as provided in Article 7.
- B. "Eligible Employee" means an employee of the Company represented by the Union signatory to the Employment Security and Income Maintenance Agreement dated June 14, 1995, who is eligible for benefits pursuant to the eligibility requirements of Articles 4, 6 or 13.
- C. Committee means Labour Adjustment Committee.
- D. "Basic Weekly Rate" means the Basic Weekly Rate of pay applicable to the position held at the time of change. (Hourly rated employees, 40 X the basic hourly rate; seasonal and spare employees, 80 per cent of average weekly earnings over the eight weeks preceding layoff.)
- E. "Seniority District or Seniority Territory" means that Seniority District or Seniority Territory as defined in the applicable collective agreement.
- F. "The Plan" means the benefits and terms and conditions relating thereto as agreed for the employees of the Company, as defined herein, which benefits, terms and conditions appear in this Agreement.
- G. "Cumulative Compensated Service" means:
  - (i) one month of Cumulative Compensated Service which will consist of 21 days or major portion thereof.
  - (ii) Twelve months of Cumulative Compensated Service shall constitute one year of Cumulative Compensated Service calculated from the last date of entry into the Company's service as a new employee. For partial year credit, six or more months of Cumulative Compensated Service shall be considered as the major portion thereof and shall be counted as a year of credit towards computation of severance or layoff benefits. Service of less than six months of Cumulative Compensated Service shall not be included in the computation.

- iii) For an employee who renders compensated working service in any calendar year, time off duty, account bona fide illness, injury, authorized maternity leave, to attend committee meetings, called to court as a witness or for uncompensated jury duty, not exceeding a total of 150 days in any calendar year, shall be included in the computation of Cumulative Compensated Service.

(Note: See Appendix H)

H. "Admitted Group" means those groups which have been admitted to coverage under The Plan as provided in Article 3.

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

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

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

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

(iii) a normal seasonal staff adjustment.

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

J. The term "location" means the greater Metropolitan Area.



ARTICLE 1

**The Trustee**

1.1 The Trustee shall pay to Eligible Employees the benefits for which they are entitled in keeping with the provisions of The Plan.

ARTICLE 2

**The Labour Adjustment Committee**

2.1 The Labour Adjustment Committee shall consist of an equal number of representatives from the Union and the Company. This number of representative should not exceed four on each side. The Labour Adjustment Committee shall be co-chaired by the Chief Engineer, or designate and one of the USW President, Local 2004 or designate.

Part-time union officers participating in Labour Adjustment Committee meetings will not lose any pay. The Company will reimburse reasonable actual expenses incurred.

The Committee will meet quarterly or as often as is deemed appropriate by the Co-Chairpersons.

2.2 The role of the Labour Adjustment Committee will be to:

- (a) Review the status of surplus employees as well as any initiative which may impact employees represented by the Union.
- (b) Mediate the item(s) remaining in dispute following the discussions held in accordance with Paragraph 2.3.
- (c) Examine placement opportunities for surplus employees inside the Company system wide, as well as with external employers, where appropriate. The Labour Adjustment Committee will do everything possible to encourage surplus employees to accept employment opportunities identified by the Labour Adjustment Committee.
- (d) Provide, where it deems appropriate, tuition assistance of up to \$3,000 to surplus employees. This assistance will be provided for training or education which will assist the individual in accessing work opportunities inside the Company or with external employers. These expenditures may be advanced upon presentation of appropriate receipts and documentation to the Labour Adjustment Committee.

## **DISPUTE RESOLUTION**

2.3 Should the Labour Adjustment Committee be unable to resolve the issues referred to them under Paragraph 2.2(b), the item(s) remaining in dispute may be referred to an Arbitrator as set out in the "Final Settlement of Disputes" provisions of the collective agreement. The items to be decided by the Arbitrator shall not include the right of the Company to make the change or the implementation date.

## **GRIEVANCE PROCEDURE AND FINAL DISPOSITIONS OF DISPUTES**

2.4 Except as otherwise provided in The Plan, should any dispute arise respecting the meaning, interpretation, application, administration or alleged violation of The Plan, such dispute shall be progressed in accordance with the provisions of the applicable collective agreement commencing at the authorized "designated officer" level.

2.5 Failing settlement of such dispute at the final step of the grievance procedure, should either party elect to progress the dispute it shall do so by referring it to the Labour Adjustment Committee, except that if the dispute is one involving the question of whether or not a change is a technological, operational or organizational one as contemplated under Article 8.1 of The Plan, then such dispute shall be progressed to arbitration under the provisions of the applicable collective agreement.

2.6 The request to have the Labour Adjustment Committee adjudicate upon a dispute must be submitted in writing within sixty days of the date a decision was rendered at the final step of the Grievance Procedure. The request shall be submitted in writing to the Co-Chairmen of the Labour Adjustment Committee and shall be accompanied by a joint statement of issue and joint statement of facts. If the parties cannot agree upon such joint statement either or each, upon notice in writing to the other, may submit a separate statement to the Co-Chairmen of the Labour Adjustment Committee.

2.7 Except as otherwise provided in The Plan, in the event the Labour Adjustment Committee is unable to reach a decision on any question, the Union or the Company may request that such question be referred to arbitration.

The Parties shall submit the joint statement of issue or issues to a single Arbitrator, who shall be the person from time to time occupying the position of Arbitrator for the Canadian Railway Office of Arbitration.

The Company and the Union shall respectively bear any expenses each has incurred in the presentation of the case to the Arbitrator, but any general or common expenses, including the remuneration of the Arbitrator, shall be divided equally.

In the event that the parties do not agree upon a joint statement of issue, or issues, remaining in dispute, either or each may submit a separate statement to the Arbitrator in accordance with the procedure outlined above for the joint statement and the other party shall be provided with a copy thereof.

The Arbitrator shall hear the dispute within 30 days from date of the request for arbitration and shall render his decision together with reasons therefor in writing within 30 days of the completion of the hearing.

**2.8** When a question has been referred to an Arbitrator as provided for in Article 2.7 hereof, the Arbitrator shall have all the powers of the Labour Adjustment Committee as set out in Article 3 hereof in respect of that question. The Arbitrator shall have no power to add to, subtract from, or modify any of the terms of The Plan or the collective agreement. The decision of the Arbitrator shall be final and binding.

### ARTICLE 3 Powers of the Labour Adjustment Committee

**3.1** Subject to the provisions of The Plan, the Labour Adjustment Committee shall have full and unrestricted power and authority and exclusive jurisdiction to deal with and adjudicate upon all matters relative to The Plan, which does not add to, subtract from, or modify any of the terms of The Plan or collective agreement. The Labour Adjustment Committee shall not have any power to deal with and adjudicate upon any benefits not specifically provided for in The Plan nor in any subsequent plan reached between the Company and the Union signatory hereto.

**3.2**  
**(a)** Notwithstanding the provisions of Article 3.1, the following types of cases not specifically covered by The Plan may be submitted to the Committee for adjudication and payment of benefits, but such cases shall not be subject to arbitration:

- (i)** special case(s) involving extenuating circumstances.

**Note:** If the extenuating circumstances involve the relocation of employees to the Metropolitan Toronto area, such employees, provided they are a homeowner and eligible for relocation benefits pursuant to the provisions of Articles 6.1 and 6.2 herein, will be allowed a special relocation allowance of **\$20,000**.

In the event such employees relocate to a location other than the Metropolitan Toronto area, the USW President, Local 2004 or designated representative may meet with the Vice-

President, Labour Relations to discuss whether or not a special relocation allowance for such other location is required. In the event that such discussions do not result in mutual agreement, the appropriate Union may, within 30 calendar days, refer the outstanding issue to the Labour Adjustment Committee.

In such event it is understood that the special relocation allowance with respect to the Metropolitan Toronto area will not be used by the Union as guidelines for adjudication.

- (ii) special case(s) of temporary layoffs of not more than 16 weeks lending themselves to an orderly implementation of lay-off procedures based on the principle of inverse seniority. Where it is agreed that such special case(s) exists, this principle is to be applied at the work location where the layoffs are occurring, and on an optional basis, after all employees with less than two years service have been laid off.
- (iii) special case(s) of permanent staff reductions lending themselves to special offers of optional early retirement separation allowances to employees eligible, or within one year of eligibility, to retire under Company pension rules so as to prevent the otherwise unavoidable relocation and permanent separation of employees with two or more years' service. The separation allowance to apply in each such special case of optional early retirement is to be a lump sum payment calculated on the basis of the following formula:

<b>Years of Cumulative Compensated Service</b>	<b>Number of Weeks Salary Credited for Each Year of Service Remaining to Normal Retirement</b>
35 or more	4.5
34	4.4
33	4.3
32	4.2
31	4.1
30	4.0
29	3.9
28	3.8
27	3.7
26	3.6
25 or less	3.5

**NOTE:**

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

- (b) One week's salary shall be the employees' Basic Weekly Rate at the time of the change.
- (b) The Labour Adjustment Committee may only approve such special case(s) conditional upon the Committee's observance of the following governing principles:
  - (i) approval of such special case(s) shall not involve increasing the existing benefit levels in The Plan.
  - (ii) approval of such special case(s) shall not be incompatible with the terms of The Plan.
  - (iii) approval of such special case(s) referred to in Article 3.2 (a) (i) and (ii) above shall not involve costs higher than 90% of the costs which would otherwise have been incurred as a result of the standard application of The Plan.
  - (iv) approval of any special case(s) under Article 3.2 (a) (ii) shall be contingent upon notification by the Canada Employment and Immigration Commission that employees who avail themselves of such an inverse seniority layoff procedure will not be disqualified nor disentitled from unemployment insurance benefits for so doing.
  - (v) approval of such special case(s) shall not involve the modification of any Company plan or agreements dealing with such matters as pensions, health and welfare, etc.
  - (vi) approval of special case(s) involving special offers of optional early retirement separation allowances shall include the payment of money to the Pension Fund if it is demonstrated that such early retirements result in additional costs to the Pension Fund.
- (c) The foregoing procedures shall not alter the effective date of staff reductions.

**3.3** The Labour Adjustment Committee shall have the power to admit to coverage under The Plan any applicant bargaining unit that has a collective agreement with a railway, as defined herein, subject to such conditions as may be determined from time to time by the Labour Adjustment Committee. Unless otherwise agreed between the employer and the Union making application for admission, any admitted group can only be admitted under the same terms and conditions as apply to other employees in The Plan.

A union and employer who wish to seek admission to The Plan for an appropriate bargaining unit, must make a joint application addressed to the Co-Chairmen of the Committee.

For the purpose of this Article, a railway is defined as Canadian National Railway Company and its subsidiaries and joint properties. It also includes an employer associated with Canadian National Railway Company, a group of whose employees has been admitted to The Plan as provided for in this Article.

#### ARTICLE 4

##### Weekly Layoff Benefits

##### BENEFIT ACCUMULATION - LAYOFF PAYMENTS

###### 4.1

- (a) Effective June 14, 1995, for each year of Cumulative Compensated Service (or major portion thereof) employees will be allowed a gross layoff benefit credit of six weeks for each such year.

**Note:** In arriving at net layoff benefits available for employees, any previous layoff payments made from the Job Security Fund, under the provisions of previous Job Security Agreements and Article 4 of The Plan must be taken into account on a "weeks of benefits paid" basis. For example, if employees with 10 years Cumulative Compensated Service were laid off under the provisions of The Plan, they would be treated as follows:

Gross weeks of layoff benefits entitlement - 10 (yrs) x 6 weeks	60 weeks
Less weeks of layoff benefits paid under the provisions of previous Job Security Agreement dated April 21, 1989 and Article 4 of this Plan	10 weeks
Net layoff benefit available	50 weeks

- (b) Except as provided in Article 4.3 of The Plan, Eligible Employees who are laid off, and whose layoff benefit credit are reduced due to weekly layoff benefit payment being made during the period of layoff in accordance with Article 4 of The Plan, will, on recall, accumulate layoff benefit credits in accordance with the above provisions.

