BY-LAW NUMBER 1988-252

A BY-LAW TO ESTABLISH AN ALTERNATIVE SALARY PROTECTION PLAN FOR VARIOUS EMPLOYEES OF THE CORPORATION OF THE CITY OF PETERBOROUGH

WHEREAS Section 208, subsection 47 of The Municipal Act, R.S.O. 1980, provides that by-laws may be passed by the Councils of all municipalities for establishing a plan of sick leave credit gratuities;

AND FURTHER WHEREAS Section 208, subsection 48 of the said Act provides that by-laws may be passed by the Councils of all municipalities to contract for the provision of group sickness insurance for employees;

AND WHEREAS the Corporation of the City of Peterborough presently has in effect a plan providing for sick leave payment, and the establishment of sick leave credits as prescribed in By-law 4833, as amended, and as altered, or modified in Collective Agreements between the Corporation and various trade unions;

AND FURTHER WHEREAS the Council of the Corporation of the City of Peterborough herein deems it appropriate and desireable to establish an alternative salary protection plan for various employees of the Corporation of the City of Peterborough;

THEREFORE, THE CORPORATION OF THE CITY OF PETERBOROUGH, BY ITS COUNCIL HERExIN ENACTS AS FOLLOWS:

SECTION 1 - DEFINITIONS & INTERPRETATION

1.0 Definitions

In this By-law, the following words or phrases shall have the following definitions:

a) "City" means the Corporation of the City of Peterborough;

b) "Disability" includes any illness caused by alcoholism or drug addiction.

c) "Employee" means a salaried officer, clerk, workman, servant or other person in the employ of the municipality, and refers to a "full-time" employee in regard to the application of the plan.

d) "Part-time Employee" means an employee who works in a job which is classified by the City as being "part-time" in nature, and includes those individuals who are:
1) employed on a seasonal basis;
2) employed for casual jobs; or
3) do not work more than 24 hours per calendar week on behalf of the City.

e) "Full-time Employee" means an employee who is classified as a full-time employee by the City and who is not a part-time employee.

f) "Personnel Director" means the Personnel Director of the City;

g) "Province" means the Province of Ontario;

h) "Salary Protection Plan" or "Plan" means the plan as described and defined by this by-law;

i) "trade union" for the purposes of this by-law means a trade union recognized by Provincial Law and includes an Association such as a Fire Fighters' or Police Association.

j) "Treasurer" means the Treasurer of the Corporation of the City of Peterborough.

k) "By-law 4833" means the By-law of the City being By-law 4833, as amended by By-laws 4938, 5117, 5172, and 5260.

l) "work week" for the purpose of the Salary Protection Plan means a "work week", as defined:
   a) by the personal service agreement between the City and employee; or
   b) by the Collective Agreement if the employee is a member of a trade union which has a collective agreement with the City; or
   c) if not defined by Agreement, then as prescribed by the Personnel Manual as approved by the City.

1.1 Interpretation

a) The preambles, as they appear in the text of this By-law, express the intent and policy of Council and shall be interpreted as such pursuant to the provisions of The Interpretation Act.

b) The singular includes the plural, and the masculine includes the feminine, wherever the same applies within the context of this By-law.
SECTION 2 - CREATION AND ESTABLISHMENT OF AN ALTERNATIVE SALARY PROTECTION PLAN FOR VARIOUS EMPLOYEES OF THE CITY.

2.0 a) A salary protection plan is herein created and established by the City in accordance with the terms and provisions of this by-law.

b) The terms and provisions of the salary protection plan shall be administered and applied in accordance with the terms and provisions of this By-law.

SECTION 3 - APPLICATION OF THE PLAN

3.0 a) The Plan shall only apply to full-time employees of the City.

b) Only full-time employees are entitled to the receipt of compensation payments pursuant to the Plan, unless otherwise stipulated in this By-law.

3.1 Mandatory Application of the Plan to Various Employees

a) Full-time employees of the City who are not members of a trade union which have a valid collective agreement with the City and who commenced their term of full-time employment with the City after the 1st day of August, 1985 for the purposes of the replacement Plan shall be deemed not to have participated in the prior sick leave accumulation plan from the date of their employment with the City.

b) All new full-time City employees who are not members of a trade union (which has an Agreement with the City) shall participate in the Plan effective October 18, 1988.

c) By-law 4833 of the City, as amended, is herein deemed to be further amended and modified to give effect to this By-law.

