



# Policy

<b>Title: NON-UNION EMPLOYMENT TERMS AND CONDITIONS</b>		<b>Number: 8035</b>
<b>Reference:</b> Board of Commissioners September 10, 2007  Administrative Committee March 29, 2017  Administrative Committee November 15, 2018	<b>Adopted by City Council:</b> September 17, 2007	
	City Clerk  	Chief Administrative Officer  
<b>Prepared by: HUMAN RESOURCES DEPARTMENT</b>		

## STATEMENT

WHEREAS, THE CITY OF MEDICINE HAT ("CITY") RECOGNIZES:

1. BOTH THE GROWING DIVERSITY OF THE WORKFORCE AND OUR ORGANIZATIONAL NEEDS.
2. THAT SALARY AND BENEFITS ARE A CRITICAL COMPONENT OF ATTRACTION AND RETENTION OF EMPLOYEES, AND
3. THAT ALL PORTIONS OF BENEFITS PLANS MAY NOT BE EQUALLY VALUED BY THE DIVERSE WORKFORCE.

IN SOME CIRCUMSTANCES IT IS NECESSARY TO OFFER DIFFERENT TERMS AND CONDITIONS OF EMPLOYMENT TO NON-UNION EMPLOYEES.

## PRINCIPLES

1. The City is committed to addressing growing diversity in the non-union workplace while preserving the principles of consistency and fairness.
2. The City's first priority for roles that are continuing and on-going is to enter into a long term employment relationship with employees by offering Permanent Employee status.
3. The City is committed to creating consistency in the paid hours of work while giving due consideration to the nature of operations of the department, associated customer-service expectations and the work schedules of other subordinate staff.
4. The City will employ Temporary Employees for roles that fulfill a short term need but are not recognized as *Difficult to Recruit*.

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5. In situations where a position is proven to be *Difficult to Recruit* and where the prospective employee is prepared to exchange part of the benefits offered to Permanent Employees, the City will consider entering into an employment contract.
  - a. The total value of an employment contract shall not exceed what would normally be available to a Permanent Employee fulfilling the position.
  - b. This Policy and Procedures will not be deemed to change terms and conditions of existing contracts in place at the time this Policy comes into effect.
6. The City recognizes the win-win that can occur when an eligible employee is able to retire and access their earned pension benefits and yet still return to work contributing their skill and expertise to a role required by the City and under parameters that are beneficial to both parties.
  - a. Re-employment of a LAPP pensioner is appropriate when it is necessary to fill a short-term need (i.e., up to 12 months) such as:
    1. To facilitate the transfer of knowledge and the development of a successor or successors to the position.
    2. A unique and high priority project or strategy to which the Retiree's skills are well-suited.
    3. A specific short-term operational requirement that can be best fulfilled by specialized knowledge or ability of the Retiree.
7. Approval to offer an employment contract to either a Re-Employed Retiree or Contract Employee must occur through the Chief Administrative Officer's (CAO's) Office (or Council for its direct reports) with support from Human Resources.
8. All employment contracts for either Re-Employed Retirees or Contract Employees will be developed by Human Resources consistent with the attached procedures.
9. In circumstances where there is a bona fide requirement to structure an employment contract outside of the attached procedures, specific approval of the final contract must come from the CAO and General Manager of Human Resources.

## ROLE OF COUNCIL

1. To receive, review and adopt this policy and any recommended amendments thereto.
2. To approve Employment Contracts for Council's direct reports.