4.2 The above layoff benefit will apply until such time as the employee has completed twenty (20) years of Cumulative Compensated Service, when the following maximum layoff benefit will apply:

Years of Cumulative Compensated Service	Maximum Period for which Weekly Benefits Payable for each Period of Layoff
20 years or more but less than 25 years	3 years
25 years or more but less than 30 years	4 years
30 years or more	5 years

**4.3** An employee who, at the beginning of the calendar year, has completed 12 years of Cumulative Compensated Service and subsequently receives weekly benefits due to layoff, in accordance with the provisions of Article 4 of The Plan shall, upon return to service after termination of layoff, be credited with the accumulated layoff benefit weeks he had to his credit at the time of layoff.

**4.4**

**(a)** An employee who is not disqualified under Clause (iv) hereof, shall be eligible for a benefit payment in respect of each full week of seven consecutive calendar days of layoff (herein called "a claim week") provided he meets all of the following requirements:

- (i)** He has two years or more of continuous employment relationship at the beginning of the calendar year in which the period of continuous layoff in which the claim week occurs began, (calendar year shall be deemed to run from January 1st to December 31st);
- (ii)** For weekly layoff benefit payment, a continuous waiting period of seven days in the period of layoff has expired. Each period of layoff will require a new seven-day waiting period in order to establish eligibility for weekly layoff benefits, except that once an employee has been on layoff for more than seven days, and is recalled to work for a period of less than ninety calendar days, such employee will immediately become eligible for weekly layoff benefits upon layoff within such ninety days;
- (iii)** The employee has made application for the benefits on the prescribed form.
- (iv)** He has exercised full seniority rights on his Region as provided for in the relevant collective agreement, except as otherwise expressly provided in Article 4.4 (d) (ii) and (iii)
- (v)** Employees who elect layoff benefits under this Article 4 will forfeit their entitlement to a severance payment under Article 13.

- (vi) He has not applied for a severance payment under Article 13 within fourteen calendar days from the date of layoff.
- (b) Intentionally left blank.
- (c) An employee who, on being laid off, does not qualify under Article 4.4(a) (i) shall, if still laid off in the next calendar year, qualify under said paragraph (a) if at the beginning of said next calendar year he has two years of continuous employment relationship. The seven-day waiting period provided for in Article 4.4 (a) (ii) shall commence from the 1st day of January of that year.
- (d) Notwithstanding anything to the contrary in this Article, an employee will not be regarded as laid off:
  - (i) During any day or period in which his employment is interrupted by leave of absence for any reason, sickness, injury, disciplinary action (including time held out of service pending investigation) failure to exercise seniority (except as otherwise expressly provided for in Article 4.4 (d) (ii), retirement, Act of God, including but not limited to fire, flood, tempest or earthquake or a reduction or cessation of work due to a strike by employees of the Company;
  - (ii) During any interval between the time that he is recalled to the service of the Company after a period of layoff, and the time at which he actually resumes work during any waiting period provided for in the relevant collective agreement; except that an employee who does not, as a consequence of the foregoing, return to service on the day work is available shall be governed by the provisions of Article 4.6 of The Plan, on the same basis as if he had returned to work on the date such work became available.
  - (iii) If he declines, for any reason, other than as expressly provided for in Article 4.4 (d) (ii), recall to work on his basic Region in accordance with the seniority provisions of the relevant collective agreement.
  - (iv) If the employee fails to comply with the provision of Article 4.12.
  - (v) In respect of any period in which he is receiving other payments of any kind or nature directly from the Company, except as otherwise expressly provided in Article 4.6.
  - (vi) During any recognized period of seasonal layoff as defined in Article 10.



(vii) After his dismissal from the service of the Company.

#### **CLAIMS PROCEDURE**

**4.5** An Eligible Employee, as defined in Article 4.4 may, at the expiration of the seven-day waiting period specified in Article 4.4 (a) (ii), make application to a designated officer, for a weekly layoff benefit as follows:

- (a) Employees with TWO or more years of continuous employment relationship and LESS THAN TWENTY YEARS' Cumulative Compensated Service:
  - (i) A weekly layoff benefit for each complete week of seven calendar days laid off following the seven-day waiting period referred to in Article 4.4 of an amount which, when added to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week, will result in the employee receiving 80 percent of his Basic Weekly Rate at time of layoff.
  - (ii) During any week following the seven-day waiting period referred to in Article 4.4, in which an Eligible Employee is not eligible for unemployment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for unemployment insurance benefits, or account unemployment insurance waiting period, such employee may claim a weekly layoff benefit for each complete week of seven calendar days laidoff of the maximum unemployment insurance weekly benefit currently in force or such lesser amount which, when added to the employee's outside earnings for such week, will result in the employee receiving 80 percent of his Basic Weekly Rate at time of layoff.
  - (iii) Weekly layoff benefits provided for under Article 4.5 shall cease when an Eligible Employee has exhausted the benefit accumulation as specified in Article 4.1.
- (b) Employees with TWENTY OR MORE YEARS' of Cumulative Compensated Service:
  - (i) A weekly layoff benefit for each complete week of seven calendar days laid off following the seven-day waiting period referred to in Article 4.4 of an amount which, when added to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week, will result in the employee receiving 80 percent of his Basic Weekly Rate at time of layoff.

(ii) During any week following the seven-day waiting period referred to in Article 4.4, in which an Eligible Employee is not eligible for unemployment insurance benefits account eligibility for such benefits having been exhausted or account such employee not being insured for unemployment insurance benefits, or account unemployment insurance waiting period, such employee may claim a weekly layoff benefit for each complete week of seven calendar days laid off of an amount which when added to the employee's outside earnings for such week, will result in the employee receiving 80 percent of his Basic Weekly Rate at time of layoff.

(c) It shall be the responsibility of the employee to report for each week for which he is claiming a weekly layoff benefit under The Plan any amounts received from the Canada Employment and Immigration Commission in respect of such week, as well as any wages earned during such week while employed outside the Company. In the event an employee does not report all such outside earnings for any particular week, this will be interpreted as notice from him that his outside earnings for such week are the same as those for the previous week.

4.6 No weekly layoff benefit will be made for parts of a claim week as defined in Article 4.4 (a) except that:

(a) Recall not covered by Article 4.6 (b) below.

An employee who has qualified for weekly layoff benefits in accordance with Article 4.4 (a) and who returns to work for part of the last claim week and thereby receives earnings from the Company in that last claim week may make application for a partial weekly layoff benefit which, when added to the earnings received in that week and to unemployment insurance benefits and/or outside earnings in excess of those allowable under unemployment insurance for such week will result in the employee receiving 80 percent of his Basic Weekly Rate at time of layoff.

(b) Temporary recall for less than five working days

An employee who has qualified for weekly layoff benefits in accordance with Article 4.4 (a) will not have his weekly benefit payment reduced for any claim week during which he returned to the service temporarily for less than five working days.

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

4.7 Assume that an employee with a rate of \$15.00 per hour (\$120.00 per day, \$600.00 per week) is laid off Friday, April 16, 1993, (last day

worked April 15th) and recalled to work Thursday, May 27, 1993. This is 41 days, or 5 weeks and 6 days.

For the purpose of this illustration, the employee's plan claim week is Friday to Thursday, and the unemployment insurance claim week is Sunday to Saturday.

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

**Plan Claim Week 1**

Nil (waiting period).

**Plan Claim Week 2**

- (i) employee with less than 20 years of service - \$425  
unemployment insurance maximum - (from the Plan)
  
- (ii) employee with 20 or more years of service - \$480  
80% of Basic Weekly Rate at the time of  
layoff - (80% X \$600) = (from the Plan)

**Plan Claim Weeks 3, 4 and 5**

80% of Basic Weekly Rate at the time of layoff - \$480  
(80% X \$600) = (\$342 unemployment  
insurance and \$138 from  
the Plan)

**Last Plan Claim Week (May 21 - May 27, 1993, inclusive)**

For unemployment insurance purposes,  
employee works 2 days, (May 27 and 28 -  
both of which days fall in one  
unemployment insurance claim week) - \$240.00  
Earnings

Deduct unemployment insurance allowable  
earnings (25% of employee's unemployment  
insurance entitlement of \$342) \$85.00

Net earnings for unemployment insurance  
purposes 

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 \$154.50

Unemployment insurance entitlement during  
last plan claim week (\$342 - \$154.50) \$187.50

In order to make up the 80% of his Basic Weekly Rate during the last plan claim week - i.e., \$480, the employee would receive:	\$120.00
One day's wages for Thursday, May 27, the last day of the plan claim week	\$120.00
Unemployment insurance entitlement	\$187.50
From The Plan	\$172.50
<b>TOTAL</b>	<b>\$480.00</b>

4.8 Intentionally left blank.

**SPECIAL PROVISIONS FOR EMPLOYEES WITH 20 YEARS OR MORE OF CUMULATIVE COMPENSATED SERVICE**

**4.9**

- (a) An employee with 20 years of Cumulative Compensated Service who, in any calendar year, is laid off and unable to hold work on his Region shall, upon return to work, count the period of layoff, up to a maximum of 100 days in any such calendar year from 1976 on, towards the qualifying period for vacation in the ensuing years; such period of layoff in one year shall, upon return to work, also count as service for determining the vacation entitlement in the following year. Layoff days credited for vacation purposes shall not be used in any other manner to obtain additional credit.
- (b) An employee with 20 years of Cumulative Compensated Service who is laid off and unable to hold work on his Region will have his group life insurance continued during the period of layoff, up to a maximum period of two years from date of layoff.

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

4.11 LEFT BLANK INTENTIONNALLY

## WORK REQUIREMENTS

### 4.12

- (a) Effective June 14, 1995, employees who are not eligible for the benefits contained in Article 7 of this Plan may be entitled to the benefits contained in Article 4 and Article 13 of this Plan.

In order to become and remain eligible for these benefits, the employee in receipt of Job Security Benefits will be required to:

- i) continuously exercise their seniority in accordance with Agreement 10.1 and Supplements thereto.

**Note:** Relocation benefits will be triggered only when permanent vacancies are filled or when an employee displaces onto a permanent position.

- ii) must fill vacancies in any other bargaining units, non-scheduled or management positions at the home location; if unable to hold work.

- iii) may accept work outside of CN at the home location as determined by the Labour Adjustment Committee.

- (b) Employees will be required to accept permanent and temporary vacancies at their home location in other bargaining units, non-schedule and management positions subject to qualifications. Any bargaining unit positions in Article 4.12 (a) (ii) must be vacancies which occur after all bulletining and recall provisions of the relevant collective agreements have been exhausted. Failing to do so, their weekly layoff benefits will be forfeited for the duration of that vacancy, but all other rights will remain.

**Note:** For the purposes of this provision, a temporary vacancy is defined as one of at least 7 calendar days and less than 90 calendar days duration. A permanent vacancy is defined as one of at least 90 calendar days in duration.

- (c) Employees accepting a vacancy in another bargaining unit, schedule or management position pursuant to this Article 4.12 will continue to accumulate seniority in the classification from which laid off. Such employees must accept recall to the first permanent vacancy in their original classification on their Region. Failure to do so will result in the loss of seniority under this agreement.

- (d) Should a permanent vacancy arise in another bargaining unit at a time when several members of USW and other bargaining units are on laid-off status and receiving benefits, the vacancy will be offered to the laid off employees in order of Cumulative Compensated

Service (C.C.S.). Only the most "junior" (i.e. in years of C.C.S.) will be required to accept the vacancy pursuant to paragraph (b) above. The provisions of this paragraph (d) come into effect only after acknowledgment by the Canada Employment and Immigration Commission that it will not invalidate registration of the Plan.

- (e) Employees who work outside their bargaining unit pursuant to paragraph (b) above will be governed by the terms and conditions of employment of the collective agreement under which they are working except they will be compensated while so employed at 80 percent of their Basic Weekly Rate at time of layoff, or the established rate for the vacancy, whichever is the higher. In the application of this provision, if it is necessary to supplement the basic rate of the position concerned, each week so supplemented shall be deducted from the employees' weekly layoff benefits entitlement. Provided employees remain in a position to which a supplement applies, such supplement will be paid until such time as the amount expended for supplementary payments equals the amount of weekly layoff benefits they would have received had they not been required to fill a vacancy or, until the employees vacate the position, whichever date comes first. In determining the weekly layoff benefits they would have received if they had not been required to fill the vacancy, it will be assumed that the employees had no outside earnings.

