

Agreement Between

McMaster University ("the University")
and
CAW Local 555 ("the Union")
("the Parties")

RE: Joint Job Evaluation System Implementation and Retroactivity

WHEREAS:

- The parties undertook to develop a fair, equitable, transparent and understandable job evaluation system,
- More time was required for this joint project than the ambitious objective the parties set for themselves of June 2005,
- The parties agreed that the maximum value of the implementation of the job evaluation results would be 2.0% of the value of 2004/05 wages,
- The parties developed their new Joint Job Evaluation System (JJES), have completed the required ratings, and are at the point of implementing the results,
- The parties are desirous of expeditiously disbursing, to Employees in positions for which the grade has increased as a result of the ratings, the value of the accumulated retroactivity, and
- The parties are desirous that Employees begin to have their wages administered according to the results of applying the JJES.

THE PARTIES HAVE THEREFORE AGREED THAT:

- 1) The results of applying the JJES will be implemented effective April 16, 2007 (the "Implementation Date").

Method of Payment of Retroactivity

- 2) The money previously committed for implementation of the results of applying the JJES on the initial target date of June 16, 2005 will form a Pool to be shared amongst i.) Employees currently holding positions for which the grade has been determined to have increased as a result of implementing the JJES and ii.) Employees who held positions at the time they left the employ of the University by retirement, or by Redundancy and who are currently on layoff with Recall rights or on unpaid Priority Placement, for which the grade has been determined to have increased as a result of implementing the JJES.
For clarity, former Employees who voluntarily resigned their employment, who transferred permanently out of the CAW bargaining unit, or who received a Severance payment pursuant to the Redundancy provisions of the collective agreement or any other agreement, are not eligible for Share payment.

- 3) Shares in the Pool will be determined based on the number of grades by which the value of the position has increased as a result of applying the JJES. One "Share" will be provided for each grade that the position has increased in value. The difference between "grade 12" and "grade 12 plus Market Adjustment" (per #13 below) will be counted as a grade for these purposes.
- 4)
 - a.) Current Employees who began employment in the bargaining unit after June 15, 2005 and who are eligible for (a) share(s) will be paid their share(s) pro-rata to the length of their employment in the bargaining unit.
 - b.) Employees who are eligible for (a) share(s) who retired after June 15, 2005 but before April 15, 2007 will be paid their share(s) pro-rata to the time between June 15, 2005 and their retirement date.
 - c.) Employees who are eligible for (a) share(s) who are currently on lay-off or unpaid priority placement will be paid their share(s) pro-rata to the length of their employment between June 15, 2005 and the expiry of their Notice period.
 - d.) Employees who are currently on Long Term Disability who were in positions at the outset of their Salary Continuance elimination period for which the grade increased as a result of applying the JJES will be paid their pro-rata Share(s) based on the time between June 16, 2005 and the outset of their Salary Continuance elimination period. Receipt of such a pro-rata Share will not affect the Employee's base wage rate for calculation of LTD benefits.
 - e.) Employees who regularly work (or worked) less than 910 hours per year whose grade increased as a result of applying the JJES will receive one-half of their full or pro-rata Share(s) for which they are otherwise eligible.
 - f.) Employees who were in a position for which the grade increased as a result of applying the JJES, and continued to hold this position until at least December 16, 2005, and who subsequently moved from this position and do not otherwise qualify for (a) Share(s), will receive a pro-rata Share based on the length of time they held the initial position between June 16, 2005 and the date that they moved out of this position.

"Pro-rata" in all cases will be calculated on the basis of months of service, with any portion of a month counted as a full month.

