

National Joint Council

Work Force Adjustment Directive

This directive is hosted by the National Joint Council, where it was co-developed by participating bargaining agents and public service employers.

[Communiqués](#)

General

Application

This Directive applies to represented employees of the core public administration who have the Work Force Adjustment Directive listed as a National Joint Council (NJC) Directive in their collective agreements (see Appendix B, List of bargaining agents subject to this Directive) and for which Treasury Board is the employer (departments and organizations listed in Schedules I and IV to the *Financial Administration Act*, for which the Public Service Commission (PSC) has the sole authority to appoint).

With the exception of those references to unions and the NJC, this Directive in its entirety will also apply to all employees appointed on an indeterminate basis who are excluded or unrepresented. Any grievances for these employees shall be dealt with under the normal departmental/organizational grievance procedure.

This Directive does not apply to employees to whom the Directive on Career Transition for Executives or other directives on work force adjustment apply.

Unless explicitly specified, the provisions contained in Parts I to VI do not apply to alternative delivery initiatives.

Collective agreement

With the exception of those provisions for which the PSC is responsible, this NJC Directive is deemed to be part of the collective agreements between the parties, and employees are to be afforded ready access to it.

Effective date

This Directive is effective on January 1, 2019.

Grievance procedure

In cases of alleged misinterpretation or misapplication arising out of this Directive, the grievance procedure for all represented employees within the meaning of the *Federal Public Sector Labour Relations Act*, will be in accordance with Section 15.0 of the *National Joint Council By-Laws*.

Notwithstanding any other provisions on presenting grievances under the NJC grievance procedure, an affected, surplus or laid-off employee, or one who has received a notice of termination, who feels aggrieved by a department's or organization's decision in applying or interpreting this Directive in respect of his or her situation may grieve directly to the departmental liaison officer of the department or organization that made that decision.

If the matter is not resolved at this step to the grievor's satisfaction, the grievor may refer the department's or organization's reply to the grievance directly to the Executive Committee in accordance with NJC By-Laws and, with the bargaining agent's approval, to adjudication.

The NJC agrees to expedite the redress process at any parties' request in cases of dispute when an employee has chosen or is deemed to have chosen Option 6.4.1(a), twelve-month surplus priority period in which to secure a reasonable job offer as per Part VI of this Directive.

Objectives

It is the policy of the Treasury Board to maximize employment opportunities for indeterminate employees affected by work force adjustment situations, primarily through ensuring that, wherever possible, alternative employment opportunities are provided to them. This should not be construed as the continuation of a specific position or job but rather as continued employment.

To this end, every indeterminate employee whose services will no longer be required because of a work force adjustment situation and for whom the deputy head knows or can predict employment availability will receive a guarantee of a reasonable job offer within the core public administration. Those employees for whom the deputy head cannot provide the guarantee will have access to transitional employment arrangements (as per Parts VI and VII).

Definitions

Accelerated lay-off (*mise en disponibilité accélérée*) – occurs when a surplus employee makes a request to the deputy head, in writing, to be laid off at an earlier date than that originally scheduled, and the deputy head concurs. Lay-off entitlements begin on the actual date of lay-off.

Affected employee (*employé touché*) – is an indeterminate employee who has been informed in writing that his or her services may no longer be required because of a work force adjustment situation.

Alternation (*échange de postes*) – occurs when an opting employee or a surplus employee who is surplus as a result of having chosen Option 6.4.1(a) wishes to remain in the core public administration and exchanges positions with a non-affected employee (the alternate) willing to leave the core public administration with a Transition Support Measure or with an Education Allowance.

Alternative delivery initiative (*diversification des modes d'exécution*) – is the transfer of any work, undertaking or business of the core public administration to any body or corporation that is a separate agency or that is outside the core public administration.

Appointing department or organization (*ministère ou organisation d'accueil*) – is a department or an organization which has agreed to appoint or consider for appointment (either immediately or after retraining) a surplus or a laid-off person.

Core public administration (*Administration publique centrale*) – means that part in or under any department or organization, or other portion of the federal public administration specified in Schedules I and IV to the *Financial Administration Act* (FAA) for which the PSC has the sole authority to appoint.

Deputy head (*administrateur général*) – has the same meaning as in the definition of "deputy head" set out in section 2 of the *Public Service Employment Act*, and also means his or her official designate.

Education Allowance (*indemnité d'étude*) – is one of the options provided to an indeterminate employee affected by normal work force adjustment for whom the deputy head cannot guarantee a reasonable job offer. The Education Allowance is a cash payment, equivalent to the Transitional Support Measure (see Appendix C), plus a reimbursement of tuition from a recognized learning institution, books and relevant equipment costs, up to a maximum of \$17,000.

Guarantee of a reasonable job offer (*garantie d'une offre d'emploi raisonnable*) – is a guarantee of an offer of indeterminate employment within the core public administration provided by the deputy head to an indeterminate employee who is affected by work force adjustment. Deputy heads will be expected to provide a guarantee of a reasonable job offer

to those affected employees for whom they know or can predict employment availability in the core public administration. Surplus employees in receipt of this guarantee will not have access to the options available in Part VI of this Directive.

Home department or organization (*ministère ou organisation d'attache*) – is a department or an organization declaring an individual employee surplus.

Laid-off person (*personne mise en disponibilité*) – is a person who has been laid off pursuant to subsection 64(1) of the *Public Service Employment Act (PSEA)* and who still retains an appointment priority under subsection 41(4) and section 64 of the *PSEA*.

Lay-off notice (*avis de mise en disponibilité*) – is a written notice of lay-off to be given to a surplus employee at least one month before the scheduled lay-off date. This period is included in the surplus period.

Lay-off priority (*priorité de mise en disponibilité*) – a person who has been laid off is entitled to a priority, in accordance with subsection 41(4) of the *PSEA* with respect to any position to which the PSC is satisfied that the person meets the essential qualifications; the period of entitlement to this priority is set out in section 11 of the *Public Service Employment Regulations (PSER)*.

Opting employee (*employé optant*) – is an indeterminate employee whose services will no longer be required because of a work force adjustment situation and who has not received a guarantee of a reasonable job offer from the deputy head and who has 120 days to consider the options of Section 6.4 of this Directive.

Organization (*organisation*) – any board, agency, commission or other body specified in Schedules I and IV of the *FAA* that is not a department.

Pay (*rémunération*) – has the same meaning as “rate of pay” in the employee’s collective agreement.

Priority Information Management System (*Système de gestion de l'information sur les priorités*) – is a system designed by the PSC to facilitate appointments of individuals entitled to statutory and regulatory priorities.

Reasonable job offer (*offre d'emploi raisonnable*) – is an offer of indeterminate employment within the core public administration, normally at an equivalent level. Surplus employees must be both trainable and mobile. Where practicable, a reasonable job offer shall be within the employee's headquarters as defined in the Travel Directive. In alternative delivery situations, a reasonable offer is one that meets the criteria set out in Type 1 and Type 2 of Part VII of this Directive. A reasonable job offer is also an offer from a *FAA* Schedule V employer, providing that:

- (a) The appointment is at a rate of pay and an attainable salary maximum not less than the employee's current salary and attainable maximum that would be in effect on the date of offer;
- (b) It is a seamless transfer of all employee benefits including recognition of years of service for the definition of continuous employment and accrual of benefits, including the transfer of sick leave credits, severance pay and accumulated vacation leave credits.

Reinstatement priority (*priorité de réintégration*) – is an entitlement under section 10 of the *PSER* provided to surplus employees and laid-off persons who are appointed or deployed to a position in the core public administration at a lower level.

Relocation (*réinstallation*) – is the authorized geographic move of a surplus employee or laid-off person from one place of duty to another place of duty, beyond what, according to local custom, is a normal commuting distance.

Relocation of work unit (*réinstallation d'une unité de travail*) – is the authorized move of a work unit of any size to a place of duty beyond what, according to local custom, is normal commuting distance from the former work location and from the employee's current residence.

Retraining (*recyclage*) – is on-the-job training or other training intended to enable affected employees, surplus employees and laid-off persons to qualify for known or anticipated vacancies within the core public administration.

Surplus employee (*employé excédentaire*) – is an indeterminate employee who has been formally declared surplus, in writing, by his or her deputy head.

Surplus priority (*priorité d'employé excédentaire*) – is an entitlement for a priority in appointment, in accordance with section 5 of the *PSER* and pursuant to section 40 of the *PSEA*; this entitlement is provided to surplus employees to be appointed in priority to another position in the federal public administration for which they meet the essential requirements.

Surplus status (*statut d'employé excédentaire*) – An indeterminate employee is in surplus status from the date he or she is declared surplus until the occurrence of one of the following: the date of lay-off, the date he or she is indeterminately appointed or deployed to another indeterminate position, until his or her surplus status is rescinded, or until the person resigns.

Transition Support Measure (*mesure de soutien à la transition*) – is one of the options provided to an opting employee for whom the deputy head cannot guarantee a reasonable job offer. The Transition Support Measure is a cash payment based on the employee's years of service in the public service, as per Appendix C.

Twelve-month surplus priority period in which to secure a reasonable job offer (*Priorité d'employé excédentaire d'une durée de douze mois pour trouver une offre d'emploi raisonnable*) – is one of the options provided to an opting employee for whom the deputy head cannot guarantee a reasonable job offer.

Work force adjustment (*réaménagement des effectifs*) – is a situation that occurs when a deputy head decides that the services of one or more indeterminate employees will no longer be required beyond a specified date because of a lack of work, the discontinuance of a function, a relocation in which the employee does not wish to relocate or an alternative delivery initiative.

Monitoring

Departments or organizations shall retain central information on all cases occurring under this Directive, including the reasons for the action; the number, occupational groups and levels of employees concerned; the dates of notice given; the number of employees placed without retraining; the number of employees retrained (including number of salary months used in such training); the levels of positions to which employees are appointed and the cost of any salary protection; and the number, types, and amounts of lump sums paid to employees.