If employees are laid off from a position occupied pursuant to paragraph (b) above and still eligible for weekly layoff benefits, their benefits will be calculated as if they had been laid off from their original classification.

- (f) Employees who accept a permanent vacancy in accordance with paragraph (b) above will, for purposes of bidding, establish a seniority date in their new classification based on the date of transfer. Ninety (90) calendar days after employees transfer to a permanent vacancy in accordance with paragraph (b) above, they will, for purposes of protection against layoff, establish a seniority date in their new classification based on the seniority date in the classification from which laid off. In such circumstances, i.e. to protect against layoff, the employee shall displace the junior employee at the location in the classification to which transferred. An employee who transfers to a temporary vacancy in accordance with paragraph (b) above will, for all purposes, establish a seniority date in the new classification based on the date of transfer.
- (g) Employees will be required to accept recall to vacancies of expected duration of at least 7 calendar days and less than 90 calendar days in their classification at their home location. Failing to do so, the employee's weekly layoff benefits will be forfeited for the duration of that vacancy, but all other rights will remain. Notice of recall

shall be provided as per the collective agreement, except when waived by the employee.

- (h) These provisions shall operate over any clause in a collective agreement to the contrary.

## ARTICLE 5

### Training of Employees

5.1 An employee who has Employment Security under the provisions of Article 7 of The Plan who has his position abolished and is unable to hold work due to a lack of qualifications, will be trained for another position within his seniority group and, failing that, will be trained (if necessary) in order to fill a position in keeping with the provisions of Article 7. Training (if necessary) will be provided for a position for which he has the suitability and adaptability to perform the duties of that position. Such employee will receive the 40-hour straight time pay associated with his last railway classification during his period of training (hourly rated employees, 40 x the basic hourly rate; seasonal employees, 40 x the average hourly earnings over the eight weeks preceding lay-off.

5.2 An employee who does not have Employment Security under the provisions of Article 7 and has two or more years of Cumulative Compensated Service and:

- (a) has been laid off or who has been advised that he may be laid off and who is, or will be, unable to hold other work in the Company because of lack of qualifications, or,
- (b) will be adversely affected by a notice served pursuant to Article 8 of The Plan requiring an employee to relocate or suffer a substantial reduction in his rate of pay,

will be considered for training for another position within or without his seniority group, providing he has the suitability and adaptability to perform the duties of that position and provided he has indicated a willingness to work in the job for which he may be trained whenever vacancies exist.

5.3 At the option of the Company training provided under the provisions of either Article 5.1 or 5.2 may be:

- (a) at training classes conducted by qualified Company personnel;
- (b) at classes conducted by an approved training agency.

The type of training for which an employee may apply must:

- (i) qualify the employee for a recognized Company position;
- (ii) offer a likelihood of employment in the Company on completion of the training period in a position for which the employee has been qualified; or
- (iii) in the case of employees with 20 or more years of Cumulative Compensated Service, include the possibility of qualifying the employee for employment within or without the railway industry.

5.4 An employee covered by the provisions of Article 5.2 will receive 80 per cent of the Basic Weekly Rate of his last job classification during his period of training. In addition, he will be provided for the training period with books, equipment, tools and allowed other necessary supplementary expenses associated with the training program.

5.5 Should an employee covered by the provisions of Article 5.2 be recalled from layoff before the scheduled completion of training, the employee will be allowed to complete the program without forfeiture of pay or seniority rights.

5.6 Notwithstanding any agreement to the contrary, the Company may require an employee who has completed a training program to take a position for which he has been trained.

5.7 In addition, the Company, where necessary and after discussion with the Union, will provide classes (after work or as arranged) to prepare present Company employees for upgrading, adaptation to technological change and anticipated new types of employment in the Company. The cost of such retraining will be borne by the Company.

5.8 Upon request, the subject of training of an employee or groups of employees under any of the above provisions will be discussed by the USW President, Local 2004 or designated representative and the appropriate officer of the Company either prior to or at the time of layoff or at the time of the serving of the notice pursuant to Article 8 or as retraining under Article 5.7 is considered. Any unresolved differences between the parties concerning the usefulness of training for future Company service, the necessity for retraining, or the suitability and adaptability of an employee for training, may be progressed to arbitration pursuant to Article 2.7 of The Plan.



## ARTICLE 6

### Relocation Expenses

#### ELIGIBILITY

- 6.1 To be eligible for relocation expenses an employee:
- (a) must have been laid off or displaced, under conditions where such layoff or displacement is likely to be of a permanent nature, with the result that no work is available at his home location and, in order to hold other work in the Company, such employee is required to relocate; or
  - (b) must be engaged in work which has been transferred to a new location and the employee moves at the instance of the Company; or
  - (c) must be affected by a notice which has been issued under Article 8 of The Plan and he chooses to relocate as a result of receiving an appointment on a bulletined permanent vacancy which at the time is not subject to notice of abolishment under Article 8 of The Plan and such relocation takes place in advance of the date of the change, provided this will not result in additional moves being made, or
  - (d) must have Employment Security under the provisions of Article 7 and be required to relocate to hold work under the provisions of Article 7 of The Plan.
- 6.2 In addition to fulfilling at least one of the conditions set forth above, the employee:
- (a) must have two years' Cumulative Compensated Service; and;
  - (b) must be a householder, i.e., one who owns or occupies unfurnished living accommodation. This requirement does not apply to Articles 6.5, 6.6, 6.7 and 6.10; and
  - (c) As per the current provisions of the Employment Security and Income Maintenance Agreement, relocation benefits will only apply when employees are required to travel an additional 25 miles to the new work location from their principal place of residence or the commuting allowance benefit will apply if employees do not change their principal place of residence but are required to travel an additional 15 miles to the new work location.

## RELOCATION BENEFITS

6.3 Payment of door-to-door moving expenses for the Eligible Employee's household goods and his automobile including packing and unpacking, insurance and up to one month's storage; the mode of transportation to be determined by the Company.

6.4 Effective January 1, 2001, an eligible employee will receive an allowance of up to \$825 for incidental expenses actually incurred as a result of relocation.

6.5 Effective January 1, 2001, reasonable transportation expenses from their former location to their new location by rail, or if authorized, by bus or employee-owned automobile, and up to \$210 for employees without dependents and an additional amount of \$100 will be paid for each dependent for meals and temporary living accommodation. Receipts will be required for rail and bus transportation.

6.6 Upon authorization, an employee may drive his automobile to his new location at the allowance per kilometer specified in the current Collective Agreement.

6.7 In order to seek accommodation in his new location and/or to move to his new location, an employee will be allowed a continuous period of leave up to one week (seven consecutive calendar days). Payment for such leave shall not exceed one week's pay at his Basic Weekly Rate.

### 6.8

- (a) Effective January 1, 2001, except as otherwise provided in Article 6.8 (c), reimbursement of up to \$ 14,000 for loss sustained on the sale of a relocating employee's private home which the employee occupied as a year-round residence. Loss sustained is determined as the difference between the value determined at the outset plus any real estate agent fees, legal fees, including those legal fees on purchase of a home at the new location, and any mortgage closure penalties, and the amount established as the selling price in the deed of sale.
- (b) The procedure to be followed in respect of determining the loss, if any, on the sale of a home is described in Article 6.12.
- (c) Notwithstanding the provisions of Article 6.8 (a):
  - (i) should a change take place involving relocation of Company employees whereby the number of homes being listed for sale by such Company employees represent 15 per cent or more of the residential homes in the municipality, the employees required to relocate shall be reimbursed for the full loss on

such homes, which loss shall be determined by the procedures described in Article 6.12 of The Plan. The number of Company employees' homes referred to above shall, for the purpose of establishing the 15 percent, include the homes of all Company employees which are being offered for sale as a result of and at the time of the change; or

(ii) Effective January 1, 2001, should a change occur involving relocation of Company employees covered by The Plan as well as Company employees covered by other collective agreements, the maximum amount of \$ 14,000 specified in Article 6.8 (a) shall be adjusted upward to equal the maximum amount paid account loss on sale of home to any employee covered by such other collective agreement.

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

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

**6.9** Effective January 1, 2001, payment of the cost of moving a wheeled mobile home which the employee occupies as a year-round residence. The selection of the mover and the cost of moving the mobile home shall require the prior approval of the Company and shall not, in any event, exceed a total cost of \$7,000.

A mobile home will be considered not moveable if it is on a fixed foundation and on land owned by the employee. In such cases, homeowner provisions will apply.

**6.10** Effective January 1, 2001, if employees, who are eligible for moving expenses does not wish to move their household to their new location they may opt for a monthly allowance of \$ 215 which will be payable for a maximum of 12 months from the date of transfer to their new location. Should an employee elect to transfer to other locations during such twelve-month period following the date of transfer, he shall continue to receive the monthly allowance referred to above, but subject to the aforesaid 12-month limitation. An employee who elects to move his household effects to a new location during the twelve-month period following the date of his

initial transfer will only be eligible for relocation expenses under this Article for one such move and payment of the monthly allowance referred to above shall terminate as of the date of his relocation.

**6.11**

- (a) Alternatively to Article 6.8, the cost of terminating an unexpired lease and legal costs connected therewith up to a value of three months' rent where the relocating employee was renting a dwelling, will be paid. Should the law require payment of more than three months' rent in order to terminate a lease, such additional amount will be paid providing employee first secures the Company's approval to pay in excess of the three months' rent.
  
- (b) Where a lease was entered into following the notice of the change without prior approval of the Company, no benefit will be provided. Such prior approval will not be unreasonably withheld.

**APPRAISAL PROCEDURE**

**6.12** When an Eligible Employee desires to sell his home, under the provisions of Article 6.8(b), the following procedure will apply:

- (a) In advising the Company officer concerned of his desire to sell his house, the employee shall include pertinent particulars as outlined in Article 6.12(i), including his opinion as to the fair market value of his house.
  
- (b) This fair market price of the house shall be the price determined as of a date sufficiently prior to the date of the change in order that the fair value will be unaffected thereby.
  
- (c) Within 15 working days from date of receipt of employee's advice of his desire to make a claim, the Company officer shall advise the employee concerned whether the suggested fair market value is satisfactory and, if so, such price shall be the fair market value as contemplated by Article 6.8(a).
  
- (d) If, however, the officer concerned is not satisfied that the price requested by the employee is the fair market value, then an effort shall be made to resolve the matter through joint conference of the officer and employee concerned and the appropriate Union representative if so desired by the employee; such joint conference to be held within 5 working days from date of advice to employee concerned as referred to in Article 6.12(c).
  
- (e) If such joint conference does not resolve the matter, then within 5 days from the date of the final joint conference arrangements shall be made for an impartial appraisal to be undertaken as soon as

possible by an independent real estate appraiser. The fair market price established by such appraiser shall become the fair market value for the purpose of The Plan, and such price shall be binding on both parties.

- (f) The employee and Company officer concerned shall endeavor to mutually agree upon the independent appraiser referred to in Article 6.12(e). If they are unable to agree, then the Minister of Labour shall be requested to appoint such an independent appraiser.
- (g) The residence shall not have been listed for sale with any appraiser appointed pursuant to the provisions of this Article, nor with such appraiser's employee, fellow employee or partner.
- (h) The fees and expenses of any appraiser appointed in accordance with Article 6.12 (e) or (f) shall be paid by the Company.

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

Name of Owner .....

Address.....  
No. Street City-Town

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

Year Built .....

No. of Rooms..... Bathrooms .....

Type of Construction, i.e., brick, veneer, stucco, clapboard  
.....

Finished Basement: Yes. ..No .....

Type of Heating, i.e., oil, coal, gas, electricity .....

Garage: Yes .... .No .....

Size of Lot .....

Fair Market Value: \$ .....

Other Comments .....

Date ..... Signature .....