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## 1. DEFINITIONS

- 1.01 Continuous Service: A length of service without any break of greater than ninety (90) days.
- 1.02 Contract Employee: An employee whose terms and conditions of employment are governed by an employment contract with a fixed end date. This does not include Re-Employed Retirees. Employment contracts are generally created when:
- (a) The position is a *Difficult to Recruit Position* and there is an opportunity to fill the position by offering an employment contract to a qualified individual.
  - (b) The position is temporary and funds for the position are provided in whole or in part from a third party to the City and are contingent upon certain conditions being met.
- 1.03 Difficult to Recruit Position: A position within the City that has proven to be difficult to fill through regular recruitment efforts. This is typically characterized by a very low response to recruitment efforts, by the receipt of very low number of applications that meet the minimum requirements of the position, or ultimately the failure to secure qualified candidate.
- 1.04 Employment Contract: A document that specifies the terms and conditions of employment and is agreed to and signed by the City and the Contract Employee or Re-Employed Retiree. All employment contracts must have termination dates.
- 1.05 Non-union Employee Compensation Model: The model used by the City to determine non-union salaries. This model blends the factors of internal relativity (the relative value of job when compared to one another across the City) and market rates.
- 1.06 Permanent Employee: An employee permanently appointed to a permanently established position that has no fixed end date.
- 1.07 Re-Employed Retiree: An employee from the City that creates a break in employment from the City by retiring and having all terms, conditions and remuneration of that employment ended. The retiree then enters into a new employment contract with a fixed end date with the City.
- 1.08 Temporary Employee: An employee that is filling a position that either is a limited term assignment, is a permanent position being temporarily filled, or is a role of whose nature is not yet fully defined by the City and thus not permanently filled. Temporary employment positions by their nature are generally not classified as *Difficult to Recruit*.

## 2. RESPONSIBILITIES

- 2.01 Chief Administrative Officer (CAO)
- (a) Provide the initial approval for the applicable Commissioner and Human Resources to establish an employment contract for all employees reporting directly or indirectly to the CAO.

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- (b) In conjunction with the General Manager of Human Resources, approve any employment contracts for the City that may require terms and conditions outside those approved in this Policy and Procedures.

2.02 Commissioners and General Managers/Department Heads

- (a) After the hiring decision has been made and when circumstances warrant, recommend to the CAO that an Employment Contract be developed.
- (b) Assist Human Resources in the finalization of Employment Contract terms and conditions.
- (c) Track and initiate renewal of existing contracts through Human Resources as appropriate prior to the expiry date.
- (d) Ensure that all obligations outlined under the terms and conditions of employment are fulfilled.

2.03 Human Resources Department

- (a) Provide advice and interpretation of this policy to the CAO, Commissioners and General Managers.
- (b) As per these procedures, develop all written terms and conditions of employment (including written employment offer letters and employment contracts).
- (c) Only extend employment offers and/or contracts that go outside these Procedures after explicit approval from the CAO and General Manager of Human Resources.
- (d) Establish rates of pay for Non-union Temporary Employees.
- (e) Distribute copies of employment contracts and retain an original copy in the personnel file.

3. PROCEDURES

3.01 Employees hired into Non-union positions must be classified into one of the following employment classifications:

- (a) Permanent
- (b) Temporary
- (c) Contract
- (d) Re-employed Retiree

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3.02 Permanent Employees:

- (a) Salary - Shall be governed by the approved Non-union Employee Compensation Model.
- (b) Term of Employment - No fixed end date.
- (c) Benefits - Refer to the Non-union Benefit Plan. A current Summary of Non-Union Benefits is attached to these procedures (Appendix A).
- (d) Pension - Must participate in the Local Authorities Pension Plan (LAPP) as per LAPP eligibility requirements.
- (e) Vacation Benefits - As per Vacation Policy 8017.
- (f) Hours of Work - All full-time Permanent Employees will be deemed for payroll purposes to work a standard 8.0 hour day consisting of 7.25 paid hours and 45 minutes of unpaid rest breaks (part-time permanent employees to be paid for actual hours worked up to 7.25 hours per day). The actual scheduling of working hours and breaks, including consideration of compressed work weeks, shall be determined by the Divisional Commissioner and Departmental General Manager giving due consideration to the nature of operations of the department, associated customer-service expectations and the work schedules of other subordinate staff.
  - (1) Stand-by - As a salaried employee, it is expected that occasionally some overtime, standby or call-out may be required in support of normal operational requirements. In situations, where formal, prolonged or exceptional circumstances arise, additional compensation is available through Policy 8027.

3.03 Temporary Employees:

- (a) Salary
  - (1) If fulfilling the responsibilities of a permanent non-union position as per the Non-union Employee Compensation Model.
  - (2) If fulfilling either a project oriented position or additional position not rated through the Non-union Employee Compensation Model, then as established by Human Resources.
- (b) Term of Employment
  - (1) May be employed on an on-call basis, or
  - (2) May be employed on a term basis.

