



Newsletter

Award clears way for payment of enhanced severance

A CRITICAL ARBITRATION award handed down late Friday clears the way for the payout of \$25 million in enhanced severance to hard-hit health care workers who lost their jobs due to contracting out – and further limits future privatization and job loss.

Mediator/arbitrator Vince Ready's award directs the parties to meet immediately to commence initial payouts from the enhanced severance fund and clarifies the implementation of the cap.

“...I accept the submission of the Union made during the mediation process that there is urgency to have these monies paid out at least in part so as to alleviate some of the hardship prevalent among Union members who have been laid off,” writes Ready in the award.

The payout of the enhanced severance is to be distributed among workers laid off as a result of contracting out between May 1, 2004 and March 31, 2006. Payout has been delayed due to health employers' refusal to include in the cap, 197 full-time equivalents (approximately 250 members) whose jobs have been eliminated but who have not yet been laid off because they are on leave.

In the award, Ready ruled that the first 80 members whose jobs were eliminated before May 1, 2004 and who receive layoff notice upon their return to work will not be included in the cap. However, approximately 170 members, should they return to work, will be included in the cap.

This ruling is important since the amount of an individual member's enhanced severance payout is linked to years of service. It's necessary to determine which employees are included in the cap in order to distribute the total enhanced severance fund fairly.

The enhanced severance package was obtained by the Hospital Employees' Union as part of the memorandum of agreement (MOA) reached with government on May 2, 2004 – ending a province-wide job action.

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