ARTICLE 7

Employment Security

SECTION A) SYSTEM REQUIREMENTS

7.1 When employees defined in Article 7.17 a) and b), who commenced service prior to January 1, 1994 and have eight or more years of cumulative compensated service, are affected by a change pursuant to Article 8 of this Agreement, such employees are required, on a continuous basis, to do the following in order to become and remain eligible for the benefits contained in Article 7 of Section A) of this Agreement:

- (a) fully exhaust seniority in their own classification at their location; if unable to hold work,
- (b) fully exhaust seniority in their own Supplemental Agreement on their region; if unable to hold work,
- (c) fully exhaust seniority on their region, in other Agreements supplemental to Agreement 10.1 in which the employee in question holds previously established seniority; if unable to hold work,
- (d) fully exercise consolidated seniority in accordance with the terms of Appendix "D" attached hereto; if unable to hold work,
- (e) accept work outside of CN as determined by the Labour Adjustment Committee at their location; if unable to hold work,
- (f) fill unfilled permanent vacancies in their own bargaining unit on the system; if unable to hold work,
- (g) fill unfilled permanent vacancies in other bargaining units, non-scheduled or management positions at the location, region, system;

Note 1: For the purposes of this Article, "permanent vacancy" will mean any job of an expected duration of 6 months or more and,

Note 2: A job that has been fully subjected to bulletining and recall in accordance with the applicable Collective Agreement and still remains unfilled.

7.2 Prior to an employee being required to fill a permanent vacancy beyond the Region pursuant to Article 7.1, the Labour Adjustment Committee will meet and review whether any alternatives are available.

Employees will continue to hold and accumulate seniority on the list from which they have transferred.

- (a) Employees must accept permanent vacancies within the Region in accordance with existing rules in their collective agreement.
- (b) Any outside earnings an employee was receiving prior to the date of the notice of permanent job abolishment will not be deducted from benefits received under this Article. In all other cases, outside earnings will be deducted.

7.3 If unable to hold a permanent position pursuant to Article 7.1, an employee will receive the employment security benefits contained in Article 7.4, at their home location, until a permanent position becomes available under the above-stated obligations. At such time, the employee will be required to fill a permanent position in accordance with the above-stated obligations and, if required to relocate, will be eligible for relocation benefits.

7.4 The Employment Security Benefit entitlement under Article 7 Section A) of this Agreement is as follows:

6 years at 90% of the employee's Basic Weekly Rate of pay of the last permanent position held as defined in Article 7.17a) or b).

Employment Security Benefits are subject to future general wage increases. All applicable deductions will be made including union dues, pension, unemployment insurance, etc.

7.5 Should an employee in receipt of employment security benefits be required to fill a job as defined in Article 7.1 Note 1 and 2, the employee's employment security benefit entitlement shall be re-instated.

7.6 Employees required to relocate, that is, when they must travel an additional 25 miles from their principal place of residence to their new work location, pursuant to Article 7 Section A) and who actually relocate, will be entitled to the relocation benefits pursuant to Article 6 or, may choose actual reasonable expenses incurred up to the following:

Homeowner / Non-Homeowner

Within the Region	\$28,000 / \$16,000
Beyond the Region	\$55,000 / \$33,000

7.7 Employees electing to be covered by the benefits contained in Article 7 Section A), who fail to fully exhaust their seniority on the Region in accordance with Article 7.1 (a), (b), (c) and (d), shall forfeit their seniority and will forever forfeit entitlement to benefits under this Agreement.

**7.8** Except in case of bona fide leave of absence for injury or sickness, employees electing to be covered by the benefits contained in this Article 7 Section A), who at any time, fail to meet the requirements outlined in Article 7.1 (e), (f) or (g) will forever forfeit entitlement to benefits under Article 7 Section A) of the Employment Security and Income Maintenance Agreement. Such employees may however, at that time, opt to receive the benefits contained in Section B) of this Article. Article 7 Section B) benefits will be reduced by any wages received under Article 7 Section A).

**7.9** Any employee who chooses to be covered by Article 7 Section B) prior to being affected by a permanent staff reduction will continue to be eligible for Article 7 Section A) coverage if at a future date such employee obtains a permanent position and is again affected by a change pursuant to Article 8.1.

**7.10** Employees affected by a change pursuant to Article 8.1, must decide, on a date mutually agreed between the Union and the Company, whether they wish to be governed by the rights and obligations of either Article 7 Section A) or Article 7 Section B) of this Plan. Such date will be agreed to during the meeting held pursuant to Article 8.4 and will be prior to the implementation date of that change or, on a date an employee is affected if not initially named on the notice served pursuant to Article 8 of the Plan.

**7.11** Employees on Employment Security status and receiving Employment Security benefits as of June 13, 1995, and governed by the terms and conditions of Article 7 of the E.S.I.M.A. of April 21, 1989, ("the Former Plan") as amended, will continue to be governed by those provisions subject to the following additional conditions or limitations which will come into effect on October 13, 1995.

For employees identified in the paragraph above the duration of Employment Security entitlement will be for a full 6-year benefit, commencing on October 14, 1995.

Employees who have expended their Employment Security benefits and cannot occupy any position shall, at that time, elect either options 1 or 3 of Article 7 Section B).

Employees currently in receipt of benefits who are in the transition period of 6 years outlined above, will be required, in addition to the requirements of Article 7 of the Former Plan, to fill permanent vacancies in all other bargaining units, non-scheduled or management positions on the Region and accept work outside of CN at their home location. Any outside earnings will be deducted from Employment Security payments.

When permanent vacancies occur on the System within the bargaining unit, the Labour Adjustment Committee will meet to ensure the filling of such vacancies, initially on a voluntary basis to senior employees with the



view to providing employees who are currently on Employment Security with a permanent position on their Region. If the Labour Adjustment Committee cannot fill such a vacancy on a voluntary basis, the junior employee on the Region, currently on Employment Security of the Former Plan, must fill that vacancy on the System. If employees choose not to fulfill their Employment Security obligations, they may be eligible for weekly layoff benefits under Article 4, a severance payment under Article 13 or an early retirement separation allowance under Article 3.2(a)(iii).

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

7.12 Employees eligible for early retirement are not entitled to the benefits contained in this Section 7A, however, such employees will be entitled to Article 7.14 - Option 1 or Article 6 relocation benefits if required to relocate in order to hold a permanent position.

#### **SECTION B) ENHANCED SUPPLEMENTARY UNEMPLOYMENT BENEFIT AND ALTERNATIVE OPTIONS**

##### **7.13**

- a) When employees defined in Article 7.17 a) and b), who commenced service prior to January 1, 1994, and have eight or more years of cumulative compensated service, and are affected by a change pursuant to Article 8.1 of the Plan and elect not to fulfill the obligations under Article 7 Section A) of the Plan, will be required, on a continuous basis, to do the following in order to become and remain eligible for the benefits contained in this Article 7 Section B) of the Plan.
  
- b) Employees defined in Article 7.17 c) and d) who commenced service prior to January 1, 1994, and have eight or more years of cumulative compensated service, and are affected by a change pursuant to Article 8.1 of the Plan will be required, on a continuous basis, to do the following in order to become and remain eligible for the benefits contained in Article 7 Section B) of the Plan.
  - (i) fully exhaust seniority in their own classification at their location, if unable to hold work,
  
  - (ii) fully exhaust seniority in their own Supplemental Agreement on their region; if unable to hold work,
  
  - (iii) fully exhaust seniority on their region, in other Agreements supplemental to Agreement 10.1 in which the employee in question holds previously established seniority; if unable to hold work,

- (iv) fully exercise consolidated seniority in accordance with the terms of Appendix "D" attached hereto; if unable to hold work,

**Note 1:** Relocation benefits will be triggered only when permanent vacancies are filled or when an employee displaces onto a permanent position.

**Note 2:** For employees covered by Article 7.17a) and b), option 1, 2, 3 and 4 pursuant to Article 7.14 will be triggered on the effective date of implementation of the change, however, these options 1, 2, 3 and 4 will only be available on a one time basis on the employee's first opportunity to elect one of the five options listed in Article 7.14.

The employee whose name appears on the notice may choose Option 2 prior to accepting work in another bargaining unit.

Any employee may choose Options 1 or 3 prior to accepting work in another bargaining unit.

- (v) fill permanent vacancies in other bargaining units, non-scheduled or management positions at their home location; if unable to hold work,

**Note:** Any employees may choose Options 1, 3 or 4 prior to accepting work outside CN.

- (vi) accept work outside of CN at the home location as determined by the Labour Adjustment Committee; if unable to hold work,

- (vii) After exhausting (i) through (vi), the employee, if eligible, will be required to exercise one of the following options:

#### 7.14

##### **OPTION ONE (ENHANCED EARLY RETIREMENT SEPARATION ALLOWANCE)**

Employees who are eligible for early retirement under the CN Pension Plans rules and who have 85 points, will be entitled to a lump sum early retirement separation allowance. The separation allowance is to be calculated on the basis of the following formula:

Years of Cumulative Compensated Service	Number of Weeks Salary Credited for Each Year of Service Remaining to Normal Retirement
35 or more	6.0
34	5.9
33	5.8
32	5.7
31	5.6
30	5.5
29	5.4
28	5.3
27	5.2
26	5.1
25 or less	5.0

**NOTE:**

- (a) A partial year of service remaining to normal retirement is to be expressed on a monthly basis, e.g., 4 years and 1 month (or major portion thereof) equals 4-1/12 (4.083) years.
- (b) One week's salary shall be the employees' Basic Weekly Rate at the time of the change.
- (c) Employees who elect to retire under this Option will have their life insurance and extended health care benefits continued until they reach age 65.

**OPTION TWO (BRIDGING)**

Employees who are at least 50 years of age and who will be eligible for early retirement under the CN Pension Plan(s) within 5 years may elect to take a bridging package at 65% of the employees' basic weekly rate with continued benefit plan coverage (Dental, Extended Health and Vision Care, and Group Life Insurance) until eligible for early retirement, at which time the employee will be given a separation allowance in accordance with the formula outlined in Option One above.

If an employee is at least 48 years of age and within 7 years of early retirement under the Pension Plan(s) rules, the employee may elect to take a bridging package at 65% of the employee's basic weekly rate with continued benefit coverage until retirement, at which time the employee will be given a separation allowance in accordance with the formula provided in Article 3.2 (a) iii of the current Plan. (Dental continued until early retirement - Extended Health and Vision Care and Group Life Insurance continued until normal retirement).

Bridging is subject to the employee's normal applicable deductions including union dues. Employees will be paid, through the Direct Deposit System, on the same basis as they were paid at work. Employees will accumulate credit for pension eligibility purposes. For these employees, active employment is severed and the employees will not be entitled to future wage adjustment.

It is understood that these bridging options will be available only to those employees who are directly affected and whose name appears on the notice of permanent staff reductions supplied to the Union and/or the employees.

**OPTION THREE (SEVERANCE PAYMENT)**

Employees may elect to take a lump sum severance payment in accordance with the following scale:

8 years or more but less than 16 years CCS	\$ 50,000
16 years of more but less than 26 years CCS	\$ 60,000
26 or more years of CCS	\$ 65,000

Such employees shall be entitled to Group Life Insurance and Extended Health and Vision Care benefits fully paid by the Company for one year.

**OPTION FOUR (EDUCATIONAL LEAVE)**

Employees will be entitled to a leave of absence for educational purposes, with full pay (minus all regular deductions including union dues) for a period of up to three (3) years while attending an educational training program. The program must be approved by the Labour Adjustment Committee. Employees will be subject to be called to work while not attending courses. All outside earnings during this period of leave will be deducted from the employees' pay. Upon completion, the employee is to resign from Company service unless there is a permanent position available for which the employee is the qualified successful candidate. Such employee forfeits any future entitlement to Article 7 Section A) or Section B) benefits.

Such employee will be treated as a new employee for the purposes of receiving benefits under this Plan and shall forfeit all seniority. However, the employee's prior service shall be recognized for the purposes of pension and vacations.

**OPTION FIVE (ENHANCED SUPPLEMENTAL UNEMPLOYMENT BENEFIT)**

Elect to receive the following enhanced SUB provided the employee has fully exercised seniority on the Region.