This information will be used by the Treasury Board Secretariat to carry out its periodic audits.

References

The primary references for the subject of work force adjustment are as follows:

Financial Administration Act

Pay Rate Selection (Treasury Board Homepage, Organization, Human Resource Management, Compensation and Pay Administration)

Values and Ethics Code for the Public Sector

Employer regulations on promotion

Federal Public Sector Labour Relations Act

Public Service Employment Act

Public Service Employment Regulations

Public Service Superannuation Act

Pension Eligibility at Age 60 – Workforce Adjustment and Pension Waivers

Employer Directives:

Directive on Terms and Conditions of Employment

Isolated Posts and Government Housing Directive

NJC Relocation Directive

Travel Directive

Enquiries

Enquiries about this Directive should be referred to the respective bargaining agent, or the responsible officers in departmental/organizational headquarters.

Responsible officers in departmental/organizational headquarters may, in turn, direct questions regarding the application of this Directive to the senior director, Union Engagement and NJC Support, Compensation and Labour Relations Sector, Treasury Board Secretariat.

Enquiries by employees pertaining to entitlements to a priority in appointment or to their status in relation to the priority appointment process should be directed to their departmental/organizational human resource advisors or to the priority advisor of the PSC responsible for their case.

Part I - Roles and Responsibilities

1.1 Departments or organizations

1.1.1 Since indeterminate employees who are affected by work force adjustment situations are not themselves responsible for such situations, it is the responsibility of departments or organizations to ensure that affected and surplus employees are treated equitably and given every reasonable opportunity to continue their careers as public service employees.

1.1.2 Departments or organizations shall carry out effective human resource planning to minimize the impact of work force adjustment situations on indeterminate employees, on the department or organization, and on the public service.

1.1.3 Departments or organizations shall establish joint work force adjustment committees, where appropriate, to advise and consult on the work force adjustment situations within the department or organization. Terms of reference of such committees shall include a process for addressing alternation requests from other departments and organizations.

1.1.4 Departments or organizations shall, as the home department/organization, cooperate with the PSC and appointing departments/organizations in joint efforts to redeploy departmental/organizational surplus employees and laid-off persons.

1.1.5 Departments or organizations shall establish systems to facilitate redeployment or retraining of the department's/organization's affected employees, surplus employees, and laid-off persons.

1.1.6 When a deputy head determines that the services of an employee are no longer required beyond a specified date, the deputy head shall advise the employee, in writing, which of the four workforce adjustment situations applies: lack of work, the discontinuance of a function, a relocation of a work unit or an alternative delivery initiative.

1.1.7 When the situation occurs due to lack of work or discontinuance of a function, such communication will also indicate if the employee:

- (a) is being provided a guarantee of a reasonable job offer from the deputy head and that the employee will be in surplus status from that date on; or
- (b) is an opting employee and has access to the options of Section 6.4 of this Directive because the employee is not in receipt of a guarantee of a reasonable job offer from the deputy head.

1.1.8 Where applicable, the communication should also provide the information relative to the employee's possible lay-off date.

1.1.9 Deputy heads will be expected to provide a guarantee of a reasonable job offer for those employees subject to work force adjustment for whom they know or can predict employment availability in the core public administration.

1.1.10 Where a deputy head cannot provide a guarantee of a reasonable job offer, the deputy head will provide 120 days to consider the three options outlined in Part VI of this Directive to all opting employees before a decision is required of them. If the employee fails to select an option, the employee will be deemed to have selected Option 6.4.1(a), twelve-month surplus priority period in which to secure a reasonable job offer.

1.1.11 The deputy head shall make a determination to either provide a guarantee of a reasonable job offer or access to the options set out in Section 6.4 of this Directive, upon request of any indeterminate affected employee who can demonstrate that his or her duties have already ceased to exist.

1.1.12 Departments or organizations shall send written notice to the PSC of the employee's surplus status, and shall send to the PSC such details, forms, résumés, and other material as the PSC may from time to time prescribe as necessary for it to discharge its function.

1.1.13 The home department or organization shall provide the PSC with a written statement that it would be prepared to appoint the surplus employee to a suitable position in the

department or organization commensurate with his/her qualifications, if such a position were available.

1.1.14 Departments or organizations shall advise and consult with the bargaining agent representatives as completely as possible regarding any work force adjustment situation as soon as possible after the decision has been made and throughout the process and will make available to the bargaining agent the name and work location of affected employees.

1.1.15 Departments or organizations shall provide the employee with a copy of this Directive simultaneous with the official notification to an employee to whom this directive applies that he or she has become subject to work force adjustment.

1.1.16 Deputy heads shall apply this Directive so as to keep actual involuntary lay-offs to a minimum, and lay-offs shall normally only occur where an individual has refused a reasonable job offer, or is not mobile, or cannot be retrained within two years, or is laid off at his or her own request.

1.1.17 Departments or organizations are responsible to counsel and advise their affected employees on their opportunities of finding continuing employment in the public service.

1.1.18 Appointment of surplus employees to alternative positions, whether with or without retraining, shall normally be at a level equivalent to that previously held by the employee, but this does not preclude appointment to a lower level. Departments or organizations shall avoid appointment to a lower level except where all other avenues have been exhausted.

1.1.19 Home departments or organizations shall appoint as many of their own surplus employees or laid-off persons as possible, or identify alternative positions (both actual and anticipated) for which individuals can be retrained.

1.1.20 Home departments or organizations shall relocate surplus employees and laid-off persons, if necessary.

1.1.21 Relocation of surplus employees or laid-off persons shall be undertaken when the individuals indicate that they are willing to relocate and relocation will enable their redeployment or reappointment, providing that:

- there are no available priority persons, or priority persons with a higher priority, qualified and interested in the position being filled; or
- no available local surplus employees or laid-off persons who are interested and who could qualify with retraining.

1.1.22 The cost of travelling to interviews for possible appointments and of relocation to the new location shall be borne by the employee's home department or organization. Such cost

shall be in accordance with the NJC Travel and Relocation Directives.

1.1.23 For the purposes of the NJC Relocation Directive, surplus employees and laid-off persons who relocate under this Directive shall be deemed to be employees on employer-requested relocations. The general rule on minimum distances for relocation applies.

1.1.24 For the purposes of the Travel Directive, a laid-off person travelling to interviews for possible reappointment within the core public administration is deemed to be a "traveller" as defined in the Travel Directive.

1.1.25 For the surplus and/or lay-off priority periods, home departments or organizations shall pay the salary, salary protection and/or termination costs as well as other authorized costs such as tuition, travel, relocation, and retraining as provided for in the various collective agreements and directives. The appointing department or organization may agree to absorb all or part of these costs.

1.1.26 Where a surplus employee is appointed by another department or organization to a term position, the home department or organization is responsible for the costs above for one year from the date of such appointment, unless the home and appointing departments or organizations agree to a longer period, after which the appointing department or organization becomes the new home department or organization consistent with PSC authorities.

1.1.27 Departments or organizations shall protect the indeterminate status and surplus priority of a surplus indeterminate employee appointed to a term position under this Directive.

1.1.28 Departments or organizations shall inform the PSC in a timely fashion, and in a method directed by the PSC, of the results of all referrals made to them under this Directive. In addition, departments or organizations shall provide feedback to surplus employees and laid-off persons when they are not offered a position for which they were referred.

1.1.29 Departments or organizations shall review the use of private temporary agency personnel, contractors, consultants and their use of contracted out services, employees appointed for a specified period (terms) and all other non-indeterminate employees. Where practicable departments or organizations shall refrain from engaging or re-engaging such temporary agency personnel, consultants or contractors and their use of contracted out services, or renewing the employment of such employees referred to above where this will facilitate the appointment of surplus employees or laid-off persons.

1.1.30 Nothing in the foregoing shall restrict the right of a department or organization to engage or appoint persons to meet short-term, non-recurring requirements. Surplus and laid-off persons shall be given priority even for these short-term work opportunities.

1.1.31 Departments or organizations may lay off an employee at a date earlier than originally scheduled when the surplus employee requests them to do so in writing.

1.1.32 Departments or organizations, acting as appointing departments or organizations, shall cooperate with the PSC and other departments or organizations in accepting, to the extent possible, affected, surplus and laid-off persons, from other departments or organizations for appointment or retraining.

1.1.33 Departments or organizations shall provide surplus employees with a lay-off notice at least one month before the proposed lay-off date, if appointment efforts have been unsuccessful. A copy of this notice shall be provided to the National Head of each bargaining agent that has members involved. The notice may be sent electronically.

1.1.34 When a surplus employee refuses a reasonable job offer, he or she shall be subject to lay-off one month after the refusal, however not before six months after the surplus declaration date. The provisions of Appendix E of this Directive shall continue to apply.

1.1.35 Departments or organizations are to presume that each employee wishes to be redeployed unless the employee indicates the contrary in writing.

1.1.36 Departments or organizations shall inform and counsel affected and surplus employees as early and as completely as possible and shall, in addition, assign a counsellor to each opting and surplus employee and laid-off person to work with them throughout the process. Such counselling is to include explanations and assistance concerning:

- (a) the work force adjustment situation and its effect on that individual;
- (b) the Work Force Adjustment Directive;
- (c) the PSC's Priority Information Management System and how it works from the employee's perspective;
- (d) preparation of a curriculum vitae or résumé;
- (e) the employee's rights and obligations;
- (f) the employee's current situation (e.g., pay, benefits such as severance pay and superannuation, classification, language rights, years of service);
- (g) alternatives that might be available to the employee (alternation, appointment, relocation, retraining, lower-level employment, term employment, retirement including possibility of waiver of penalty if entitled to an annual allowance, Transition Support Measure, Education Allowance, resignation, accelerated lay-off);
- (h) the likelihood that the employee will be successfully appointed;
- (i) the meaning of a guarantee of reasonable job offer, a twelve-month surplus priority period in which to secure a reasonable job offer, a Transition Support Measure, an

Education Allowance;

- (j) advice to employees on the alternation process, to seek out proposed alternations and submit requests for approval as soon as possible after being informed they will not be receiving a guarantee of a reasonable job offer;
- (k) the Human Resources Centres and their services (including a recommendation that the employee register with the nearest office as soon as possible);
- (l) the preparation for interviews with prospective employers;
- (m) ongoing counselling as long as the individual is entitled to a staffing priority and has not been appointed;
- (n) advice to employees that refusal of a reasonable job offer will jeopardize both chances for retraining and overall employment continuity;
- (o) advice to employees of their right to be represented by their bargaining agent in the application of the directive; and
- (p) the employee assistance program.