3.2 Participating Aspect of the Plan for Various Employees

1) The Plan shall be applicable to all other full-time employees of the City (except those described in Section 3.1) who:

   a) are not members of a trade union which has a collective Agreement with the City and who elect to participate in the Plan by filing with the Personnel Director an election, in writing, to participate in the Plan, or

   b) are members of a trade union which has a collective agreement with the City, and who are deemed to be participants in the Plan as evidenced by a provision in the Collective Agreement made between the City and the trade union, wherein the membership, or any class or group of them, are covered by the Plan.
Amended by 1991-251 and 02-025

2) Employees who participate in the Plan as prescribed in Section 3.2(1) shall not be covered by the sick leave plan described by the provisions of By-law 4833 as amended by By-laws 4938, 5117, 5172 and 5260.

3) Employees who participate in the Plan as prescribed in Section 3.2(1) shall have their vested credits under By-law 4833 disposed of by electing either Option A or Option B as described in Appendix "A" to this By-law. This provision shall not apply if a trade union enters into a collective agreement with the City, and such agreement selects and identifies one of the two options ("A" or "B") on behalf of all of its membership. In such a case, the employee who is a member of that trade union shall have any vested credits disposed of in accordance with the provision recited in the collective agreement.

4) Employees who elect either Option "A" or "B" in accordance with Section 3.2(3) of this By-law shall indicate their election in writing to the Personnel Director on the form attached as Appendix "B" to this By-law. An employee is deemed not to be a participant in the Plan unless and until the said Sick Leave Option Sheet is signed by him/her and provided to the Personnel Director by the employee.

SECTION 4 - PLAN NOT APPLICABLE

4.0 Work-Related Accidents: Plan Not Applicable

a) The Short-Term Disability Benefits of the Plan shall not apply nor be applicable, when the full-time employee is absent from work due to a compensable accident or illness as provided pursuant to The Workers' Compensation Act (Ontario), or successor legislation. The Long Term Disability Benefits portion of the Plan will provide 24 hour coverage of eligible disabilities including those arising from occupational accidents or illnesses. The Long Term Disability benefits will, however, be offset by payments in respect of the same disability received from The Worker's Compensation Act (Ontario), or successor legislation.

b) Where an employee suffers an injury while gainfully employed with an employer other than the City, such employee shall be excluded from the plan for the period of the absence resulting from the injury.

4.1 Pregnancy Leave - Plan Not Applicable

a) These plans do not cover disabilities of claims resulting from any period of disability during a specified period of maternity leave of absence. The maternity leave of absence for which benefits are not payable will be:
any period of formal maternity leave taken by an employee pursuant to mutual agreement between the employee and the City, or
any period for which any employee is eligible, or would have been eligible upon proper application, to collect Unemployment Insurance maternity benefits.

4.2 Other Absences Otherwise Covered By Compensation Payments From the City, Province or Federal Government

a) When an employee is absent from work in regard to sickness, illness, or disability, and such leave is otherwise covered by compensation paid by the City, Province or Federal Government, then the Plan is not applicable, unless mandated by law.

4.3 Other Circumstances/Plan Not Applicable

4.3 The Plan shall not apply when:

a) The absence is caused by intentionally self-inflicted injuries; or

b) The absence relates to disability caused by injuries or illness directly related to service in the armed forces; or other type of military service;

4.4 That part of the Plan related to Long Term Disability shall not apply if the disability relates to an occurrence or event which is not insured under the Long Term Disability Plan.

SECTION 5.0 - FUNDING OF THE PAYMENT OF SICK LEAVE CREDITS

a) The Treasurer shall pay to participating employees of the Plan the compensation payable to them in regard to the termination of accrued sick leave credits, in accordance with:

i) the mode of payment as prescribed in Appendix A; and
ii) in accordance with By-law 4833; and
iii) as prescribed by The Municipal Act.

b) The Treasurer shall set aside appropriate monies in a reserve account in order to provide payment to the various employees as specified in this By-law, or otherwise take all appropriate measures to provide for payment as described in Section 5.0(a).

c) The Treasurer shall advise the City Council, in each budget estimate for the succeeding year, of the total vested liability under the existing sick leave plan created by By-law #4833.