8 years or more but less than 23 years CCS      3 years.  
23 years or more but less than 30 years CCS      4 years.  
30 years or more CCS                                      5 years.

**Benefit Level:**

Year 1    90% of the Basic Weekly Rate of the last position held;  
Year 2    85% of the Basic Weekly Rate of the last position held;  
Year 3    80% of the Basic Weekly Rate of the last position held;  
Year 4    80% of the Basic Weekly Rate of the last position held;  
Year 5    80% of the Basic Weekly Rate of the last position held.

**Note:** For employees defined in Article 7.17a) their Basic Weekly Rate will be based on their last permanent position held;

For employees defined in Article 7.17b), c) and d), their Basic Weekly Rate will be based on their last position held.

Employees electing option 5 may elect, at the same time, to continue to be covered by the current benefits (Dental, Extended Health and Vision Care and/or Group Life Insurance) at their expense. The employee will be required to make direct payment to the benefit Carriers.

**7.15** Employees required to relocate pursuant to Article 7.13 and who actually relocate, will be entitled to the relocation benefits provided in Article 6 or the actual, reasonable expenses incurred up to a maximum of \$ 28,000.00 for homeowners, or \$ 16,000.00 for non-homeowners.

**7.16** Where more than one relocation results from an employee who commenced service prior to January 1, 1994, and has eight or more years of cumulative compensated service being affected by a change pursuant to Article 8.1 of the Plan, being required to relocate, the relocation(s) will be governed by the provisions of Article 6 or 7.6 of the Plan. Any subsequent relocation(s) which takes place as a result of the initial change will also be governed by the provisions of Article 6 or 7.6 of the Plan.

**IN THE APPLICATION OF THIS ARTICLE 7 THE FOLLOWING DEFINITIONS AND PRINCIPLES WILL ALSO APPLY:**

**7.17**

a) **Employees working on permanent jobs (i.e.: Jobs in existence year round):**

Employees occupying these jobs year round will be subject to the obligations and will be entitled to the benefits contained in this Article 7.

b) **Employees working on temporary jobs and qualified for twelve (12) months of benefits under the Rateable Period Agreement,**

**Appendix "H", will be considered as occupying a permanent job.** These employees will be subject to the same obligations and entitled to the same benefits as the one established in Article 7.17a).

- c) **Employees working on temporary jobs and who are not qualified for twelve (12) months of benefits under the Rateable Period Agreement, Appendix "H", will not be considered as occupying a permanent position.** These employees will be subject to the obligations of Articles 7.13 and, will only be entitled the benefits of Article 7.14 Option 5 (Enhanced Supplemental Unemployment Benefit) for the duration of their fixed period of benefits as defined by the Rateable Period Agreement. At the expiration of their fixed period of benefits, employees will be entitled to layoff benefits pursuant to Article 4 of the Plan. The Company retains the right to offer the benefits of the other Options contained in Article 7.14.
  
- d) **Employees working on seasonal positions formerly covered by Supplemental Agreement 10.13.** Employees working in the classifications of Attendant and Extra Gang Labourers who commenced service prior to January 1, 1994, and have eight or more years of cumulative compensated service will be subject to Article 10 of the Plan. Seasonal employees placed in a situation where they can no longer hold work on their region as a consequence of an Article 8 notice during the seasonal period, (defined in the Collective Agreement as April 15 to Nov. 30 for the territory from Kamloops west on the main line, including Kamloops and Vancouver Island and April 15 to Nov. 15 for the remainder of the System) will only be entitled to the benefits of Article 7.14 Option 5 (Enhanced Supplemental Unemployment Benefit) for the remainder of the seasonal period. At the end of the seasonal period, the employees will not be entitled to any benefit under the Plan until the next seasonal period. The Company retains the right to offer the benefits of the other Options contained in Article 7.14.

**7.18** Employees required to protect their seniority on a continuous basis in order to protect their entitlement to Employment Security Benefits may, at their option, elect to suspend their Employment Security Benefits temporarily to utilize the provisions of the Senior May, Junior Must Agreement.

It is understood that employees who elect the above will be eligible for the benefits provided for under Articles 4 and 6 of the ESIMA, and will re-establish Article 7 benefits once affected by a new Article 8 notice or displaced by an employee who is affected by an Article 8 notice.

Employees affected by subsequent displacement will be entitled to the benefits and subject to the obligations of Article 7, including the above.

Note: In the application of this article, it is understood that, if an employee exercises seniority on a temporary position, the employee will not be eligible for benefits provided under Article 6.

## ARTICLE 8

### Technological, Operational and Organizational Changes

#### 8.1

- (a) The Company will not put into effect any Technological, Operational or Organizational change of a permanent nature which will have adverse effects on employees without giving as much advance notice as possible to the USW President, Local 2004 or designated representative representing such employees or such other officer as may be named by the Union concerned to receive such notices. In any event, not less than 120 days' notice shall be given, with a full description thereof and with appropriate details as to the consequent changes in working conditions and the expected number of employees who would be adversely affected.
- (b) Prior to implementing any other permanent change of a known duration of one year or more, which will have adverse effects on employees holding permanent positions, the Company will provide the Union with as much advance notification as possible. The notification will contain a description of the change and the expected number of employees who will be adversely affected.
- (c) In situations where supervisors or employees holding excepted or excluded positions, or a full time Union Officer return to the bargaining unit and displace a scheduled employee occupying a permanent position, the employee so displaced will be entitled, if eligible, to the same benefits as employees affected in (a) & (b) above.

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

8.2 When a notice is issued under Article 8.1 (a) and it becomes known to the Company that the change will be delayed for reasons over which the Company has no control, advice will be issued to the USW President, Local 2004 , or such other officer as may be named by the Union concerned, explaining the situation and revising the implementation dates. If necessary, more than one such advice may be issued.

8.3 Intentionally left blank

8.4 Upon request the parties shall negotiate on items, other than those specifically dealt with in The Plan, with a view to further minimizing the

adverse effects on employees. Such measures, for example, may be related to exercise of seniority rights, or such other matters as may be appropriate in the circumstances, but shall not include any item already provided for in The Plan.

**8.5** If the above negotiations do not result in mutual agreement within thirty calendar days of the commencement of such negotiations, or such other period of time as may be agreed upon by the parties, the matters in dispute may be referred for mediation to a Board of Review composed of an equal number of senior officers of the Company and of the Union.

**8.6** If the Board of Review is unable to resolve the differences within a fixed period of time to be determined at the commencement of its meetings, or some mutually agreed extension thereof, the matters in dispute may be referred for final and binding settlement to an Arbitrator as set out in Article 2.7 of The Plan. The matters to be decided by the Arbitrator shall not include any question as to the right of the Company to make the change, which right the Unions acknowledge, and shall be confined to items not otherwise dealt with in The Plan.

**8.7** All benefits under the Plan will be suspended in the event of a legal strike or legal lockout at CN.

**8.8** In addition to all other benefits contained in The Plan which are applicable to all Eligible Employees, the additional benefits specified in Articles 8.9 is available to employees who are materially and adversely affected by technological, operational or organizational changes instituted by the Company.

#### **MAINTENANCE OF BASIC RATES**

**8.9** An employee whose rate of pay is reduced by \$11.00 or more per week, by reason of being displaced due to a technological, operational or organizational change, will continue to be paid at the basic weekly or hourly rate applicable to the position permanently held at the time of the change providing that, in the exercise of seniority, he;

- (a) first accepts the highest-rated position at his location to which his seniority and qualifications entitle him; or
- (b) if no position is available at their location they accept the highest-rated position on his Region to which his seniority and qualifications entitle him.

The maintenance of basic rates, and four-week guarantees if applicable, will continue until:

- (i) the dollar value of the incumbency above the prevailing job rate has been maintained for a period of three years, and



thereafter until subsequent general wage increases applied on the basic rate of the position he is holding erase the incumbency differential; or

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

An example of the application of Article 8.9(b)(i) follows:

Date	Basic Rate	Incumbency Level
October 1, 1988	\$500.00	\$550.00
January 1, 1989 (4.5%)	\$522.50	\$572.50
January 1, 1990 (4%)	\$543.40	\$593.40
January 1, 1991 (4.5%)	\$567.85	\$617.85
January 1, 1992 (3%)	\$584.89	\$617.85
January 1, 1993 (3%)	\$602.44	\$617.85
January 1, 1994 (3%)	\$620.51	Incumbency disappears

For the purpose of this Article 8.9, the basic rate of a position paid on a four-week guarantee basis or the basic rate of a position with stand-by earnings shall be converted to a basic rate on a forty-hour week basis.

**Example - Four-Week Guarantee**

The basic rate of an employee who is guaranteed 179.3 hours for each four-week period, comprised of 160 straight time hours and 19.3 hours at time and one-half which is the equivalent of 189 straight time hours, is \$10.00 per hour at the straight time rate. Inasmuch as his guarantee represents \$1,890.00 per four-week period, his Basic Weekly rate shall be considered as \$472.50 and his basic hourly rate shall be considered as \$11.81.

**ARTICLE 9**

**Government Assistance Program**

**15.2** All payments under The Plan are to be reduced in whole, or in part, in each case by any amount payable for the same purpose under a Government Assistance Program.

ARTICLE 10

**Seasonal Employees**

**10.1** Seasonal employees are defined as those who are employed regularly by the Company but who normally only work for the Company during certain seasons of the year. Articles 4 and 8 of The Plan shall apply to these employees except that payment may not be claimed by any seasonal employee during or in respect of any period or part of a period of layoff falling within the recognized seasonal layoff period for such group. In respect of seasonal employees laid off during the recognized seasonal working period, the seven-day waiting period provided for in Article 4.4(a) (ii) will apply, except that in the case of a seasonal employee who is not recalled to work at the commencement of the recognized seasonal working period, the seven-day waiting period, as the case may be, will begin on the commencement date of the recognized seasonal working period. Seasonal employees and recognized seasonal working periods shall be as defined in Memoranda of Agreement signed between the Company and the affected Union.

ARTICLE 11

**Casual and Part Time Employees**

**11.1** Casual and part time employees are those who work casually on an as-required basis from day to day, including those who work part days as distinguished from employees who work on regular or regular seasonal positions.

**11.2** Casual and part time employees are entirely excluded from the provision of The Plan.

ARTICLE 12

**Non-Applicability of Sections 52, 54 and 55, Part I, and Sections 214 to 226 Inclusive of Part III of the Canada Labour Code**

**12.1** The provisions of The Plan are intended to assist employees affected by any technological change to adjust to the effects of the technological change and Sections 52, 54 and 55, Part I, of the Canada Labour Code do not apply.

**12.2** The provisions of The Plan are intended to minimize the impact of termination of employment on the employees represented by those Unions party to The Plan and are intended to assist those employees in obtaining other employment and Sections 214 to 226 of Part III of the Canada Labour Code do not apply.

## ARTICLE 13

### Severance Payment

13.1 For each year of Cumulative Compensated Service or major portion thereof, an employee will be allowed credit weeks as follows:

Employees with less than eight years Cumulative Compensated Service	One week's basic weekly pay for each year of Cumulative Compensated Service
Employees with eight or more years of Cumulative Compensated Service	Two and one-quarter weeks basic weekly pay for all years of Cumulative Compensated Service

13.2 An employee eligible for a severance payment and who resigns and who at a later date will become eligible for early retirement pension under the Company Pension Rules shall be entitled to receive the lesser of :

- (a) his severance payment entitlement under The Plan; or
- (b) a lump sum amount equal to the basic pay he would had earned had he worked until eligible for an early retirement pension. The basic pay is to be calculated at the employee's Basic Weekly Rate in effect at the time of his resignation.

13.3 In cases of permanent staff reductions, an employee who has two years or more of continuous employment relationship at the beginning of the calendar year in which the permanent reduction occurs may, upon submission of formal resignation from the Company's service, claim a severance payment as set forth above but such severance payment will not in any event exceed the value of one and one-half years' salary at the Basic Weekly Rate of the position held at the time of abolishment or displacement (calendar year may be deemed to run from January 1 to December 31).

13.4 An employee will have fourteen calendar days from the date of layoff to decide to claim a severance payment under this Article.