1.1.37 The home department or organization shall ensure that, when it is required to facilitate appointment, a retraining plan is prepared and agreed to in writing by themselves, the employee and the appointing department or organization.

1.1.38 Severance pay and other benefits flowing from other clauses in collective agreements are separate from, and in addition to, those in this Directive.

1.1.39 Any surplus employee who resigns under this Directive shall be deemed, for the purposes of severance pay and retroactive remuneration, to be involuntarily laid off on the day as of which the deputy head accepts in writing the employee's resignation.

1.1.40 The department or organization will review the status of each affected employee annually, or earlier, from the date of initial notification of affected status and determine whether the employee will remain on affected status or not.

1.1.41 The department or organization will notify the affected employee, in writing, within five (5) working days of the decision pursuant to subsection 1.1.40.

1.2 The Treasury Board Secretariat

1.2.1 It is the responsibility of the Treasury Board Secretariat to:

- (a) investigate and seek to resolve situations referred by the PSC or other parties;
- (b) consider departmental/organizational requests for retraining resources; and

- (c) ensure that departments or organizations are provided to the extent possible with information on occupations for which there are skill shortages.

1.3 The Public Service Commission

1.3.1 Within the context of work force adjustment, and the Public Service Commission's (PSC) governing legislation, it is the responsibility of the PSC to:

- (a) ensure that priority entitlements are respected;
- (b) ensure that a means exists for priority persons to be assessed against vacant positions and appointed if found qualified against the essential qualifications of the position; and
- (c) ensure that priority persons are provided with information on their priority entitlements.

1.3.2 The PSC is further willing, in accordance with the Privacy Act, to:

- (a) provide the Treasury Board Secretariat with information related to the administration of priority entitlements which may reflect on departments' or organizations' level of compliance with this Directive; and
- (b) provide information to the bargaining agents on the numbers and status of their members in the Priority Information Management System, as well as information on the overall system.

1.3.3 The PSC's roles and responsibilities flow from its governing legislation, not the collective agreement. As such, any changes made to these roles/responsibilities must be agreed upon by the PSC. For greater detail on the PSC's role in administering surplus and lay-off priority entitlements, refer to Appendix E of this document.

1.4 Employees

1.4.1 Employees have the right to be represented by their bargaining agents in the application of this Directive.

1.4.2 Employees who are directly affected by work force adjustment situations and who receive a guarantee of a reasonable job offer, or who opt, or are deemed to have opted, for Option 6.4.1(a) of Part VI of this Directive are responsible for:

- (a) actively seeking alternative employment in cooperation with their departments or organizations and the PSC, unless they have advised the department or organization and the PSC, in writing, that they are not available for appointment;
- (b) seeking information about their entitlements and obligations;
- (c) providing timely information to the home department or organization and to the PSC to assist them in their appointment activities (including curriculum vitae or résumés);

- (d) ensuring that they can be easily contacted by the PSC and appointing departments or organizations;
- (e) attending appointments made for referrals; and
- (f) seriously considering job opportunities presented to them (referrals within the home department or organization, referrals from the PSC, and job offers made by departments or organizations), including retraining and relocation possibilities, specified-period appointments and lower-level appointments.

1.4.3 Opting employees are responsible for:

- (a) considering the options of Part VI of this Directive;
- (b) communicating their choice of options, in writing, to their manager no later than 120 days after being declared opting.

1.5 National Joint Council Work Force Adjustment Committee

1.5.1 The terms of reference of this committee are to review and, where necessary, to recommend to the National Joint Council, changes to the Work Force Adjustment Directive, and to provide interpretation of the intent of the Directive upon request.

Part II - Official Notification

2.1 Department or organization

2.1.1 As already mentioned in subsection 1.1.14, departments or organizations shall advise and consult with the bargaining agent representatives as completely as possible regarding any work force adjustment situation as soon as possible after the decision has been made and throughout the process and will make available to the bargaining agent the name and work location of affected employees.

2.1.2 The department or organization shall notify the Treasury Board Secretariat, in confidence, at the earliest possible date and under no circumstances less than four (4) working days before the situation is announced of any work force adjustment situation which is likely to involve six (6) or more indeterminate employees subject to this Directive. The notice may be sent electronically.

2.1.3 Prior to notifying any potentially affected employee, departments or organizations shall also notify the National Head of each bargaining agent that has members involved. Such notification is to be in writing, in confidence and may be transmitted electronically. The notification should be sent at the earliest possible date and under no circumstances less than two (2) working days before any employee is notified of the work force adjustment situation.

2.1.4 Such notification will include the identity and location of the work unit(s) involved, the expected date of the announcement, the anticipated timing of the work force adjustment situation and the number, group and level of the employees who are likely to be affected by the decision.

Part III - Relocation of a Work Unit

3.1 General

3.1.1 In cases where a work unit is to be relocated, departments or organizations shall provide all employees whose positions are to be relocated with written notice of the opportunity to choose whether they wish to move with the position or be treated as if they were subject to a work force adjustment situation.

3.1.2 Following written notification, employees must indicate, within a period of six months, their intention to move. If the employee's intention is not to move with the relocated position, the deputy head, after having considered relevant factors, can either provide the employee with a guarantee of a reasonable job offer or access to the options set out in Section 6.4 of this Directive.

3.1.3 Employees relocating with their work units shall be treated in accordance with the provisions of subsections 1.1.20 to 1.1.24.

3.1.4 Although departments or organizations will endeavour to respect employee location preferences, nothing precludes the department or organization from offering the relocated position to employees in receipt of a guarantee of a reasonable job offer from their deputy heads, after having spent as much time as operations permit looking for a reasonable job offer in the employee's location preference area.

3.1.5. Employees who are not in receipt of a guarantee of a reasonable job offer shall become opting employees and have access to the options set out in Part VI of this Directive.

Part IV - Retraining

4.1 General

4.1.1 To facilitate the redeployment of affected employees, surplus employees, and laid-off persons, departments or organizations shall make every reasonable effort to retrain such persons for:

- (a) existing vacancies; or
- (b) anticipated vacancies identified by management.

4.1.2 It is the responsibility of the employee, home department or organization and appointing department or organization to identify retraining opportunities pursuant to subsection 4.1.1.

4.1.3 When a retraining opportunity has been identified pursuant to subsection 4.1.2, the deputy head of the home department or organization shall approve up to two years of retraining.

4.2 Surplus employees

4.2.1 A surplus employee is eligible for retraining provided that:

- (a) retraining is needed to facilitate the appointment of the individual to a specific vacant position or will enable the individual to qualify for anticipated vacancies in occupations or locations where there is a shortage of qualified candidates; and
- (b) there are no other available priority persons who qualify for the position as referenced in paragraph (a) above.

4.2.2 The home department or organization is responsible for ensuring that an appropriate retraining plan is prepared and is agreed to in writing by the employee and the delegated officers of the home and appointing departments or organizations.

4.2.3 Once a retraining plan has been initiated, its continuation and completion are subject to satisfactory performance by the employee.

4.2.4 While on retraining, a surplus employee continues to be employed by the home department or organization and is entitled to be paid in accordance with his or her current appointment, unless the appointing department or organization is willing to appoint the employee indeterminately, conditional on successful completion of retraining, in which case the retraining plan shall be included in the letter of offer.

4.2.5 When a retraining plan has been approved and the surplus employee continues to be employed by the home department or organization, the proposed lay-off date shall be extended to the end of the retraining period, subject to subsection 4.2.3.

4.2.6 If a retraining plan is denied, a meeting to discuss the rationale for the decision will be held at the employee's request. The bargaining agent representative may attend the meeting.

4.2.7 An employee unsuccessful in retraining may be laid off at the end of the surplus period, provided that the employer has been unsuccessful in making the employee a reasonable job offer.

4.2.8 Pursuant to Section 4.1 and in addition to all other rights and benefits granted under this section, a surplus employee who is guaranteed a reasonable job offer and is granted relocation under subsection 1.1.21 is guaranteed training to prepare him/herself for appointment to a position. Such training may continue up to one year after the completion of the two-year training period or until the date of appointment to another position, whichever comes first. Appointment to this position is subject to successful completion of the training.

4.3 Laid-off persons

4.3.1 A laid-off person shall be eligible for retraining provided that:

- (a) retraining is needed to facilitate the appointment of the individual to a specific vacant position;
- (b) the individual meets the minimum requirements set out in the relevant Qualification Standard for appointment to the group concerned; and
- (c) there are no other available persons with a priority who qualify for the position.

4.3.2 When an individual is offered an appointment conditional on successful completion of retraining, a retraining plan shall be included in the letter of offer. If the individual accepts the conditional offer, he or she will be appointed on an indeterminate basis to the full level of the position after having successfully completed training and being assessed as qualified for the position. When an individual accepts an appointment to a position with a lower maximum rate of pay than the position from which he or she was laid off, the employee will be salary protected in accordance with Part V.

Part V - Salary Protection

5.1 Lower-level position

5.1.1 Surplus employees and laid-off persons appointed to a lower-level position under this Directive shall have their salary and applicable pay equity equalization payments protected in accordance with the salary protection provisions of their collective agreement, or, in the absence of such provisions, the appropriate provisions of the Directive on Terms and Conditions of Employment.