SECTION 6.0 - TERMS AND CONDITIONS OF THE SALARY PROTECTION PLAN

a) Employees who participate in the Plan (as described and defined in Section 3) shall be entitled to the receipt and payment of the following benefits in accordance with the conditions and criteria recited herein:
SHORT TERM DISABILITY BENEFITS

1. A person is deemed to be disabled for the purposes of short term disability if they are incapacitated by illness, or disability in such a manner so as to prevent them from substantial performance of their own job, trade, or occupation which they hold with the City.

2. Disability benefits shall be paid to eligible employees in accordance with the following criteria:

<table>
<thead>
<tr>
<th>Length of Service (Seniority)</th>
<th>100% of Salary</th>
<th>75% of Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months but less than 1 year</td>
<td>1 week</td>
<td>16 weeks</td>
</tr>
<tr>
<td>1 year &quot; &quot; &quot; 2 years</td>
<td>2 weeks</td>
<td>15 weeks</td>
</tr>
<tr>
<td>2 years &quot; &quot; &quot; 3 years</td>
<td>3 weeks</td>
<td>14 weeks</td>
</tr>
<tr>
<td>3 years &quot; &quot; &quot; 4 years</td>
<td>4 weeks</td>
<td>13 weeks</td>
</tr>
<tr>
<td>4 years &quot; &quot; &quot; 5 years</td>
<td>5 weeks</td>
<td>12 weeks</td>
</tr>
<tr>
<td>5 years &quot; &quot; &quot; 6 years</td>
<td>7 weeks</td>
<td>10 weeks</td>
</tr>
<tr>
<td>6 years &quot; &quot; &quot; 7 years</td>
<td>9 weeks</td>
<td>8 weeks</td>
</tr>
<tr>
<td>7 years &quot; &quot; &quot; 8 years</td>
<td>11 weeks</td>
<td>6 weeks</td>
</tr>
<tr>
<td>8 years &quot; &quot; &quot; 9 years</td>
<td>13 weeks</td>
<td>4 weeks</td>
</tr>
<tr>
<td>Over 9 years</td>
<td>17 weeks</td>
<td>0 weeks</td>
</tr>
</tbody>
</table>

* For the purpose of this Plan, "salary" means the amount of money to be paid to the employee as established on the first date of absence, or, as modified by City Council.
* Service is deemed to commence with the first day of full-time employment with the City.
* "Month" or "Year" refer to calendar months and calendar years. "Week" is defined in Section 1(1).

3. For the purpose of this Plan "seniority" or "length of service" shall mean the length of service of an employee as a full-time employee. It shall be calculated on the basis of work weeks provided as a full-time employee for the City.

4. A person is deemed to be "disabled" for the purpose of the Plan if he/she is unable to perform their occupation due to accident or sickness.

5. A person's entitlement to the receipt of 100% of salary shall be based on a calendar year. As such, each eligible employee's allotment of 100% salary reimbursement shall be automatically renewed on the first working day of each calendar year, provided that the employee is actively working for the City on that day, or subsequently returns to active work for the City. Employees disabled and collecting short-term or long-term disability benefits on the first working day of each calendar year, would not be entitled to their new allotment of 100% weeks until they have returned to work on a medically certified full-time basis and are completely able to perform all the material and substantial duties of their regular occupation.
6. Successive absences from work due to the same disability would be considered to be in the same period of disability unless separated by ten scheduled consecutive work days.

7. The following cost containment medical eligibility requirements are applicable to the short-term disability plan:

i) Employees on temporary lay-off or on an employer-approved leave of absence will continue to be covered for disability benefits on a premium paying basis. It should be noted, however, that no benefits will be payable during the time the employee is not actively at work due to such lay-off or leave of absence, although the period from the date of disability will be considered for the purposes of the applicable elimination period.

ii) A certificate must be provided by the employee from a duly recognized medical practitioner, stating that the employee is unable to perform his/her duties and indicating the probable duration of the illness. This certificate would only be required for any absence of more than three consecutive working days, or for one working day prior to or following a paid holiday, which is to be charged as sick leave. Failure to produce the required certificate(s) within five working days of the date of disability may result in the uncertified days of absence being charged as leave without pay.

iii) More than seven days of accumulated uncertified absence within a calendar year shall be charged as sick leave without pay. The absence need not relate to a continuous period of absence.

iv) In any case of prolonged illness or recurring disability, the employee shall submit periodic reports on his/her condition, as the City may request in writing.

v) The City, may at its discretion, have the right to have any employee examined by a qualified City appointed medical practitioner if the same is required by the City in writing in regard to any claim made under the Plan.