13.5 Notwithstanding any other provision in The Plan, if upon the effective date of resignation from the Company's service, an employee is eligible for early retirement pension, he will not be eligible for a severance payment under this Article.

## ARTICLE 14

### Amendments

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

ARTICLE 15

**Commencement**

15.1 Payment of benefits under The Plan shall commence on June 14, 1995.

15.2 The effective date for the amendments of benefits is June 14, 1995.

ARTICLE 16

**Duration**

16.1 The Plan cancels and supersedes for the signatory Union hereto, as specified in Appendix "A" to The Plan, the Employment Security and Income Maintenance Agreement dated April 21, 1989, between the Canadian National Railway Company and the Organization signatory thereto.

16.2 The Plan shall remain in effect until revised in the manner and at the time provided in respect of the revision of the Collective Agreement, which is current from time to time.

Signed at Montreal, Quebec this 8<sup>th</sup> day of December 2005.

FOR THE COMPANY:

FOR THE UNITED STEELWORKERS UNION,  
LOCAL 2004

**(Sgd) Kim Madigan** Vice-  
President  
Labour Relations  
North- America

**(Sgd) R.S.Dawson**  
President, USW Local 2004

## APPENDICES



**APPENDIX A**

Listing of Collective Agreements Covered by the Plan

<b>ORGANIZATION</b>	<b>AGR. #</b>	<b>CLASSIFICATION/ EMPLOYEES</b>	<b>LOCATION</b>
USW	10.1 and all Supplemental Agreements	All employees represented by the USW	CN

## APPENDIX B



### Human Resources

Canadian National  
Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

### Ressources humaines

Canadien National  
C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

Montreal, Quebec  
Date: July 29, 1988

Mr A Passaretti  
Chairman - Negotiating Committee  
Associated Railway Unions

Dear Sir:

### Letter of Understanding

Re: Timing of a Technological, Operational or Organizational Change

When the Company has issued notice of a technological, operational or organizational change as provided for in Article 8.1 of The Plan, the officer(s) of the Union(s) upon whom the notice has been served and whose members are likely to be affected by the change, may meet with the appropriate officers of the Company with the object of discussing the proposed implementation date of the change.

It is understood that any such change in the proposed implementation date would be considered by the Company on the basis of the possible alleviation of any undue hardship on the employees if the implementation date were to be changed, plus any other factors which might be considered relevant. It is further understood that nothing in this letter restricts the right of the Company to implement the change at the time issued in the original notice or at any later time that the Company might consider appropriate.

Should any employee undergo any undue financial hardship as the result of the change, the Union(s) involved may refer the situation to the Committee of The Plan for possible considerations as a special case as contemplated under Article 3 of The Plan.

Yours truly,

**(Sgd) D.C. Fraleigh**  
Assistant Vice-President  
Labour Relations



## APPENDIX C



### Human Resources

Canadian National  
Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

### Ressources humaines

Canadien National  
C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

Montreal, Quebec  
Date: July 29, 1988

Mr. A. Passaretti  
Chairman  
Negotiating Committee  
Associated Railway Unions

Dear Sir:

### Implementation of National Transportation Agency Decisions

In the event the Company issues a notice under Article 8 of The Plan relating to a proposed change which requires the proposed implementation date of such change be delayed on account of the National Transportation Agency approval not having been received in sufficient time, the Union officers involved may review with the appropriate Company officers the new implementation date proposed if he is of the opinion that the revised date might have adverse effects on the employees involved.

Should any dispute arise out of the review, it may be submitted to the Committee for adjudication. In such instances, however, the arbitration provisions of The Plan will not apply.

Yours truly,

**(Sgd) D.C. Fraleigh**  
Assistant Vice-President  
Labour Relations

## APPENDIX D



### Human Resources

Canadian National  
Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

### Ressources humaines

Canadien National  
C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

January 22, 1996

LR8310-1

Mr. R.A. Bowden  
System Federation General  
Chairman  
Brotherhood of Maintenance  
of Way Employees  
2775 Lancaster Road, Suite 3  
Ottawa, Ontario K1B 4V8

Mr. R.F. Liberty  
System Federation General  
Chairman  
Brotherhood of Maintenance of  
Way Employees  
2265 Pembina Highway, Suite 300  
Winnipeg, Manitoba R3T 5J3

Gentlemen:

This has reference to the award of Arbitrator Dalton L. Larson dated 11 April 1988 concerning the consolidation of seniority lists for employment security purposes and the subsequent letter of understanding on this issue dated 9 June 1988.

During the 1993/95 round of National Negotiations it was agreed to modify the collective agreement by amalgamating the nine supplemental agreements to Agreement 10.1 into three supplemental agreements. Therefore, supplemental agreements 10.2 covering Steel Bridge Gangs, 10.4 covering Regional Masonry Gangs, 10.6 covering Divers, 10.7 covering Cooks and Cookees and 10.9 covering Bridge and Building Employees will be amalgamated in one supplemental agreement known as the Structure Supplemental Agreement.

Likewise Supplemental Agreements 10.5 covering the Welding Department, 10.8 covering the Track Employees and 10.13 covering the Employees working as Extra Gang Labourers will be amalgamated in one supplemental agreement known as the Track Supplemental Agreement.

Supplemental Agreement 10.3 covering the Work Equipment Department was not amalgamated with any other supplemental agreements and remains alone.

With the amalgamation of these supplemental agreements, which took effect January 1, 1996, it became necessary for the parties to revise the letter of understanding dealing with Consolidated Seniority which forms part of the Employment Security and Income Maintenance Agreement.

Therefore, this letter will confirm our understanding that for employment security purposes only:

1. Except as provided in item 1 Note 1, and item 2, all employees, covered by Agreements 10.1 and 10.61 and Supplemental Agreements thereto, will be deemed to have a consolidated seniority date, applicable on their respective Region, in all classifications covered by these Agreements. The consolidated seniority date will correspond with the employees first seniority date in a Maintenance of Way Agreement.

**Note 1:** Employees will not establish consolidated seniority within their line of promotion (where forced promotion is applicable) or grouping of employees in which they were adversely affected or in any other classifications in which they hold previously established seniority.

**Note 2:** For the purpose of consolidated seniority the words respective region mean the five CN geographical regions known as the Atlantic, St. Lawrence, Great Lakes, Prairie and Mountain Regions.

2. Employees working as Extra Gang Labourer and Attendant will be deemed to have a regional consolidated seniority date in all classifications covered by Agreements Supplemental to Agreement 10.1 and 10.61 respectively, eight years retroactive from the date on which such employee becomes entitled to Employment Security.
3. Employees identified in item 1 must exercise their consolidated seniority rights for displacement purposes, including the filling of an unfilled permanent vacancy, in accordance with Articles 7.1 or 7.13 of this agreement. Failure to do so will result in forfeiture of consolidated seniority and Employment Security.

**Note 1:** In displacement situations where employees are using their consolidated seniority, displacements will only be accepted if their consolidated seniority is greater than the consolidated seniority of the employee they wish to displace.

**Note 2:** The filling of an unfilled permanent vacancy will be permitted provided that the employees are qualified or can be qualified in a reasonable period of Time.

4. Employees who have exercised their consolidated seniority rights into another classification will be required to accept recall when

permanent work is available in their former classification. Failure to do so will result in forfeiture of their consolidated seniority and Employment Security.

5. Employees who have exercised their consolidated seniority rights into another classification may accept recall for temporary work in their former classification. Such employees will have their permanent position advertised as a temporary vacancy. Upon the expiration of the temporary work they will be required to return to their permanent position. Failure to do so will result in forfeiture of their consolidated seniority and Employment Security.
6. Employees who exercise their consolidated seniority rights in another classification will establish seniority in that classification and in all lower classifications in the line of established promotion or progression that will be identical to their consolidated seniority date.
7. The provisions outlined in this letter of Understanding shall operate over any Article in the Collective Agreement to the contrary.

If you are in agreement with the above would you please so indicate by signing and returning two copies to the undersigned.

Yours truly,

**(Sgd) W.T. Lineker**  
Assistant Vice-President  
Labour Relations

We agree:

**(Sgd) R.A. Bowden**  
System Federation General  
Chairman  
Eastern System Federation

**(Sgd) R.F. Liberty**  
System Federation General  
Chairman  
Western System Federation

## APPENDIX E



### Human Resources

Canadian National  
Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

### Ressources humaines

Canadien National  
C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

June 14, 1995

Mr. R.A. Bowden  
System Federation General  
Chairman  
Brotherhood of Maintenance  
of Way Employees  
2775 Lancaster Road, Suite 3  
Ottawa, Ontario K1B 4V8

Mr. R.F. Liberty  
System Federation General  
Chairman  
Brotherhood of Maintenance of  
Way Employees  
2265 Pembina Highway, Suite 300  
Winnipeg, Manitoba R3T 5J3

Gentlemen:

In discussions held pursuant to The Honourable Mr. Justice George W. Adams award dated June 14, 1995, on the issue of the Employment Security and Income Maintenance Agreement, the subject of the length of entitlement to employment security under Article 7.4 when an eligible employee has taken work outside the Company as determined by the Labour Adjustment Committee was discussed.

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

Yours truly,

**(Sgd) M. Healey**  
for: Assistant Vice-President  
Labour Relations

**APPENDIX F**



**Human Resources**

Canadian National  
Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

**Ressources humaines**

Canadien National  
C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

June 14, 1995

Mr. R.A. Bowden  
System Federation General  
Chairman  
Brotherhood of Maintenance  
of Way Employees  
2775 Lancaster Road, Suite 3  
Ottawa, Ontario K1B 4V8

Mr. R.F. Liberty  
System Federation General  
Chairman  
Brotherhood of Maintenance of  
Way Employees  
2265 Pembina Highway, Suite 300  
Winnipeg, Manitoba R3T 5J3

Gentlemen:

In discussions held pursuant to The Honourable Mr. Justice George W. Adams award dated June 14, 1995, on the issue of the Employment Security and Income Maintenance Agreement, the subject of expanded job opportunities for employees adversely affected by a change pursuant to a notice under Article 8.1 was discussed. questions were raised in regard to the protection that would be afforded to employees who were required to accept any of the expanded job opportunities.

Employees who are required to relocate beyond the Region pursuant to Article 7 of the Employment Security and Income Maintenance Agreement, if laid off, regardless of the reason, within one year, will revert back to the benefits available under Article 7 without having to relocate for a period of two years. Prior to employees being required to accept such positions pursuant to Article 7, the Labour Adjustment Committee will assess, to the extent possible, the stability of such positions.

When an employee has relocated beyond the Region and such employee is subsequently affected by a permanent change within a two (2) year period, the employee will not be considered as having voluntarily ceased the employment relationship with the Company pursuant to Articles 7.7 and 7.15.

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

Yours truly,  
**(Sgd) M. Healey**  
for: Assistant Vice-President  
Labour Relations

APPENDIX G



Human Resources

Canadian National  
Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

Ressources humaines

Canadien National  
C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

September 26, 1994

LR8310-1

Mr. R.A. Bowden  
System Federation General  
Chairman  
Brotherhood of Maintenance  
of Way Employees  
2775 Lancaster Road, Suite 3  
Ottawa, Ontario K1B 4V8

Mr. R.F. Liberty  
System Federation General  
Chairman  
Brotherhood of Maintenance of  
Way Employees  
2265 Pembina Highway, Suite 300  
Winnipeg, Manitoba R3T 5J3

Gentlemen,

This refers to various conversation and more specifically to our telephone conversation dated September 16, 1994 during which we discussed at length the language contained in the last paragraph of Arbitrator Picher's award CROA #2445. This paragraph reads in part as follows:

...“For the purpose of clarity, and as it may bear on remedy, the Arbitrator notes the representations of the Brotherhood at the hearing with respect to the fact that the wage entitlement of an employee holding a temporary position, when on employment security, is to be calculated on a rateable basis, having regard to his or her normal period of employment.”  
(emphasis added)

The Company has carefully reviewed various methods by which it could resolve the problems created by such language. The first problem to be addressed is the establishment of the “rateable period”. The second is the administration of the payment of benefits, provided in Article 7 of the Employment Security and Income Maintenance Agreement (ESIMA), to employees holding temporary positions and who are adversely affected by the repercussion of a Technological, Operational or Organization change introduced by the Company.