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- (c) Benefits - Ineligible unless the term of employment is at least twelve (12) full months.
  - (1) Temporary Employees with two thousand (2000) regular hours paid shall be eligible for Alberta health Care and the Employee Assistance Program under the same cost sharing arrangement as Non-union Permanent Employees.
  - (2) Temporary Employees with twelve (12) months of continuous service shall be eligible to participate in the Extended Health Care plan under the same cost sharing arrangement as Non-union Permanent Employees.
- (d) Pension – Ineligible.
- (e) Vacation Benefits - As per Vacation Policy 8017.
- (f) Sick Leave - Temporary Employees with more than two thousand (2000) regular hours paid shall accumulate sick leave at the rate of 0.0692 hours for each regular hour paid to a maximum equivalent of two hundred (200) days.
- (g) Hours of Work – Actual hours to be determined by the operating department up to a standard 8.0 hour day consisting of 7.25 paid hours and 45 minutes of unpaid rest breaks.

#### 3.04 Contract Employees

- (a) The total value of the Employment Contract shall not exceed the sum value that would be payable in terms of salary, benefits, leave and vacation to a Permanent Employee fulfilling the position. Specific terms and conditions will follow those for permanent employees except as outlined below.
- (b) Salary - The salary shall not exceed the salary as determined by the Non-union Employee Compensation Model.
- (c) Term of Contract - Shall generally not exceed 5 years. Contracts may be renewed based upon mutual agreement by the City and the Contract Employee. Any renewals are to be finalized in advance of the term expiry date.
  - (1) Notification of termination clauses shall generally be:
    - One (1) month for contracts up to and including one year
    - Two (2) months for contracts over one year up to and including three years
    - Three (3) months for contracts over three years up and including five years.
- (d) Benefits - Refer to the current Summary of Non-union Benefits (Appendix A).

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- (e) Pension - Contract Employees are ineligible for participation in LAPP.
  - (1) The Contract Employee shall receive a payment in lieu of pension in an amount equivalent to the employer contributions to the Local Authorities Pension Plan (LAPP). This is to be calculated at the time of contract signing and will be adjusted once annually at the time salary adjustments applicable under 3.04(b) are implemented.
- (f) Vacation Benefits:  
As per Vacation Policy 8017
  - (1) The City may negotiate an arrangement by which the Contract Employee may “purchase” additional vacation time in blocks of weeks to a maximum total of six (6) weeks. (As determined by policy 8017 plus additional weeks purchased).
  - (2) Contract Employees shall use their Pay in Lieu of Pension to “purchase” additional vacation weeks and must determine at the time of contract approval, or subsequently at the start of a payroll year, the amount of extra vacation desired.
  - (3) The amount to be deducted from Pay in Lieu of Pension will be calculated by the number of vacation hours purchased multiplied by the annual salary determined in 3.04(b) divided by 1885 hours.
- (g) Contract Employees are not eligible for any additional compensation beyond what is outlined in these policies and procedures.
- (h) Hours of Work – consistent with Permanent Employees (see 3.02(f)).

3.05 Re-Employed Retirees:

- (a) Salary - The salary shall not exceed the monthly salary as determined by the Non-union Employee Compensation Model if the Re-Employed Retiree is fulfilling the duties of an established position. Compensation shall be commensurate with the position being filled and the particular duties being assigned.
- (b) Term of Contract - Normally not to exceed twelve (12) months. In the event that an extension or renewal of the term is necessary, an extension or renewal of up to an additional twelve (12) months may be arranged. Any extensions or renewals are to be finalized in advance of the term expiry date.
- (c) Benefits - Refer to the current Summary of Non-union Benefits – Appendix A.
- (d) Pension - Ineligible.
- (e) Vacation Benefits
  - (1) Vacation entitlement shall be up to but not exceed the entitlement of the employee at the time of retirement. Vacation time must be accrued prior to being taken by the Retiree.