**LONG-TERM DISABILITY BENEFITS**

In conjunction with the short-term disability benefits the City shall provide 24-hour coverage long-term disability benefits for all eligible employees. 100% of the required premium shall be paid by the City. A benefit level of 75% of monthly earnings to a monthly maximum benefit of $5,000 would be payable to retirement or age 65 (whichever is earlier). Benefits for eligible disabilities shall be payable after a waiting period of 17 continuous weeks (when short-term disability benefits terminate) subject to the terms and conditions of the Master Long Term Disability insurance contract.
SECTION 7

7.0 Continuation of Other Benefits While Disabled

a) The City shall pay and keep in force 100% of the cost of O.H.I.P., Semi-Private Hospital, Extended Health and Dental Care benefits for the first two years of long-term disability payments. In addition, the City shall extend such coverage for employees, remaining disabled within the terms of the long-term disability contract for an additional year for each year of full-time employment with the City in excess of two years.

b) The benefits recited in Section 7.0(a) shall remain in effect when an employee is a recipient of short-term benefits pursuant to the Plan.

SECTION 8 - SENIORITY AND JOB SECURITY

a) Seniority, vacation entitlement and job security shall continue for disabled employees qualifying for short-term and long-term disability benefits subject to the following restrictions:

i) Vacation entitlement would continue when the employee qualifies and is receiving short-term disability benefits only; and

ii) A position will be held available for an employee for a period of up to one calendar year from the initial date of disability which necessitates continuous absence from employment.

SECTION 9.0 - NO ACCRUED CREDITS

a) No sick leave credits shall accrue under the Plan.

SECTION 10.0 - CITY'S RIGHT TO SELECT INSURER

The City retains the exclusive right to select the Insurer or carrier in respect of the Long Term Disability benefits, or provide for a self-insured City plan.

SECTION 11.0 - COMMENCEMENT OF THE PLAN

a) The Plan shall be created, administered, and benefits paid in accordance with the Plan commencing on the first calendar day following passage of this By-law by City Council for the City.
SECTION 7

7.0 Continuation of Other Benefits While Disabled

a) The City shall pay and keep in force 100% of the cost of O.H.I.P., Semi-Private Hospital, Extended Health and Dental Care benefits for the first two years of long-term disability payments. In addition, the City shall extend such coverage for employees, remaining disabled within the terms of the long-term disability contract for an additional year for each year of full-time employment with the City in excess of two years.

b) The benefits recited in Section 7.0(a) shall remain in effect when an employee is a recipient of short-term benefits pursuant to the Plan.

SECTION 8 - SENIORITY AND JOB SECURITY

a) Seniority, vacation entitlement and job security shall continue for disabled employees qualifying for short-term and long-term disability benefits subject to the following restrictions:

i) Vacation entitlement would continue when the employee qualifies and is receiving short-term disability benefits only; and

ii) A position will be held available for an employee for a period of up to one calendar year from the initial date of disability which necessitates continuous absence from employment.

SECTION 9.0 - NO ACCRUED CREDITS

a) No sick leave credits shall accrue under the Plan.

SECTION 10.0 - CITY'S RIGHT TO SELECT INSURER

The City retains the exclusive right to select the Insurer or carrier in respect of the Long Term Disability benefits, or provide for a self-insured City plan.

SECTION 11.0 - COMMENCEMENT OF THE PLAN

a) The Plan shall be created, administered, and benefits paid in accordance with the Plan commencing on the first calendar day following passage of this By-law by City Council for the City.

By-law read a first and second time this 17th day of October, A.D., 1988.

Read a third time and finally passed this 24th day of October, A.D., 1988.

[Signatures]

MAYOR

CLERK
Appendix "A" to By-Law 1988-252

Termination of Gratuity Sick Leave Plan and Payment of Accrued Credits:

A.1.0 Employees' vested sick leave credits, as of the date of termination of the existing sick leave plan as defined in Section 3.2 of the By-law shall be dealt with under one of the following options:

OPTION A: The City will pay out to the employee 50% of their accumulated sick day credits up to a maximum of six months' salary (130 working days). Such payment will be individually negotiated and will be paid over a period of up to five years. Payouts will be based upon the earnings in effect on the date of termination of the existing sick leave gratuity plan. Payments may also be amortized over a period longer than five years upon the employee's request.