Based on its study and our conversations, the Company is proposing the following:

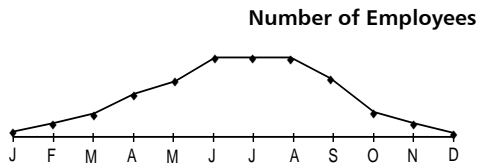
**Rateable period:**

Insofar as the rateable period is concerned, it will be calculated as follows:

It will be based on the affected employee's average time worked in each year over a period of three (3) years immediately preceding the effective date of the Article 8 notice. Once established, the rateable period will not fluctuate from year to year.

**Payment of benefits:**

In order to conform with the Arbitrator's award, the Company studied the "normal period of employment". As everyone knows the peak period of employment for employee working in Engineering is the summer period.



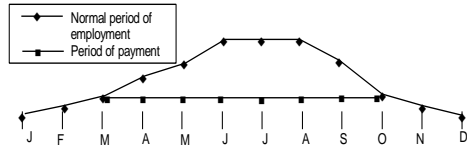
Therefore, it is normal that the "normal period of employment" should coincide with the summer period. As illustrated above, the number of employees increases in the first quarter of the year to reach its highest point during the summer period, then decreases in the latter part of the year.

Based on the aforementioned, it was agreed that, for each year, the **rateable period** of each employee will coincide with the **normal period** of employment and will become the employee's "**fixed period of benefits**".

Hereunder, is an example illustrating how employees eligible for eight (8) months of "**fixed period benefits**", would be paid benefits under Article 7 of the ESIMA. For the purpose of clarity, employee working during their "**fixed period of benefits**" will receive their normal wages. However, if they are not working during the same period they will be receiving benefits under Article 7 of the ESIMA. On the other hand, if the same employees are working outside their "**fixed period of benefits**", they will be receiving their normal wages. If they do not work outside the same period, they will not be entitled to any benefits provided for under Article 7 of the ESIMA.



### Fixed period of benefits



Attached as Appendix "A" is a chart entitled "fixed period of benefits" outlining the principle by which the "fixed period of benefits" will apply. The attached chart exemplifies this principle for employees entitled to between 6 and 12 months benefits and the period during which these benefits will be paid under Article 7 of the ESIMA.

If you agree that the above properly reflects the agreement reached during our discussions, please so indicate by signing and returning a copy of this document to the undersigned.

Yours truly,

**(Sgd) N. Dionne**  
for: Assistant Vice-President  
Labour Relations

We agree:

**(Sgd) R.A. Bowden**  
System Federation General  
Chairman  
Eastern System Federation

**(Sgd) R.F. Liberty**  
System Federation General  
Chairman  
Western System Federation

**Fixed period of benefits**

<u>Number of Months Worked</u>	<u>Average Per Year</u>	<u>Entitlement (Rateable Period)</u>	<u>Period of Entitlement</u>
35	11.66	12	1 Jan to 31 Dec
34	11.33	11	1 Feb to 31 Dec
33	11	11	1 Feb to 31 Dec
32	10.66	11	1 Feb to 31 Dec
31	10.33	10	1 Feb to 30 Nov
30	10	10	1 Feb to 30 Nov
29	9.66	10	1 Feb to 30 Nov
28	9.33	9	1 March to 30 Nov
27	9	9	1 March to 30 Nov
26	8.66	9	1 March to 30 Nov
25	8.33	8	1 March to 31 Oct
24	8	8	1 March to 31 Oct
23	7.66	8	1 March to 31 Oct
22	7.33	7	1 April to 31 Oct
21	7	7	1 April to 31 Oct
20	6.66	7	1 April to 31 Oct
19	6.33	6	1 April to 30 Sept
18	6	6	1 April to 30 Sept
17	5.66	6	1 April to 30 Sept

## APPENDIX H



### Human Resources

Canadian National  
Box 8100  
Montreal, Quebec, Canada  
H3C 3N4

### Ressources humaines

Canadien National  
C.P. 8100  
Montréal (Québec) Canada  
H3C 3N4

January 14, 2005

Mr. R.A. Bowden  
Chairman – Negotiating Committee  
USWA, Local 2004  
100-280 rue Albert Street  
Ottawa, Ontario. K1P 5G8

Dear Sir:

This is with regards to your concerns raised regarding the crediting of service for benefit entitlement under the terms of the ESIMA. Although we cannot agree with your suggestion that employees be given credit for 2 days of cumulative compensated service for the same calendar day, we are open to crediting employees who may work 8 hours on each of their scheduled rest days. Therefore in full and final settlement of your demand the company will credit employees with a day of CCS should they work 8 hours or more on a scheduled rest day.

If you concur please signify your agreement by countersigning below.

Yours truly,

**(Sgd) D. S. Fisher**  
Director, Labour Relations

I agree,

**(Sgd) R.A. Bowden**  
For: USWA

**QUESTIONS AND ANSWERS**

**EMPLOYMENT SECURITY**

**AND**

**INCOME MAINTENANCE**

**PLAN**

**BETWEEN**

**CANADIAN NATIONAL RAILWAY COMPANY**

**AND**

**UNITED STEELWORKERS UNION, LOCAL 2004**

## Employment Security and Income Maintenance Plan

The following Questions and Answers explain the Employment Security and Income Maintenance Plan ("The Plan") for employees represented by the United Steelworkers Union, Local 2004

**Note:** This Plan is registered with the Canada Employment and Immigration Commission and recognized as an approved Supplemental Unemployment Benefit Plan (S.U.B.). It is permissible to pay job security benefits at the same time Unemployment Insurance is being paid because it is an approved registered plan. If it was not approved, any benefits received from The Plan would be deducted from U.I. benefits. In order to remain an approved registered plan, The Plan must be operated in accordance with U.I. rules and regulations.

The Plan has three basic elements:

1. Employment Security for those employees affected by Technological, Operational and Organizational (T O & O) changes who have eight years of Cumulative Compensated Service and were hired prior to January 1, 1994, and
2. Benefits including income maintenance for those employees affected by a notice served pursuant to Article 8.
3. Benefits for other than changes served pursuant to Article 8.

**The Questions and Answers that follow are intended for information purposes only and do not form part of The Plan. If any variation and/or application exists, the provisions of The Plan will prevail.**

## QUESTIONS AND ANSWERS

### General Information

#### 1. What kind of benefits are available under The Plan?

Weekly payments to supplement Unemployment Insurance (U.I.) and to replace U.I. for one week during U.I. waiting period, and when U.I. benefits have been exhausted. These are called Supplemental Unemployment Benefit (S.U.B.) payments.

Severance pay in a lump sum when a permanent staff reduction occurs and you resign from service.

Early retirement separation allowance. (Article 3)

Weekly Layoff Benefits. (Article 4)

Training. (Article 5)

Moving and other expenses incurred in relocation. (Article 6)

Employment Security. (Article 7)

Maintenance of basic rates of pay. (Article 8.9)

#### **Weekly Layoff Benefits (Article 4)**

##### **2. Who is entitled to weekly layoff benefits?**

You may apply for weekly layoff benefits if:

- you have exhausted your seniority under the provisions of the collective agreement; and
- you have two years of continuous employment relationship at the beginning of the year in which the layoff takes place;
- and you are not disqualified from U.I.

##### **3. What is Cumulative Compensated Service?**

Any month in which you have 11 or more days of compensated service is considered a month of compensated service. Adding all such months together from last date of entry into the Company's service provides your "Cumulative Compensated Service". It is possible to work a month but not have Cumulative Compensated Service if the period of compensated service per month was less than 11 days.

##### **4. What is included as Cumulative Compensated Service?**

Time worked, vacation and general holidays paid. Also the following are included, up to a maximum of 100 days in any one year in which you were compensated for work:

- bona fide illness
- injury
- authorized maternity leave
- called to court as a witness
- jury duty
- bereavement leave

**5. Am I entitled to layoff benefits if I have less than two years of service?**

No.

**6. When do I qualify for layoff benefits?**

When you have two years or more of continuous employment relationship at the beginning of the calendar year in which the period of continuous layoff in which the claim week occurs began.

**7. When can I not claim benefits?**

You are not regarded as laid off and eligible for benefits under the following types of circumstances:

1. If you are on leave of absence for any reason, including sickness or injury.
2. When you are held out of service for disciplinary reasons.
3. If you are not at work because you did not exercise your seniority rights.
4. When you are on retirement.
5. When work ceases because of an act of God, including fire, flood, tempest or earthquake.
6. When for any reason, you decline recall to work on your basic seniority territory in accordance with your collective agreement.
7. When you fail to accept either a temporary or permanent vacancy in any bargaining unit, non-scheduled or management position at your home location for which you are qualified or could become qualified for in a reasonable period of time.
8. When you receive other payments of any kind directly from the Company during the layoff. This does not preclude a claim for partial weekly layoff benefits if you returned to work during your last claim week.
9. If you are a seasonal employee and there is a recognized period of seasonal layoff and you are laid off during such period.
10. If you have been dismissed from Company service.
11. If there is reduction or stoppage of work because of strikes by Company employees. or lockout by the Company.

12. During any interval between the time of recall to service and the time you actually resume work.

13. If you have been disqualified from receiving U.I.C. benefits.

**8. How do I make a claim for weekly benefits?**

When you receive notice of layoff, ask your Supervisor for the prescribed Form, complete the employee's application section, following the instructions provided, and return it to your Supervisor.

You must advise your Supervisor of any U.I. benefits and any outside earnings you will receive, as this has a bearing on your benefits.

**9. How do I receive payments?**

They will be mailed to you at home. This will be at least four weeks after your layoff.

**10. If I don't receive a benefit cheque, who do I notify?**

Your Supervisor knows your status and entitlements. All correspondence and any inquiries regarding benefit payments must be directed to your Supervisor.

**11. What happens if I delay submitting my applications for U.I. and layoff benefits?**

You must make your initial claim for benefits within the first week in which you are laid off, otherwise the commencement of your benefit period will be delayed until you do. If your claim for U.I. is more than three weeks late, you may lose some U.I. benefits and this could result in the loss of layoff benefits.

**12. Are benefits provided under this Agreement subject to income tax?**

Yes, deductions will be made by either the Trust Company or CN and you will receive a the proper deduction slip at the end of the year.

**13. Are benefits payable as soon as I am laid off?**

No, there is a seven-day waiting period for layoff benefits and a two-week waiting period for U.I. payments. No benefits are payable for the first seven days of layoff. Benefits become payable for the second week of layoff, and U.I. payments for the third.



**14. Does each layoff require a new waiting period?**

Yes, unless the period of employment between layoffs is less than 90 calendar days. In this case, you will be eligible for layoff benefits immediately.

**15. What if I am recalled temporarily from layoff to work short periods?**

Your benefits will not be reduced for any claim week during which you are recalled to work by the Company for less than five working days. However, you must report such earnings to U.I.

**16. What makes up a claim week?**

For the purpose of The Plan, a claim week is each seven-day period following the one-week waiting period, regardless of the day the layoff begins. If you are laid off on Wednesday, having finished work on Tuesday, you will have a claim week of Wednesday-Tuesday throughout the layoff.

However, U.I. uses a calendar week, from Sunday to Saturday, for payments. At the end of a claim period, any partial week entitlement will be included in the final payment.

**17. When can I claim a partial week benefit?**

If you return to work for part of your last claim week and are paid by the Company in that week, you may claim a partial week.

**18. How will the partial week claim be calculated?**

Your earnings from the Company, plus your entitlement from U.I., will be supplemented to bring you up to 80 percent of your basic weekly rate at the time of layoff.

**19. Are weekly layoff benefits payable during vacation, illness or disability?**

No.

**20. Can I be disqualified from weekly layoff benefits?**

Yes, for example, if you do not actively seek other employment as required by U.I. regulations and are disqualified by U.I., you are thereby disqualified from layoff benefits.

**21. What is my Basic Weekly Rate for benefit purposes?**

As defined by Definition "D" of The Plan.