5.1.2 Employees whose salary is protected pursuant to subsection 5.1.1 will benefit from salary protection until they are appointed or deployed into a position with a maximum rate of pay that is equal to or higher than the maximum rate of pay of the position from which they were declared surplus or laid off.

Part VI - Options for Employees

6.1 General

6.1.1 Deputy heads will be expected to provide a guarantee of a reasonable job offer for those affected employees who will be declared surplus and for whom they know or can predict employment availability. A deputy head who cannot provide such a guarantee shall provide his or her reasons in writing, if requested by the employee. Employees in receipt of this guarantee would not have access to the choice of options below.

6.1.2 Employees who are not in receipt of a guarantee of a reasonable job offer from their deputy head have 120 days to consider the three options below before a decision is required of them.

6.1.3 The opting employee must choose, in writing, one of the three options of Section 6.4 of this Directive within the 120-day window. The employee cannot change options once having made a written choice.

6.1.4 If the employee fails to select an option, the employee will be deemed to have selected Option 6.4.1(a), twelve-month surplus priority period in which to secure a reasonable job offer at the end of the 120-day window.

6.1.5 If a reasonable job offer which does not require a relocation is made at any time during the 120-day opting period and prior to the written acceptance of the Transition Support Measure (TSM) or the Education Allowance option, the employee is ineligible for the TSM or the Education Allowance.

6.2 Voluntary departure programs

6.2.1 Departments and organizations may establish voluntary departure programs where:

- (a) positions are being eliminated as a result of work force adjustment situations involving less than five affected employees working at the same group and level and in the same work unit; and
- (b) the DH cannot provide a guarantee of a reasonable job offer to the less than 5 affected employees working at the same group and level in the same work unit.

6.2.2 Departments and organizations shall establish voluntary departure programs where:

- (a) positions are being eliminated as a result of work force adjustment situations involving five or more affected employees working at the same group and level and in the same work unit; and
- (b) the DH cannot provide a guarantee of a reasonable job offer to all five or more affected employees working at the same group and level in the same work unit.

6.2.3 If a voluntary program is established as per 6.2.1 or 6.2.2, such program shall:

- (a) be the subject of meaningful consultation through joint union-management WFA committees;
- (b) volunteer programs shall not be used to exceed reduction targets. Where reasonably possible, departments and organizations will identify the number of positions for reduction in advance of the voluntary programs commencing;
- (c) take place after affected letters have been delivered to employees;
- (d) take place before the department or organization engages in the SERLO process;
- (e) provide for a minimum of 30 calendar days for employees to decide whether they wish to participate;
- (f) allow employees to select Options 6.4.1(b), 6.4.1(c)(i) or 6.4.1(c)(ii);
- (g) provide that when the number of volunteers is larger than the required number of positions to be eliminated, volunteers will be selected based on seniority (total years of service in the public service, whether continuous or discontinuous).

6.3 Alternation

6.3.1 All departments or organizations must participate in the alternation process.

6.3.2 An alternation occurs when an opting employee who wishes to remain in the core public administration exchanges positions with a non-affected employee (the alternate) willing to leave the core public administration under the terms of Part VI of this Directive.

6.3.3 Only opting and surplus employees who are surplus as a result of having chosen Option 6.4.1(a) may alternate into an indeterminate position that remains in the core public administration.

6.3.4 If an alternation is proposed for a surplus employee, as opposed to an opting employee, the Transition Support Measure that is available to the alternate under 6.4.1(b) or 6.4.1(c)(i) shall be reduced by one week for each completed week between the beginning of the employee's surplus priority period and the date the alternation is proposed.

6.3.5 An indeterminate employee wishing to leave the core public administration may express an interest in alternating with an opting employee or a surplus employee who is surplus as result of having chosen Option 6.4.1(a). Management will decide, however, whether a proposed alternation will result in retaining the skills required to meet the ongoing needs of the position and the core public administration.

6.3.6 An alternation must permanently eliminate a function or a position.

6.3.7 The opting employee moving into the unaffected position must meet the requirements for appointment to the position; for greater clarity, that appointment is subject to all Public Service Commission requirements for the appointment or deployment of an affected employee from his or her surplus position into an unaffected position; this includes language requirements and the determination of applicable equivalencies for staffing purposes. The alternate moving into the opting position must meet the requirements of the position, except if the alternate will not be performing the duties of the position and the alternate will be struck off strength within five days of the alternation.

6.3.8 If an alternation is denied, a meeting to discuss the rationale for the decision will be held at the employee's request. The bargaining agent representative may attend the meeting.

6.3.9 An alternation should normally occur between employees at the same group and level. When the two positions are not the same group and level, alternation can still occur when the positions can be considered equivalent. They are considered equal when the maximum rate of pay for the higher paid position is no more than 6 percent higher than the maximum rate of pay for the lower paid position.

6.3.10 An alternation must occur on a given date, i.e., two employees directly exchange positions on the same day. There is no provision in alternation for a "domino" effect or for "future considerations".

6.3.11 For clarity, the alternation will not be denied solely as a result of untimely administrative process.

6.4 Options

6.4.1 Only opting employees who are not in receipt of the guarantee of a reasonable job offer from the deputy head will have access to the choice of options below:

(a) Option A:

- (i) Twelve-month surplus priority period in which to secure a reasonable job offer. Should a reasonable job offer not be made within a period of twelve months, the employee will be laid off in accordance with the Public Service Employment Act. Employees who choose or are deemed to have chosen this option are surplus employees.
- (ii) At the request of the employee, this twelve-month surplus priority period shall be extended by the unused portion of the 120-day opting period referred to in subsection 6.1.2 which remains once the employee has selected in writing Option 6.4.1(a).

- (iii) When a surplus employee who has chosen, or who is deemed to have chosen, Option 6.4.1(a) offers to resign before the end of the twelve-month surplus priority period, the deputy head may authorize a lump-sum payment equal to the surplus employee's pay for the substantive position for the balance of the surplus period, up to a maximum of six months. The amount of the lump-sum payment for the pay in lieu cannot exceed the maximum of that which he or she would have received had they chosen Option 6.4.1(b), the TSM.
- (iv) Departments or organizations will make every reasonable effort to market a surplus employee during the employee's surplus period within his or her preferred area of mobility.

Or

(b) Option B:

TSM is a cash payment, based on the employee's years of service in the public service (see Appendix C) made to an opting employee. Employees choosing this option must resign but will be considered to be laid off for purposes of severance pay. The TSM shall be paid in one or two lump-sum amounts over a maximum two-year period.

Or

(c) Option C:

Education Allowance is a TSM (see Option 6.4.1(b)) plus an amount of not more than \$17,000 for reimbursement of receipted expenses of an opting employee for tuition from a learning institution and costs of books and relevant equipment. Employees choosing Option 6.4.1(c) could either:

- (i) resign from the core public administration but be considered to be laid off for severance pay purposes on the date of their departure. The TSM shall be paid in one or two lump-sum amounts over a maximum two-year period; or
- (ii) delay their departure date and go on leave without pay for a maximum period of two years, while attending the learning institution. The TSM shall be paid in one or two lump-sum amounts over a maximum two-year period. During this period, employees could continue to be public service benefit plan members and contribute both employer and employee share to the benefits plans and the Public Service Superannuation Plan. At the end of the two-year leave without pay period, unless the employee has found alternate employment in the core public administration, the employee will be laid off in accordance with the Public Service Employment Act.

6.4.2 Management will establish the departure date of opting employees who choose Option 6.4.1(b) or Option 6.4.1(c) above.

6.4.3 The TSM, pay in lieu of unfulfilled surplus period and the Education Allowance cannot be combined with any other payment under the Work Force Adjustment Directive.

6.4.4 In the cases of: pay in lieu of unfulfilled surplus period, Options 6.4.1(b) and 6.4.1(c)(i), the employee relinquishes any priority entitlements for reappointment upon acceptance of his or her resignation.

6.4.5 Employees choosing Option 6.4.1(c)(ii) who have not provided their department or organization with a proof of registration from a learning institution 12 months after starting their leave without pay period will be deemed to have resigned from the core public administration, and be considered to be laid off for purposes of severance pay.

6.4.6 All opting employees will be entitled to up to \$1,200 towards counselling services in respect of their potential re-employment or retirement. Such counselling services may include financial, and job placement counselling services.

6.4.7 An opting employee who has received pay in lieu of unfulfilled surplus period, a TSM or an Education Allowance and is appointed to the public service shall reimburse the Receiver General for Canada by an amount corresponding to the period from the effective date of such reappointment or hiring, to the end of the original period for which the TSM or Education Allowance was paid.

6.4.8 Notwithstanding subsection 6.4.7, an opting employee who has received an Education Allowance will not be required to reimburse tuition expenses, costs of books and relevant equipment, for which he or she cannot get a refund.

6.4.9 The deputy head shall ensure that pay in lieu of unfulfilled surplus period is only authorized where the employee's work can be discontinued on the resignation date and no additional costs will be incurred in having the work done in any other way during that period.

6.4.10 If a surplus employee who has chosen, or is deemed to have chosen, Option 6.4.1(a) refuses a reasonable job offer at any time during the twelve-month surplus priority period, the employee is ineligible for pay in lieu of unfulfilled surplus period.

6.4.11 Approval of pay in lieu of unfulfilled surplus period is at the discretion of management, but shall not be unreasonably denied.

6.5 Retention payment

6.5.1 There are three situations in which an employee may be eligible to receive a retention payment. These are total facility closures, relocation of work units and alternative delivery

initiatives.

6.5.2 All employees accepting retention payments must agree to leave the core public administration without priority entitlements.