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- (f) General Holidays - The Re-Employed Retiree is eligible for the same general holidays (including the annual “floater” day) that are provided for all non-union employees.
- (g) Sick Leave - Re-Employed Retirees shall accumulate sick leave at the rate of 0.0692 hours for each regular hour paid up to a maximum equivalent of 10 days.
- (h) Re-Employed Retirees are not eligible for any additional compensation beyond what is outlined in these policies and procedures.
- (i) Hours of Work – Actual hours to be determined by the operating department up to a standard 8.0 hour day consisting of 7.25 paid hours and 45 minutes of unpaid rest breaks.

#### 4. APPENDICES

4.01 Appendix A – Summary of Non-Union Benefits (Permanent & Contract Employees).



	Permanent Employees	Contract Employees	Re-Employed Retiree
<p><b>Extended Health Care Plan:</b>                      This plan offers:</p> <ul style="list-style-type: none"> <li>➤ City pays 100% of premiums.</li> <li>➤ Direct billing for 90% prescription drugs with a \$8.00 pharmacy dispensing fee cap and Mandatory Generic drug plan.</li> <li>➤ 100% of hospital, ambulance, home nursing, accidental dental &amp; appliances subject to plan limitations</li> <li>➤ Paramedicals – Naturopath, psychiatrist, physiotherapist, chiropractor, speech therapist, podiatrist and chiroprapist and masseuse - 100% coverage up to \$300/year maximum per practitioner.</li> <li>➤ 100% out of country medical - \$2,000,000 maximum</li> <li>➤ Vision: \$250.00 every 2 years</li> <li>➤ Health Spending Account - \$250/year single coverage or \$500/year family coverage</li> </ul>	✓	✓ No Cash Equivalent	✓ No Cash Equivalent
<p><b>Dental:</b>                      This plan offers:</p> <ul style="list-style-type: none"> <li>➤ City pays 100% of premiums.</li> <li>➤ 100% Basic Dental Services</li> <li>➤ 80% Extensive to \$2,500 annual maximum</li> <li>➤ 80% Endo/Perio to \$1,500 maximum/lifetime</li> <li>➤ 50% Orthodontia to \$2,500 maximum/lifetime</li> <li>➤ Blue Cross usual &amp; customary fee guide</li> </ul>	✓	✓ No Cash Equivalent	✓ No Cash Equivalent
<p><b>Life Insurance: City pays 100% of Premiums</b></p> <ul style="list-style-type: none"> <li>➤ Basic Life - 2 X annual salary to \$250,000 maximum</li> <li>➤ Dependent Life - \$10,000 for Spouse and \$5,000/Child</li> <li>➤ Accidental Death &amp; Dismemberment – 2 X annual salary to \$250,000 maximum</li> <li>➤ Optional Life for employee and spouse available in units of \$10,000 to a maximum of \$150,000 for employee and \$100,000 for spouse – <b>Employee</b> pays 100% of premium.</li> </ul>	✓	✓ No Cash Equivalent	N/A No Cash Equivalent
<p><b>Sick Leave:</b></p> <ul style="list-style-type: none"> <li>➤ Accumulates at the rate of 0.0692 hours for each regular hour paid (18 days per year).</li> </ul>	To a maximum equivalent of 200 days	To a maximum equivalent of 60 days	10 Days
<p><b>Family Sick Leave:</b></p> <ul style="list-style-type: none"> <li>➤ If no one else is available to care for the needs of an immediate family member who is ill, an employee may draw from their sick leave accumulation to the maximum equivalent of one week per calendar year.</li> </ul>	✓	✓	✓

This policy is subject to any specific provision of The Municipal Government Act or other relevant legislation or union agreement.