- 5) The value of 2.0% of wages for the bargaining unit, based on the period from June 16, 2004 to June 15, 2005, is \$1,648,421.90. This is the Pool.
- 6) The total number of Shares in the Pool will be totaled, including pro-rata shares and Reserve Shares (see #9 below). The total number of Shares will be divided into the Pool amount to determine the *base* dollar value of a Share. The *total* dollar value of a Share will be determined by multiplying the base value of a Share by the factor 1.833, representing the 22 months (1.833 years) that have

elapsed between June 16, 2005 and the Implementation Date. This calculation is summarized in the following formula:

$$\frac{\$1,648,921.90}{\text{Total \# of Shares, Pro-rata Shares \& Reserve Shares}} = \text{Base \$ Value of 1 Share} \times 1.833 = \text{Total \$ Value of 1 Share}$$

- 7) The total dollar value of a Share will be calculated on this basis after March 9, 2007, including those jobs for which ratings are finalized by March 9, 2007. This calculation will be confirmed with the Union. The parties will review and finalize the calculation of the base and total Share dollar value amounts and the list of Employees eligible for (a) Share(s) or pro-rata Share prior to the disbursement of these payments. The parties will also develop a finite list of those Employees described in #9 (ii) below.
- 8) The target date for making Share payments to eligible Employees is April 15, 2007. Share payments will be taxed in accordance with Canada Revenue Agency tax rules. For clarity, this means the "bonus tax method" for current Employees and the "minimum tax method" for those not currently in receipt of wage payments. The University will, to the extent permitted by law and particularly under the *Income Tax Act*, cooperate with Employees who advise the University by March 30, 2007 that they prefer payment of the full value of their Share(s), net of Statutory deductions, to a single RRSP account. Payment under such an arrangement will occur as soon as it can be processed after April 15, 2007

Receipt of a Share payment will not affect pension payments currently being received or future pension eligibility or calculation. Receipt of a Share payment will not affect future calculation of Severance payments.

For clarity, the Employee's wage rate after April 15, 2007 (post-implementation) will be used for future pension and severance payment calculations.

- 9) 50 Shares will be added to the denominator of the Share value calculation and reserved for payment of Share values to: i) Employees in situations agreed by the JJE Steering Committee to be anomalous circumstances which come to the parties' knowledge after the disbursement of the Pool and which reasonably fall within the principles of this agreement, and ii) Employees in positions for which a completed JCQ was received prior to April 16, 2007 but for which the rating process was not completed in time for the April 15, 2007 Share payment date and for which it is ultimately determined that the position is eligible for (a) Share(s).

Employees in positions for which a JCQ is submitted after April 15, 2007 will be administered based on the date of receipt of the JCQ.

Any monies remaining in this Reserve after all JCQs in (ii) above have been finally rated will be the subject of discussions between the parties to determine the distribution of the remainder to Employees. In the event that more than the 50 Share Reserve is required, the University will fund up to the total value of 20 additional Shares and the parties will determine the disbursement of these funds.

With these payments made to eligible recipients the parties agree that the payment of retroactivity of the implementation of the JJES will be complete and fully discharged. Once all disbursements are made under this agreement, no further retroactive payments will be required to any Employee for any reason as a result of the implementation of the JJES.

Go-forward Implementation of JJE Results

10) From April 16, 2007 forward, payment for the application of the results of applying the JJES will be achieved through the wage administration of Employees in the wage grades for which their position is valued.

11) Effective from April 16, 2007*, Employees will be placed into the wage grade determined by the results of applying the JJES. For Employees whose position is placed in a new grade that is higher than the grade into which the position was formerly evaluated, the promotion rules set out in Article 21.05 of the collective agreement will be used to determine the appropriate Step placement for the Employee in the new grade.

NOTE: Article 21.05 stipulates a maximum increase/placement of Step 10 in the new higher grade. Employees affected by this placement who are paid above Step 10 in their current grade and whose wage rate is above Step 10 in their new higher grade will maintain their current wage rate as "over" Step 10 of their new grade and be administered for future increases per #17 below.

12) Effective April 16, 2007, the current wage rate of Employees whose positions are placed by application of the JJES into a new grade that is lower than the grade into which the position was formerly evaluated will be "rate protected" at their April 16, 2007 wage rate*. This means that they will maintain their "rate protected" wage rate until such time that the highest Step rate in the new lower grade that is at or lower than their "rate protected" wage rate exceeds the "rate protected" wage rate. At this point the Employee's wage rate will be moved to this Step in the new lower grade.