6.5.3 An individual who has received a retention payment and, as applicable, is either reappointed to that portion of the core public administration specified from time to time in Schedules I and IV to the Financial Administration Act, or is hired by the new employer within the six months immediately following his or her resignation, shall reimburse the Receiver General for Canada by an amount corresponding to the period from the effective date of such reappointment or hiring, to the end of the original period for which the lump sum was paid.

6.5.4 The provisions of subsection 6.5.5 shall apply in total facility closures where public service jobs are to cease, and:

- (a) such jobs are in remote areas of the country; or
- (b) retraining and relocation costs are prohibitive; or
- (c) prospects of reasonable alternative local employment (whether within or outside the core public administration) are poor.

6.5.5 Subject to subsection 6.5.4, the deputy head shall pay to each employee who is asked to remain until closure of the work unit and offers a resignation from the core public administration to take effect on that closure date, a sum equivalent to six months' pay payable upon the day on which the departmental/organizational operation ceases, provided the employee has not separated prematurely.

6.5.6 The provisions of subsection 6.5.7 shall apply in relocation of work units where core public administration work units:

- (a) are being relocated; and
- (b) when the deputy head of the home department or organization decides that, in comparison to other options, it is preferable that certain employees be encouraged to stay in their jobs until the day of workplace relocation; and
- (c) where the employee has opted not to relocate with the function.

6.5.7 Subject to subsection 6.5.6, the deputy head shall pay to each employee who is asked to remain until the relocation of the work unit and offers a resignation from the core public administration to take effect on the relocation date, a sum equivalent to six months' pay payable upon the day on which the departmental/organizational operation relocates, provided the employee has not separated prematurely.

6.5.8 The provisions of subsection 6.5.9 shall apply in alternative delivery initiatives:

- (a) where the core public administration work units are affected by alternative delivery initiatives;
- (b) when the deputy head of the home department or organization decides that, compared to other options, it is preferable that certain employees be encouraged to stay in their jobs until the day of the transfer to the new employer; and
- (c) where the employee has not received a job offer from the new employer or has received an offer and did not accept it.

6.5.9 Subject to subsection 6.5.8, the deputy head shall pay to each employee who is asked to remain until the transfer date and who offers a resignation from the core public administration to take effect on the transfer date, a sum equivalent to six months' pay payable upon the transfer date, provided the employee has not separated prematurely.

Part VII - Special Provisions Regarding Alternative Delivery Initiatives

Preamble

The administration of the provisions of this Part will be guided by the following principles:

- (a) consistent, fair and reasonable treatment of employees;
- (b) value for money and affordability; and
- (c) maximization of employment opportunities for employees.

7.1 Definitions

For the purposes of this Part, an **alternative delivery initiative** (*diversification des modes d'exécution*) is the transfer of any work, undertaking or business of the core public administration to any body or corporation that is a separate agency or that is outside the core public administration;

For the purposes of this Part, a **reasonable job offer** (*offre d'emploi raisonnable*) is an offer of employment received from a new employer in the case of a Type 1 or Type 2 transitional employment arrangement, as determined in accordance with subsection 7.2.2;

For the purposes of this Part, a **termination of employment** (*licenciement de l'employé*) is the termination of employment referred to in paragraph 12(1)(f) of the *Financial Administration Act* (FAA).

7.2 General

Departments or organizations will, as soon as possible after the decision is made to proceed with an alternative delivery initiative (ADI), and if possible, not less than 180 days prior to the date of transfer, provide notice to the bargaining agents.

The notice to the bargaining agents will include: 1) the program being considered for ADI, 2) the reason for the ADI and 3) the type of approach anticipated for the initiative.

In cases of ADI, the parties will conduct meaningful consultation, with the respective bargaining agents, on human resource issues related to the ADI in order to provide information to the employee which will assist him/her in deciding on whether or not to accept the job offer.

A joint WFA-ADI committee will be created for ADI and will have equal representation from the department or organization and bargaining agents. By mutual agreement, the committee may include other participants. The joint WFA-ADI committee will define the rules of conduct of the committee.

Commercialization – In cases of commercialization where tendering will be part of the process, the members of the WFA-ADI Committee will make every reasonable effort to come to an agreement on the criteria related to human resource issues (e.g. terms and conditions of employment, pension and health care benefits, the take up number of employees), to be included in the RFP process. The committee will respect the contracting rules of the federal government.

7.2.1 The provisions of this Part apply only in the case of alternative delivery initiatives and are in exception to other provisions of this Directive. Employees who are affected by alternative delivery initiatives and who receive job offers from the new employer shall be treated in accordance with the provisions of this Part and, only where specifically indicated will other provisions of this Directive apply to them.

7.2.2 There are three types of transitional employment arrangements resulting from alternative delivery initiatives:

(a) Type 1

Type 1 arrangements meet all of the following criteria:

- (i) legislated successor rights apply. Specific conditions for successor rights applications will be determined by the labour legislation governing the new employer;
- (ii) the Directive on Terms and Conditions of Employment, the terms of the collective agreement referred to therein and/or the applicable compensation plan will continue to apply to unrepresented and excluded employees until modified by the

new employer or by the Federal Public Sector Labour Relations and Employment Board pursuant to a successor rights application;

- (iii) recognition of continuous employment in the core public administration, as defined in the Directive on Terms and Conditions of Employment, for purposes of determining the employee's entitlements under the collective agreement continued due to the application of successor rights;
- (iv) pension arrangements according to the Statement of Pension Principles set out in Appendix A, or, in cases where the test of reasonableness set out in that Statement is not met, payment of a lump-sum to employees pursuant to subsection 7.7.3;
- (v) transitional employment guarantee: a two-year minimum employment guarantee with the new employer;
- (vi) coverage in each of the following core benefits: health benefits, long term disability insurance (LTDI) and dental plan;
- (vii) short-term disability bridging: recognition of the employee's earned but unused sick leave credits up to maximum of the new employer's LTDI waiting period.

(b) Type 2

Type 2 arrangements meet all of the following criteria:

- (i) the average new hourly salary offered by the new employer (= rate of pay + equal pay adjustments + supervisory differential) for the group moving is 85 percent or greater of the group's current federal hourly remuneration (= pay + equal pay adjustments + supervisory differential), when the hours of work are the same;
- (ii) the average annual salary of the new employer (= rate of pay + equal pay adjustments + supervisory differential) for the group moving is 85 per cent or greater of federal annual remuneration (= percent or greater of federal annual remuneration (= pay + equal pay adjustments + supervisory differential), when the hours of work are different;
- (iii) pension arrangements according to the Statement of Pension Principles as set out in Appendix A, or in cases where the test of reasonableness set out in that Statement is not met, payment of a lump sum to employees pursuant to subsection 7.7.3;
- (iv) transitional employment guarantee: employment tenure equivalent to that of the permanent work force in receiving organizations or a two-year minimum employment guarantee;
- (v) coverage in each area of the following core benefits: health benefits, long-term disability insurance (LTDI) and dental plan;
- (vi) short-term disability arrangement.

(c) Type 3

A Type 3 arrangement is any alternative delivery initiative that does not meet the criteria applying in Type 1 and 2 transitional employment arrangements.

7.2.3 For Type 1 and Type 2 transitional employment arrangements, the offer of employment from the new employer will be deemed to constitute a reasonable job offer for purposes of this Part.

7.2.4 For Type 3 transitional employment arrangements, an offer of employment from the new employer will not be deemed to constitute a reasonable job offer for purposes of this Part.

7.3 Responsibilities

7.3.1 Deputy heads will be responsible for deciding, after considering the criteria set out above, which of the types applies in the case of particular alternative delivery initiative.

7.3.2 Employees directly affected by alternative delivery initiatives are responsible for seriously considering job offers made by new employers and advising the home department or organization of their decision within the allowed period.

7.4 Notice of alternative delivery initiatives

7.4.1 Where alternative delivery initiatives are being undertaken, departments or organizations shall provide written notice to all employees offered employment by the new employer, giving them the opportunity to choose whether they wish to accept the offer.

7.4.2 Following written notification, employees must indicate within a period of 60 days their intention to accept the employment offer.

7.5 Job offers from new employers

7.5.1 Employees subject to this Directive (see Application) and who do not accept the reasonable job offer from the new employer in the case of Type 1 or 2 transitional employment arrangements will be given four months' notice of termination of employment and their employment will be terminated at the end of that period or on a mutually agreed upon date before the end of the four month notice period except where the employee was unaware of the offer or incapable of indicating an acceptance of the offer.

7.5.2 The deputy head may extend the notice of termination period for operational reasons, but no such extended period may end later than the date of the transfer to the new employer.

7.5.3 Employees who do not accept a job offer from the new employer in the case of Type 3 transitional employment arrangements may be declared opting or surplus by the deputy head in accordance with the provisions of the other parts of this Directive.

7.5.4 Employees who accept a job offer from the new employer in the case of any alternative delivery initiative will have their employment terminated on the date on which the transfer becomes effective, or on another date that may be designated by the home department or organization for operational reasons provided that this does not create a break in continuous service between the core public administration and the new employer.

7.6 Application of other provisions of the Directive

7.6.1 For greater certainty, the provisions of Part II, Official Notification, and Section 6.5, Retention payment, will apply in the case of an employee who refuses an offer of employment in the case of a Type 1 or 2 transitional employment arrangement. A payment under Section 6.5 may not be combined with a payment under the other section.

7.7 Lump-sum payments and salary top-up allowances

7.7.1 Employees who are subject to this Directive (see Application) and who accept the offer of employment from the new employer in the case of Type 2 transitional employment arrangements will receive a sum equivalent to three months' pay, payable upon the day on which the departmental/organizational work or function is transferred to the new employer. The home department or organization will also pay these employees an 18-month salary top-up allowance equivalent to the difference between the remuneration applicable to their core public administration position and the salary applicable to their position with the new employer. This allowance will be paid as a lump sum, payable on the day on which the departmental/organizational work or function is transferred to the new employer.