OPTION B: The employee may leave their sick leave credits vested with the City until the earlier of termination, death or retirement. The value of the sick leave pay-out will be based upon the earnings in effect on the date of termination of the existing sick leave plan.

NOTE 1: An employee shall choose one of the above options on the date of termination of the existing plan. It is understood, however, that an employee will have the right to reconsider this option after one year and two years of implementation of the new plan and thereafter every five years.

NOTE 2: Employees shall have the right to alter their choice of option immediately in the event that the Income Tax Act is amended to allow for a more favourable treatment of lump sum payments.

NOTE 3: Future pay-outs and vested sick leave credits will accrue interest based upon the City's average investment rate of interest for each applicable fiscal year. Interest shall be calculated yearly and shall be based on the average rate applicable for the fiscal year.

NOTE 4: Employees at their option could utilize any accumulated days not paid out under Option A or their vested days under Option B by:
   a) a top-up of the new short-term disability benefits to 100% of their pre-disability earnings on a pro-rata basis.
b) a top-up revised or new long-term disability benefit to 85% (maximum contractually allowed) of pre-disability earnings on a pro-rata basis.

c) agreeing to buy back pension credits after returning to work on a active full-time basis.

d) to extend the waiting period of the long-term disability benefit.

NOTE 5: Excess days under Option A, (accumulated days in excess of 260 days) would be retained for top-up purposes or to extend the long-term disability waiting period.

NOTE 6: Retiring employees will be entitled to sick leave provisions as set out in Section 17 By-law 4883 as amended by By-law 5260 subject to the following conditions:

- only employees that have not received the maximum pay-out under point #1, Option A would be eligible;

- the maximum entitlement would be equivalent to six months earnings based on the daily rate of pay that was in effect on the termination date of the sick leave plan plus applicable accrued interest.
APPENDIX "B" TO BY-LAW NUMBER 1988-252

OPTION SHEET

DISPOSITION OF SICK LEAVE CREDITS

NAME:

OPTION "A" - (TO CASH OUT OVER A PERIOD OF TIME)

(____) I hereby elect Option "A"

OPTION "B" - (TO LEAVE IT VESTED AND RECEIVE INTEREST)

(____) I hereby elect Option "B"

__________________________________________  __________________________________________
SIGNATURE                                      DATE
THE CORPORATION OF THE CITY OF PETERBOROUGH

BY-LAW NUMBER 91-251

BEING A BY-LAW TO AMEND BY-LAW 1988-252 ENTITLED 'A BY-LAW TO ESTABLISH AN ALTERNATIVE SALARY PROTECTION PLAN FOR VARIOUS EMPLOYEES OF THE CORPORATION OF THE CITY OF PETERBOROUGH

THE CORPORATION OF THE CITY OF PETERBOROUGH BY THE COUNCIL THEREOF HEREBY ENACTS AS FOLLOWS:

1. That Section 4.0(b) of By-law 1988-252 is hereby repealed.

By-law read a first and second time this 7th day of October, 1991

By-law read a third time and finally passed this 7th day of October, 1991.

[Signatures]

MAYOR

CLERK
THE CORPORATION OF THE CITY OF PETERBOROUGH

BY-LAW NUMBER 02-025

BEING A BY-LAW TO AMEND BY-LAW NUMBER 1988-252 BEING A BY-LAW TO ESTABLISH AN ALTERNATIVE SALARY PROTECTION PLAN FOR VARIOUS EMPLOYEES OF THE CORPORATION OF THE CITY OF PETERBOROUGH

THE CORPORATION OF THE CITY OF PETERBOROUGH BY THE COUNCIL THEREOF HEREBY ENACTS AS FOLLOWS:

1. That the Long-Term Disability Benefits Section of By-law 1988-252 be amended to delete the words "$5,000" and substituting therefore the figures "$ 8,000.

By-law read a first and second time this 11th of February, 2002

By-law read a third time and finally passed this 11th day of February, 2002

Sylvia Sutherland, Mayor

Steven Brickell, City Clerk