* For clarity, Employees whose anniversary date for Step progression is April 16, 2007 will first receive their Step progression before the application of a wage increase or "rate protection" according to ## 11 and 12 above.

13) Employees whose position is in grade 12 as of the April 16, 2007 implementation of the results of the JJES and whose position has been valued as 755 points or more on the JJES will have a "Market Adjustment" of 10% added to their grade

12 Step rate, administered in accordance with Article 21.03(h). For the purposes of Article 21.03(g) this adjustment will not be discontinued during the term of the current collective agreement. These adjustments will not be included among the maximum per annum adjustments under Article 21.03(h) of the collective agreement.

For clarity, Employees whose position is in grade 12 as of the April 16, 2007 implementation of the results of the JJES and whose position has been valued as 755 points or more on the JJES will progress on their anniversary date through the grade 12 steps as per Article 21.03(b). The 10% "Market Adjustment" will be applied to each such step.

- 14) Employees whose position is in a grade that does not change after applying the results of the JJES will be maintained in their current grade and Step placement. The parties will review and finalize the specific changes effected through ## 11, 12, & 13 above prior to communicating these results of the JJES to Employees and Managers.
- 15) No Employee will suffer a reduction in their current wage rate as a result of the application of the JJES.
- 16) New grade and step placements under the provisions of either Article 21.05 or through "rate protection" will not affect an Employee's anniversary date for the purposes of Step movement.
- 17) If the placement of an Employee within a grade results in a wage rate that is above Step 10 of the grade, the Employee's wage increase(s) will be administered as a lump sum payment as provided in Article 21.04 and Appendix III of the collective agreement.
- 18) After placement due to the results of applying the JJES is completed, payments for any on-going Additional Duties or for Career Growth placements, under Article 21.08 and 19 of the collective agreement respectively, will be re-calculated, consistent with #15 above.
- 19) After placement due to the results of applying the JJES is completed, payments for any Market Adjustment, under Article 21.03 (f)&(h) of the collective agreement, will be re-calculated. In the event that the Market Adjustment is changed or no longer required, appropriate notice will be given under Article 21.03(g).
- 20) The parties have agreed on the following grade level boundaries. This chart replaces the chart in Appendix IV, #2 of the collective agreement and the reference to "June 16, 2003" in paragraph 3 of Appendix IV will be changed to "April 16, 2007".

GRADE	From & Including	To
1	0	204.9
2	205	254.9
3	255	304.9
4	305	354.9
5	355	404.9
6	405	454.9
7	455	504.9
8	505	554.9
9	555	604.9
10	605	654.9
11	655	704.9
12	705	1000

21) The parties will prepare and post a new Pay Equity Plan for this bargaining unit that is premised on the JJES. Jobs in each new grade will be considered to be “equal or comparable” to each other for the purposes of Pay Equity. The parties will identify the male job class for each grade that will be used as the male job class comparator for each grade. In the event that a male job class does not occur in a grade, the Proportional Value method will be used to identify the PV job rate for such a grade and the parties will determine the job rate for such a grade.

22) Job Class Grouping

Following implementation, the JJESC will meet to assess which jobs should be grouped as a job class based on the principles already used for initial examination of job classing and any other principles the JJESC may determine to be appropriate. In the event that a position changes grades as a result of job classing the attendant change in wage rate will be implemented effective from the date of the determination of the job class at JJESC.

23) While the parties reserve the ability to address errors which come to their attention, implementation of the JJES through the use of the principles, rules and provisions of this agreement fulfills the requirements of the collective agreement in these regards. Without limiting the generality of the foregoing, this includes: 1) the provisions of Appendix III to the collective agreement at #3, third bullet point and its footnote “2”, and 2) the parties will work under the Letter of Understanding re “Job Evaluation System Maintenance”. (The Letter of Intent re “Job Evaluation System and Process” remains available for reference purposes).

Signed this 8th day of March, 2007 at the City of Hamilton

For the University

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