7.7.2 In the case of individuals who accept an offer of employment from the new employer in the case of a Type 2 arrangement whose new hourly or annual salary falls below 80 percent of their former federal hourly or annual remuneration, departments or organizations will pay an additional six months of salary top-up allowance for a total of 24 months under this subsection and subsection 7.7.1. The salary top-up allowance equivalent to the difference between the remuneration applicable to their core public administration position and the salary applicable to their position with the new employer will be paid as a lump sum payable on the day on which the departmental/organizational work or function is transferred to the new employer.

7.7.3 Employees who accept the reasonable job offer from the successor employer in the case of a Type 1 or Type 2 transitional employment arrangement where the test of reasonableness referred to in the Statement of Pension Principles set out in Appendix A is not

met, that is, where the actuarial value (cost) of the new employer's pension arrangements are less than 6.5 percent of pensionable payroll (excluding the employer's costs related to the administration of the plan) will receive a sum equivalent to three months' pay, payable on the day on which the departmental/organizational work or function is transferred to the new employer.

7.7.4 Employees who accept an offer of employment from the new employer in the case of Type 3 transitional employment arrangements will receive a sum equivalent to six months' pay payable on the day on which the departmental/organizational work or function is transferred to the new employer. The home department or organization will also pay these employees a 12-month salary top-up allowance equivalent to the difference between the remuneration applicable to their core public administration position and the salary applicable to their position with the new employer. The allowance will be paid as a lump sum, payable on the day on which the departmental/organizational work or function is transferred to the new employer. The total of the lump-sum payment and the salary top-up allowance provided under this section will not exceed an amount equivalent to one year's pay.

7.7.5 For the purposes of subsections 7.7.1, 7.7.2 and 7.7.4, the term "remuneration" includes and is limited to annual salary plus equal pay adjustments, if any, and supervisory differential, if any.

7.8 Reimbursement

7.8.1 An individual who receives a lump-sum payment and salary top-up allowance pursuant to subsection 7.7.1, 7.7.2, 7.7.3 or 7.7.4 and who is reappointed to that portion of the core public administration specified from time to time in Schedules I and IV to the *Financial Administration Act* at any point during the period covered by the total of the lump-sum payment and salary top-up allowance, if any, shall reimburse the Receiver General for Canada by an amount corresponding to the period from the effective date of reappointment to the end of the original period covered by the total of the lump-sum payment and salary top-up allowance, if any.

7.8.2 An individual who receives a lump-sum payment pursuant to subsection 7.6.1 and, as applicable, is either reappointed to that portion of the core public administration specified from time to time in Schedules I and IV to the *Financial Administration Act* or hired by the new employer at any point covered by the lump-sum payment, shall reimburse the Receiver General for Canada by an amount corresponding to the period from the effective date of the reappointment or hiring to the end of the original period covered by the lump-sum payment.

7.9 Vacation leave credits and severance pay

7.9.1 Notwithstanding the provisions of the employee's collective agreement concerning vacation leave, an employee who accepts a job offer pursuant to this Part may choose not to be paid for earned but unused vacation leave credits, provided that the new employer will accept these credits.

7.9.2 Notwithstanding the provisions of this Agreement concerning severance pay, an employee who accepts a reasonable job offer pursuant to this Part will not be paid severance pay where:

- (a) successor rights apply; and/or
- (b) in the case of a Type-2 transitional employment arrangement, when the new employer recognizes the employee's years of continuous employment in the public service for severance pay purposes and provides severance pay entitlements similar to the employee's severance pay entitlements at the time of the transfer.
- (c) However, where paragraphs (a) or (b) would apply, an employee who has a severance termination benefit entitlement under the terms of the severance pay article of their respective collective agreement shall be paid this entitlement at the time of transfer.

7.9.3 Where:

- (a) the conditions set out in subsection 7.9.2 are not met;
- (b) the severance provisions of the collective agreement are extracted from the collective agreement, by mutual consent of both parties, prior to the date of transfer to another non-federal public sector employer;
- (c) the employment of an employee is terminated pursuant to the terms of subsection 7.5.1; or
- (d) the employment of an employee who accepts a job offer from the new employer in a Type 3 transitional employment arrangement is terminated on the transfer of the function to the new employer;

the employee shall be deemed, for purposes of severance pay, to be involuntarily laid off on the day on which employment in the core public administration terminates.

Appendix A - Statement of Pension Principles

1. The new employer will have in place, or Her Majesty in Right of Canada will require the new employer to put in place, reasonable pension arrangements for transferring employees. The test of "reasonableness" will be that the actuarial value (cost) of the new employer pension arrangements will be at least 6.5 percent of pensionable payroll, which in the case of defined-benefit pension plans will be as determined by the Assessment Methodology developed by Towers Perrin for the Treasury Board, dated October 7, 1997. Where there is no

reasonable pension arrangement in place on the transfer date or no written undertaking by the new employer to put such reasonable pension arrangement in place effective on the transfer date, subject to the approval of Parliament and a written undertaking by the new employer to pay the employer costs, *Public Service Superannuation Act (PSSA)* coverage could be provided during a transitional period of up to a year.

2. Benefits in respect of service accrued to the point of transfer are to be fully protected.
3. Her Majesty in Right of Canada will seek portability arrangements between the Public Service Superannuation Plan and the pension plan of the new employer where a portability arrangement does not yet exist. Furthermore, Her Majesty in Right of Canada will seek authority to permit employees the option of counting their service with the new employer for vesting and benefit thresholds under the *PSSA*.

Appendix B - List of Bargaining Agents Subject to this Directive

Association of Canadian Financial Officers

Association of Justice Counsel

Canadian Air Traffic Control Association, CATCA Unifor Local 54 54

Canadian Association of Professional Employees

Canadian Federal Pilots Association

Canadian Merchant Service Guild

Canadian Military Colleges Faculty Association

Federal Government Dockyard Chargehands Association

Federal Government Dockyards Trades and Labour Council (East)

Federal Government Dockyards Trades and Labour Council (West)

International Brotherhood of Electrical Workers, Local 2228

Professional Association of Foreign Service Officers

Unifor, Local 2182

Unifor, Local 87-M

Appendix C - Transition Support Measure (TSM)

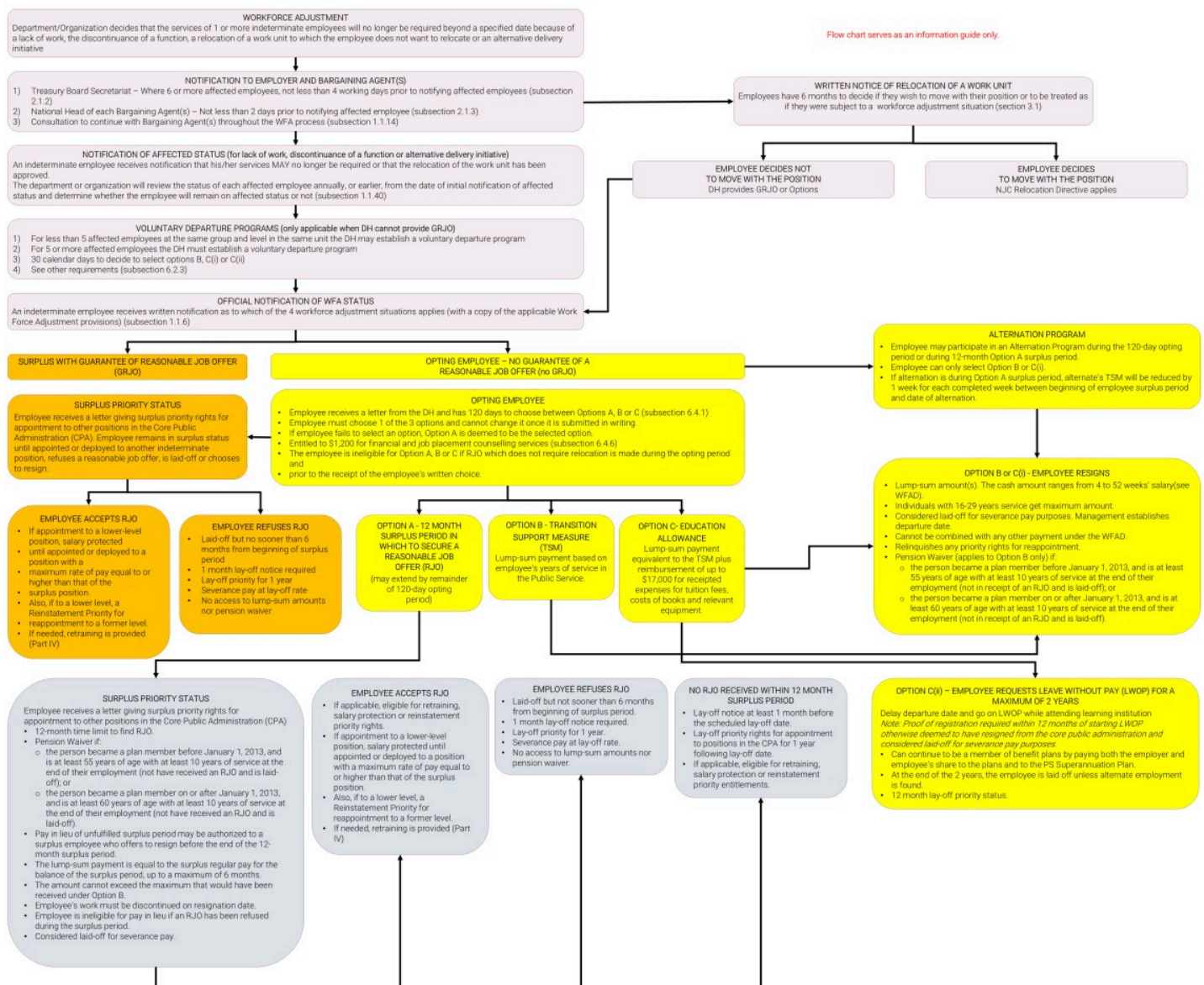
Years of Service in the Public Service	Transition Support Measure (TSM) (Payment in weeks' pay)
0	10
1	22
2	24
3	26
4	28
5	30
6	32
7	34
8	36
9	38
10	40
11	42
12	44
13	46
14	48
15	50
16	52
17	52
18	52
19	52
20	52
21	52
22	52
23	52
24	52
25	52
26	52
27	52

28	52
29	52
30	49
31	46
32	43
33	40
34	37
35	34
36	31
37	28
38	25
39	22
40	19
41	16
42	13
43	10
44	07
45	04

For indeterminate seasonal and part-time employees, the TSM will be pro-rated in the same manner as severance pay under the terms of the collective agreement.