If you are a seasonal employee, it is 80 percent of your average weekly earnings for the 8 weeks preceding layoff.

**22. What basic rate of pay is used to determine the weekly entitlement for employees who regularly receive more than one rate of pay for a work week?**

When employees regularly receive more than one rate of pay in a pay period, the employee will have this amount pro-rated to determine his basic weekly entitlement.

**23. How long will layoff payments continue?**

Until you are recalled to work, or until you have exhausted the number of layoff benefit weeks to which you are entitled, whichever happens first.

**24. If I have less than 20 years' service, how are my layoff benefits calculated?**

For each year of Cumulative Compensated Service, prior to June 14, 1995, you are credited with five weeks of benefits and for each year of CCS after June 14, 1995 you will be credited with six weeks of benefits. This represents your gross entitlement. From this is deducted the number of weeks of layoff benefits you have received prior to the current period. The balance remaining is your net entitlement.

**Note:** If you had completed 12 or more years of Cumulative Compensated Service at the beginning of the calendar year in which you were laid off and in receipt of weekly benefits, your accumulated layoff benefits at the time of layoff will be reinstated when you return to work.

**25. What happens if I don't return to work when called?**

You will not receive benefits for the period between the date you were required to report and the date you actually report.

**26. Are benefits increased if there is an increase in wages while I am laid off?**

No, your benefit payments are based on the amount of your wages when you were laid off.

## Severance Pay

### 27. Who is eligible for a severance payment?

A qualified employee whose position is abolished, is displaced, or laid off as a result of any permanent staff reduction and has two or more years of continuous employment relationship at the beginning of the calendar year in which the permanent reduction occurs.

### 28. Does receiving severance pay affect my U.I. entitlement?

Yes, severance payments arising from The Plan are taken into account in computing U.I. payments. Your severance payment will be translated into equivalent weeks of salary and U.I. benefits will be delayed for that number of equivalent weeks.

## Training (Article 5)

### 29. For what type of training can I apply?

You may be trained for a position for which you have the suitability and adaptability, providing you have two or more years of Cumulative Compensated Service and cannot hold work due to a lack of qualifications.

An eligible employee may be trained for a recognized Company position which offers him the likelihood of employment in that field and able to assume such position immediately upon being trained.

If you have 20 years or more of Cumulative Compensated Service, the training may include the possibility of qualifying for employment within or outside the Company.

### 30. How can I receive training?

Your request for training for another position, even outside your seniority group, will be considered if you indicate your willingness to work in the new job whenever a vacancy exists, and if you have the suitability and adaptability to perform the duties of that position.

### 31. Will training be provided for displacement purposes (i.e., bumping)?

No, training will not be provided when you are already qualified to hold any other job within your bargaining unit (10.1).

Training will, if necessary, be provided when:

1. You have exercised your maximum seniority rights within your bargaining unit and you are still unable to hold any work because of a lack of qualification;
2. If you are considered "suitable and adaptable" for another job, first within your bargaining unit, then for another bargaining unit.

**32. What if I do not want to take any training?**

If you have Employment Security and refuse to be trained for a position for which you have the suitability and adaptability, you will forfeit your Employment Security rights.

**Relocation (Article 6)**

**33. What does the word relocation apply to?**

For the purposes of The Plan, the term relocation applies to the change of your work location.

**34. What moving expenses are covered?**

Packing and unpacking of household goods, transportation, insurance and storage up to one month. The mode of transportation is to be determined by the Company.

**35. How do I arrange for door-to-door moving?**

Advise your Supervisor of your new work location and he will inform you of the mode of transportation to be used.

**36. What is meant by incidental expenses?**

This may include charges such as disconnecting and reconnecting electric appliances, cleaning and alteration of drapes or rugs, etc.

**37. What amounts are allowed for meals and temporary accommodation?**

Up to \$190.00 if you have no dependents, and \$80.00 for each dependent.

**38. Am I allowed time off to find new accommodation?**

Yes, you may have up to seven consecutive calendar days off with pay to find a new place and to make the move. Payment will not exceed one week's pay at your regular weekly rate. For non-weekly rated

employees, the week's pay consists of five basic days or 40 hours of straight time pay.

**39. How many times may I claim the automobile allowance?**

Once. Upon authorization, your automobile can be driven to the location and per kilometer allowance paid. Any subsequent trips between the new location and the old one will not be paid.

**40. How is the loss on the sale of my house calculated?**

**EXAMPLE**

Appraised value	\$60,000
Agent fees (6.5% x 58,000.00)	\$3,770
Legal fees	\$550
Mortgage closure payment	<u>\$450</u>
TOTAL	\$64,770
Selling Price	<u>\$58,000</u>
TOTAL LOSS	\$6,770

**41. What benefits are available to move a mobile home?**

The cost of moving a wheeled mobile home which the employee occupies as a year-round residence for an amount not to exceed a total cost of \$6,000 with prior approval.

**42. What benefits are available for an employee who owns a fixed mobile home which he occupies as a year-round residence?**

If the land upon which the mobile home is located is owned by the employee the provisions of Article 6.8(a) will apply.

**43. Do I have to move within a certain time?**

Yes, there is a maximum time limit of 12 months from the date of initial transfer to your new work location.

**44. How do I apply for the monthly commuter allowance?**

If your job location is changed and you do not wish to move your household, ask your Supervisor for the prescribed form to request the commuter allowance. Your Supervisor will review your entitlement and forward your claim for approval and payment.

**45. If I accept a temporary vacancy at my home location, am I entitled to the monthly commuter allowance when I subsequently do go to the new location to work?**

Yes.

**46. If I am receiving the monthly commuter allowance and return to my old location to work, does the payment of the allowance cease?**

Yes.

**47. Do I continue to receive the allowance if I am off sick, on vacation, leave of absence, etc.?**

No, the purpose of the allowance is to help with expenses resulting from working away from home when you have not moved your household. If you are then off work for more than a few days, you would be expected to return home.

An interruption in the allowance does not reduce the maximum of 12 months' payments, which may be spread over 13 or 14 months.

**48. If I elect to receive the monthly commuter allowance and later decide to move, will the amount of monthly allowance already paid be deducted from my moving expenses?**

No.

**49. What relocation benefits am I eligible for if I do not own or occupy unfurnished living accommodations?**

Reasonable transportation expenses  
Automobile kilometer allowance  
Five days' (paid) leave to seek new accommodation  
The option regarding the monthly commuter allowance.

**50. If I am receiving benefits, say the monthly commuter allowance, and negotiations increase the benefit level, am I entitled to the newly negotiated benefit level?**

Yes, effective with that date provided for in the commencement article of the newly-signed agreement.

**51. Should I retain copies of all my receipts incurred as a result of my relocation?**

Yes, since these are taxable benefits, receipts for actual amounts spent should be retained.

## **Employment Security (Article 7)**

### **52. When am I entitled to Employment Security?**

You will have Employment Security when you have completed eight years of Cumulative Compensated Service and have commenced work prior to January 1, 1994. This will protect you against layoff as a result of a notice served under Article 8.1 of The Plan as long as you exercise your maximum seniority rights.

### **53. If I elect not to exercise my maximum seniority rights, what benefits are available to me under The Plan?**

You will forfeit your rights to Employment Security, and only be entitled to the provisions of Article 13

### **54. If I forfeit my Employment Security, can I regain it at a later date?**

No.

### **55. Can I be required to take a lower-rated position to maintain my Employment Security?**

Yes, and the basic rate of your former position would be maintained under Article 8.9 of The Plan.

### **56. What happens if I cannot hold a position with the Company and I have Employment Security?**

You will continue to be paid 90% of the basic rate of your former position for a maximum of up to six years.

### **57. What is my former position?**

If you qualify under Article 7.17 (a) "Employee working on a permanent job your basic weekly rate will be based on your last permanent position held." If you qualify under Article 7.17 (b), (c) and (d) your basic weekly rate will be based on your last position held.

### **58. What type of protection and obligations are provided in Article 7?**

There are two types of protection and obligations. The first one provides for payment of 90% of your basic rate of pay for a period of up to a maximum of 6 years. For this you will have to fulfill all the obligations of Article 7.1. The second type of benefit is contained in

Article 7.14. For this you will have to fulfill the obligations contained in Article 7.13.

**59. Do I have a choice of benefits between Section A and Section B?**

If you are working on a permanent job as defined in Article 7.17 (a) or (b) you have the choice between Section A or Section B obligations / protection. However, if you are working on a job falling within Article 7.17 (c) or (d) you will only be entitled to Section B obligations and eligible for the benefits of Article 7.14 Option 5.

**60. If I elect to relocate in order to maintain my Employment Security, will I again be entitled to relocation benefits upon recall to my former seniority group?**

Yes.

**61. If I elect to fill a permanent position in another bargaining unit, what rate of pay will I receive?**

If the rate of pay of the new position is higher than your old basic rate of pay, you will receive the higher rate of pay. If, however, the rate of pay of the new position is lower than your old basic rate of pay you will receive the basic rate of pay of your old position. In this situation the difference between your old basic rate of pay and the rate of the position you occupy will be governed by the provisions of Article 8.9.

**62. If I elect to fill a permanent position in another bargaining unit, what will happen to my seniority?**

You will continue to accumulate seniority in your former bargaining unit. You will also accumulate seniority in your present seniority group.

**63. What will my seniority date be if I work in another bargaining unit?**

Your seniority date will be established pursuant to the terms of that agreement. You cannot transfer your seniority from your own bargaining unit. ex: USW Local 2004 to C.A.W. clerical or shopcraft unions.

**64. If I elect to fill a permanent position in another bargaining unit, will I be subject to recall to my former seniority group.**

Following the completion of one calendar year from the date you commence work in another bargaining unit, you will be subject to recall to your former seniority group. However, you will not be obliged



to accept recall to your former seniority group but will retain the right to accept recall at any time thereafter.

- 65. If I do not accept recall to my former seniority group following the completion of one calendar year, is my seniority affected?**

No, you will continue to accumulate seniority in both your former and present seniority groups.

- 66. What is the definition of a permanent employee and a temporary employee?**

See the definition contained in Article 7.17.

#### **Technological, Operational and Organizational Changes (T O & O)**

##### **Maintenance of Earnings (Article 8)**

- 67. How is my incumbency differential applied and, in time, erased?**

See example in Article 8.9 of The Plan.

- 68. How long am I entitled to an incumbency?**

You are entitled to an incumbency for a period of three years and for subsequent years until the basic rate of the position you hold exceeds the incumbency level. Such protection is contingent upon you complying with the requirements to protect the highest rated position for which you are qualified.

- 69. Will the amount of an incumbency be included on my regular pay cheque?**

Yes.

- 70. If I am receiving an incumbency and I am displaced, do I start another three-year incumbency period?**

No, The incumbency will continue for a period of three years from the effective date of the first notice creating the incumbency and will not be affected by subsequent notices of displacements during the three-year period.

- 71. What is my status if I elect early retirement separation under Article 3.2 (a)(iii) of The Plan before I am eligible for pension?**

If you elect early retirement under Article 3.2 (a)(iii) and are one year or less away from being eligible for pension, you are not eligible during this time for any other benefits of The Plan.

## **Special Benefits While on Layoff**

### **Life Insurance**

**72. Does Company life insurance continue while on layoff?**

If you have 20 years or more of Cumulative Compensated Service and are unable to hold work on your basic seniority territory, your group life insurance will continue in force for up to two years, without cost to you.

If you have less than 20 years of Cumulative Compensated Service, you can maintain your insurance for up to 12 months by making direct payments to the Company. Your Supervisor will advise you of the amount of the payment required, and the procedure to follow.

### **Vacation Allowance**

**73. Does time laid off count towards vacation entitlement?**

No, unless you are an employee with 20 years or more of Cumulative Compensated Service. Then, if you have returned to work, you may count up to a maximum of 100 days of layoff toward the qualifying period for vacation in the following year.

### **Seasonal Employees**

**74. If I am a seasonal employee who is not recalled to work at the start of the recognized seasonal working period, when does my waiting period begin?**

On the starting date of the recognized seasonal working period.