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**APPENDIX A**

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<p><b>SHD (Short Term Disability):</b></p> <ul style="list-style-type: none"> <li>➢ 70% of salary after sick bank exhausted through to the LTD Elimination Period.</li> </ul>	✓	N/A No Cash Equivalent	N/A No Cash Equivalent
<p><b>Long Term Disability:</b></p> <ul style="list-style-type: none"> <li>➢ 66.6% first \$3,000 monthly earnings plus 50% balance to \$4,500 maximum monthly benefit – Employee pays 100% of premiums.</li> </ul>	✓	N/A No Cash Equivalent	N/A No Cash Equivalent
<p><b>Pension Plan: Local Authorities Pension Plan</b></p> <ul style="list-style-type: none"> <li>➢ Defined Benefit Plan administered by Alberta Pensions Administration.</li> </ul>	✓	Pay in lieu of pension	N/A No Cash Equivalent
<p><b>Employee Assistance Program (EAP –Shepell-fgi):</b></p> <ul style="list-style-type: none"> <li>➢ City pays 20% of premiums.</li> <li>➢ Employees pay 80% of premiums.</li> <li>➢ EAP services include: counseling through telephone, in-person or e-mail sessions; specialized programs that focus on a range of work, family and life issues; resources including articles, action plans and self-directed help kits on real and relevant issues; access to subject matter experts.</li> </ul>	✓	✓ No Cash Equivalent	✓ No Cash Equivalent
<p><b>Maternity &amp; Paternity Leaves:</b></p> <ul style="list-style-type: none"> <li>➢ As per Policy 8022</li> </ul>	✓	As per Employment Standards – eligible after 52 weeks	N/A
<p><b>Bereavement Leave:</b></p> <ul style="list-style-type: none"> <li>➢ Bereavement leave at the employee's classified rate of pay shall be granted, upon request, in the event of the death of member of the employee's immediate family. Bereavement leave shall be taken within 14 days of the death, or a longer period if mutually agreeable between the employee and their supervisor. Bereavement leave shall be 3 working days with pay (plus, additional days upon death of spouse or child) and may be extended by 2 additional days if the employee is required to travel more than 500 kilometers one way to attend the funeral.</li> </ul>	✓	✓	✓
<p><b>Safety Footwear Allowance:</b></p> <ul style="list-style-type: none"> <li>➢ The City shall reimburse employees who require safety footwear in the performance of their duties to a maximum of \$150.00 per year. In the event an employee does not use the full reimbursement in any one year, the employee may carry over the unused portion to a maximum of \$500.00.</li> </ul>	✓	✓	✓

This policy is subject to any specific provision of *The Municipal Government Act* or other relevant legislation or union agreement.



<p><b>Car Allowance:</b></p> <ul style="list-style-type: none"> <li>➤ As per Policy 0108</li> </ul>	✓	✓	✓
<p><b>Compensation for Injuries:</b></p> <ul style="list-style-type: none"> <li>➤ Permanent employees injured under conditions which entitle them to compensation under the Worker's Compensation Act shall be paid at the classified rate of which they were paid before such injury for 28 days following the injury provided that they assign to the City, causes to be paid, and the City receives all wages received by them from the Worker's Compensation Board. If the employee continues on compensation for more than 28 days, then the employee received 90% of the classified rate for which they were paid before such injury, for the balance of compensation on that claim</li> <li>➤ The benefit shall not be paid to the employee after the expiration of 3 years from the date of injury.</li> </ul>	✓	✓	✓
<p><b>Jury Duty:</b></p> <ul style="list-style-type: none"> <li>➤ Where an employee is subpoenaed as a witness in a case arising from a matter occurring while carrying out the duties of their employment, in a case in which the City has an interest, or for jury duty, the employee shall not suffer any loss of pay while so serving. The employee shall also turn over to the City the amount of any fees or remuneration received less any reasonable expenses.</li> </ul>	✓	✓	✓
<p><b>Retiree Life:</b></p> <ul style="list-style-type: none"> <li>➤ Life insurance with 5 year declining coverage to 10% of salary in force prior to retirement and a 15 year service requirement. Employees are allowed to opt out. City pays 100% of premium.</li> </ul>	Upon Retirement	N/A No Cash Equivalent	Upon Retirement
<p><b>General Holidays:</b></p> <ul style="list-style-type: none"> <li>➤ The following shall be recognized as General Holidays: New Year's Day, Family Day, Good Friday, Easter Monday, Victoria Day, Canada Day, August Civic Holiday, Labour Day, Thanksgiving Day, Remembrance Day, Christmas Day and Boxing Day.</li> </ul>	✓	✓	✓