Severance pay provisions of the collective agreement are in addition to the TSM.

Appendix D - Key Elements of the Workforce Adjustment Directive



[Click here for a larger version](#)

Flowchart Text Version

Workforce Adjustment

Department/Organization decides that the services of 1 or more indeterminate employees will no longer be required beyond a specified date because of a lack of work, the discontinuance of a function, a relocation of a work unit to which the employee does not want to relocate or an alternative delivery initiative.

Notification to Employer and Bargaining Agent(s)

- (1) Treasury Board Secretariat - Where 6 or more affected employees, not less than 4 working days prior to notifying affected employees (subsection 2.1.2).

- (2) National Head of each Bargaining Agent(s) - Not less than 2 days prior to notifying affected employee (subsection 2.1.3). Consultation to continue with Bargaining Agent(s) throughout the WFA process (subsection 1.1.14).

Notification of Affected Status (for lack of work, discontinuance of a function or alternative delivery initiative)

An indeterminate employee receives notification that his/her services MAY no longer be required or that the relocation of the work unit has been approved. The department or organization will review the status of each affected employee annually, or earlier, from the date of initial notification of affected status and determine whether the employee will remain on affected status or not (subsection 1.1.40).

Voluntary Departure Programs (only applicable when DH cannot provide GRJO)

- (1) For less than 5 affected employees at the same group and level in the same unit the DH may establish a voluntary departure program;
- (2) For 5 or more affected employees the DH must establish a voluntary departure program;
- (3) 30 calendar days to decide to select options B, C(i) or C(ii);
- (4) See other requirements (subsection 6.2.3).

Official Notification of WFA Status

An indeterminate employee receives written notification which of the 4 workforce adjustment situations applies (with a copy of the applicable Work Force Adjustment provisions) (subsection 1.1.6).

Written Notice of Relocation of a Work Unit

Employees have six months to decide if they wish to move with their position or to be treated as if they were subject to a workforce adjustment situation (section 3.1).

Employee Decides not to Move with the Position

DH provides GRJO or Options

Employee Decides to Move with the Position

NJC Relocation Directive Applies

Surplus with Guarantee of Reasonable Job Offer (GRJO)

Surplus Priority Status

Employee receives a letter giving surplus priority rights for appointment to other positions in the Core Public Administration (CPA).

Employee remains in surplus status until appointed or deployed to another indeterminate position, refuses a reasonable job offer, is laid-off or chooses to resign.

Employee Accepts RJO

- If appointment to a lower level position, salary protected until appointed or deployed to a position with a maximum rate of pay equal to or higher than that of the surplus position;
- Also if to a lower level, a Reinstatement Priority for reappointment to a former level;
- If needed, retraining is provided (Part IV).

Employee Refuses RJO

- Laid-off but no sooner than 6 months from beginning of surplus period;
- 1 month lay-off notice required;
- Lay-off priority for 1 year;
- Severance pay at lay-off rate;
- No access to lump-sum amounts nor pension waiver.

Opting Employee - No Guarantee of a Reasonable Job Offer (no GRJO)

Opting Employee

- Employee receives a letter from the DH and has 120 days to choose between Options A, B or C (subsection 6.4.1);
- Employee must choose 1 of the 3 options and cannot change it once it is submitted in writing;
- If employee fails to select an option, Option A is deemed to be the selected option;
- Entitled to \$1,200 for financial and job placement counselling services (subsection 6.4.6);
- The employee is ineligible for Option A, B or C if RJO which does not require relocation is made during the opting period and prior to the receipt of the employee's written choice.

Alternation Program

- Employee may participate in an Alternation Program during the 120-day opting period or during 12 month Option A surplus period;
- Employee can only select Option B or C(i);
- If alternation is during Option A surplus period, alternate's TSM will be reduced by 1 week for each completed week between beginning of employee surplus period and date of alternation.

Option A - 12 Month Surplus Period in which to Secure a Reasonable Job Offer (RJO)

(may extend by remainder of 120-day opting period)

Option B - Transition Support Measure (TSM)

Lump-sum payment based on employee's years of service in the Public Service.

Option C - Education Allowance

Lump-sum payment equivalent to the TSM plus reimbursement of up to \$17,000 for receipted expenses for tuition fees, costs of books, and relevant equipment.

Option B or C(i) - Employee Resigns

- Lump-sum amount(s). The cash amount ranges from 4 to 52 weeks' salary (see WFAD). Individuals with 16-29 years of service get maximum amount;
- Considered laid off for severance pay purposes. Management establishes departure date;
- Cannot be combined with any other payment under the WFAD;
- Relinquishes any priority entitlements for reappointment;
- Pension Waiver (applies to Option B only) if:
 - the person became a plan member before January 1, 2013, and is at least 55 years of age with at least 10 years of service at the end of their employment (not in receipt of an RJO and is laid-off); or
 - the person became a plan member on or after January 1, 2013, and is at least 60 years of age with at least 10 years of service at the end of their employment (not in receipt of an RJO and is laid-off).

Option C(ii) - Employee Requests Leave without Pay (LWOP) for a Maximum of 2 Years

- Delay departure date and go on LWOP while attending learning institution.
Note: Proof of registration required within 12 months of starting LWOP, otherwise deemed to have resigned from the core public administration and considered laid-off for severance pay purposes;
- Can continue to be a member of benefit plans by paying both the employer and employee's share to the plans and to the PS Superannuation Plan;
- At the end of the 2 years, the employee is laid off unless alternate employment is found;
- 12 month lay-off priority status.

Surplus Priority Status

Employee receives a letter giving surplus priority rights for appointment to other positions in the Core Public Administration (CPA).

- 12 month time limit to find RJO;
- Pension Waiver if:
 - the person became a plan member before January 1, 2013, and is at least 55 years of age with at least 10 years of service at the end of their employment (not have received an RJO and is laid-off); or
 - the person became a plan member on or after January 1, 2013, and is at least 60 years of age with at least 10 years of service at the end of their employment (not have received an RJO and is laid-off);
- Pay in lieu of unfulfilled surplus period may be authorized to a surplus employee who offers to resign before the end of the 12 month surplus period;
- The lump-sum payment is equal to the surplus regular pay for the balance of the surplus period, up to a maximum of 6 months;
- The amount cannot exceed the maximum that would have been received under Option B;
- Employee's work must be discontinued on resignation date;
- Employee is ineligible for pay in lieu if an RJO has been refused during the surplus period;
- Considered laid off for severance pay.

Employee Accepts RJO

- If applicable, eligible for retraining, salary protection or reinstatement priority rights;
- If appointment to a lower level position, salary protected until appointed or deployed to a position with a maximum rate of pay equal to or higher than that of the surplus position;
- Also if to a lower level, a Reinstatement Priority for reappointment to a former level;
- If needed, retraining is provided (Part IV).

Employee Refuses RJO

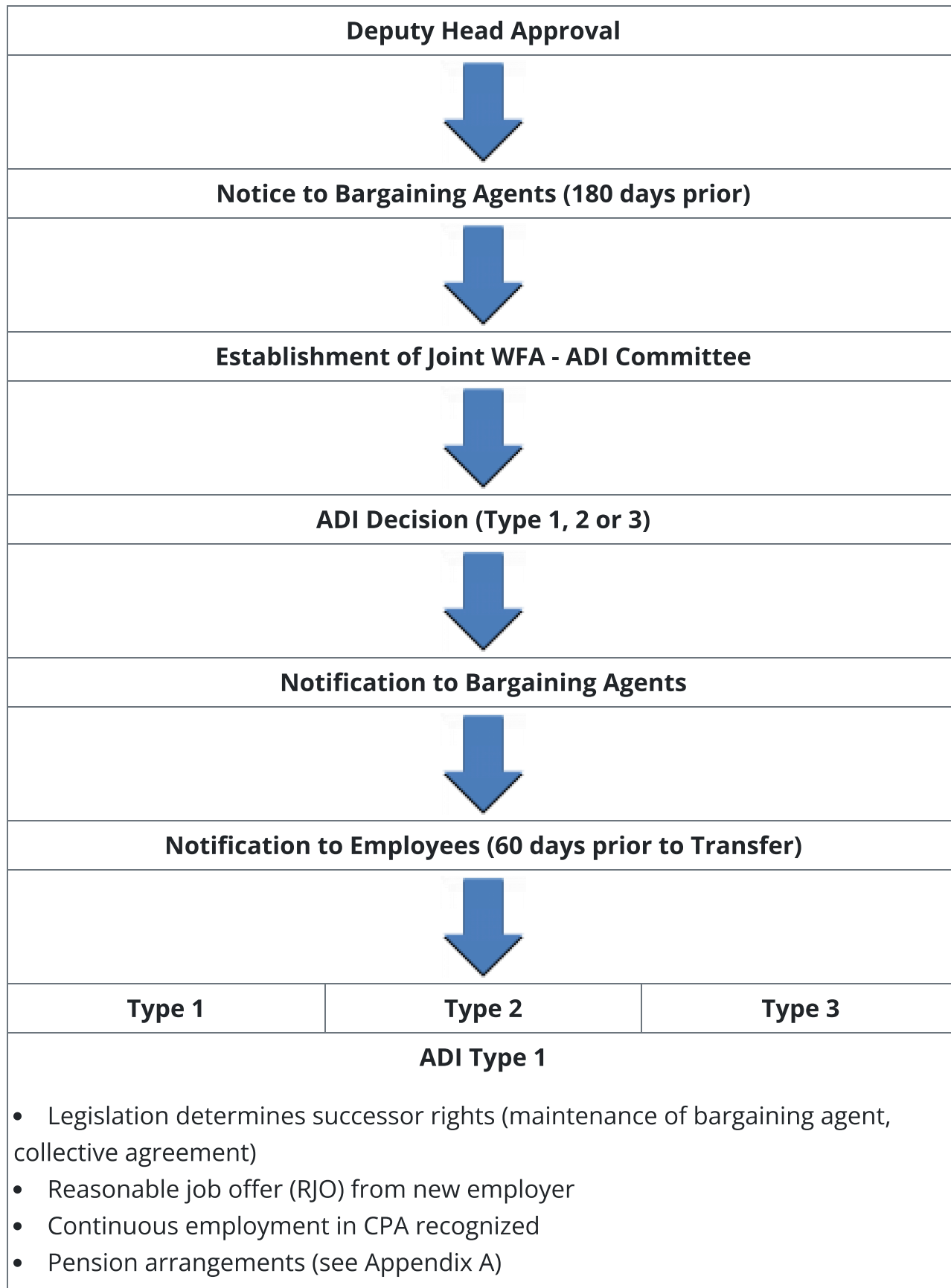
- Laid-off but not sooner than 6 months from beginning of surplus period;
- 1 month lay-off notice required;
- Lay-off priority for 1 year;
- Severance pay at lay-off rate;
- No access to lump-sum amounts nor pension waiver.

No RJO Received within 12 Month Surplus Period

- Lay-off notice at least 1 month before the scheduled lay-off date;
- Lay-off priority rights for appointment to positions in the CPA for 1 year following lay-off date;
- If applicable, eligible for retraining, salary protection or reinstatement priority entitlements.

Appendix E - Alternative Service Delivery Initiative (ADI) Process

The flowchart serves as an information guide only.



- Core benefits offered: health benefits, long-term disability and dental plan
- Transfer of sick leave credits up to maximum qualifying period for new employer's long-term disability insurance
- 2-year employment guarantee by new employer



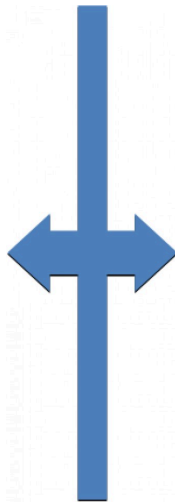
60 days to Consider Job Offer

Accepts RJO

- 3 months' lump sum if pension criteria not met
- If new employer recognizes years of service for severance pay purposes: CPA portion paid out at time of transfer if employee is entitled under his/her collective agreement.
- Option to carry over unused annual leave credits (new employer must agree)
- Termination on date of transfer or other date for operational reasons

Refuses RJO

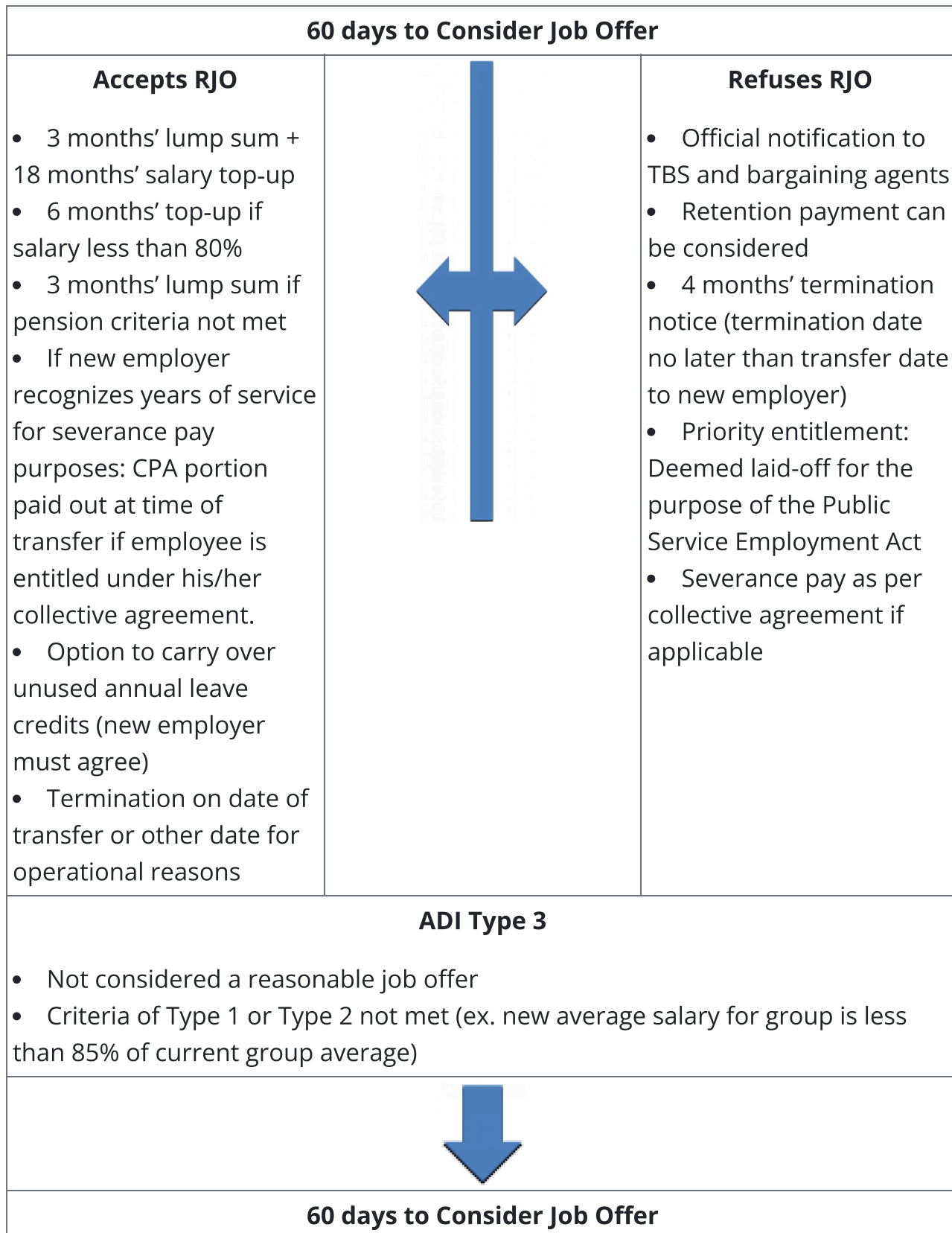
- Official notification to TBS and Bargaining agents
- Retention payment can be considered
- 4 months' termination notice (termination date no later than date of transfer)
- Priority entitlement : Deemed laid-off for the purpose of the *Public Service Employment Act*
- Severance pay as per collective agreement if applicable

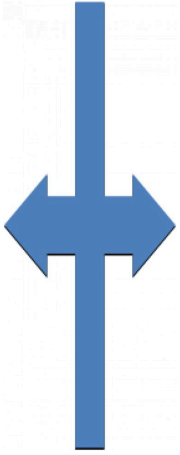


ADI Type 2

- Reasonable job offer (RJO)
- New average salary of group of employees between 85% and 100% of current average salary
- Pension arrangements (see Appendix A)
- Health benefits, long-term disability and dental plan
- Short-term disability insurance arrangement
- 2-year employment guarantee by new employer





Accepts Offer		Refuses Offer
<ul style="list-style-type: none"> • 6 months' lump sum • Severance pay as per collective agreement • Option to carry over unused annual leave credits (new employer must agree) • Termination on date of transfer or other date for operational reasons 		<ul style="list-style-type: none"> • 4 months' termination notice (end date no later than transfer date) • Declared opting or surplus with a GRJO • Priority entitlements (surplus/laid off as applicable) • Severance pay at layoff rate as per collective agreement

Appendix F - Role of PSC in Administering Surplus and Lay-off Priority Entitlements

1. The PSC will refer surplus employees and laid-off persons to positions, in all departments, organizations and agencies governed by the PSEA, for which they are potentially qualified for the essential qualifications, unless the individuals have advised the PSC and their home departments or organizations in writing that they are not available for appointment. The PSC will further ensure that entitlements are respected and that priority persons are fairly and properly assessed.
2. The PSC, acting in accordance with the Privacy Act, will provide the Treasury Board Secretariat with information related to the administration of priority entitlements which may reflect on departments' or organizations' and agencies' level of compliance with this Directive.
3. The PSC will provide surplus and laid-off persons with information on their priority entitlements.
4. The PSC will, in accordance with the Privacy Act, provide information to bargaining agents on the numbers and status of their members who are in the Priority Information Management System and, on a service-wide basis, through reports to the National Joint Council's Work Force Adjustment Committee.
5. The PSC will ensure that a reinstatement priority is given to all employees who are appointed to a position at a lower level.
6. The PSC will, in accordance with the Privacy Act, provide information to the Employer, departments or organizations and/or bargaining agents on referrals of surplus employees

and laid-off persons in order to ensure that the priority entitlements are respected.

Public Service Commission "Guide on Priority Entitlements": <https://www.canada.ca/en/public-service-commission/services/information-priority-administration/public-service-commission-guide-priority-administration.html>

Related Links
Appendix A - Statement of Pension Principles
Appendix B - List of Bargaining Agents Subject to this Directive
Appendix C - Transition Support Measure (TSM)
Appendix D - Key Elements of the Workforce Adjustment Directive
Appendix E - Alternative Service Delivery Initiative (ADI) Process
Appendix F - Role of PSC in Administering Surplus and Lay-off Priority Entitlements