



# BULLETIN

## TRANSPORTATION DISTRICT 140 DISTRICT DES TRANSPORTS 140

*International Association of Machinists and Aerospace Workers  
Association internationale des machinistes et des travailleurs et travailleuses de l'aérospatiale*

### ALL IAM & AW MEMBERS AIR CANADA - RETROACTIVE PAY

Dear Brothers and Sisters:

District Lodge 140 of the IAM&AW presented a National Grievance on March 27<sup>th</sup> in Calgary that dealt with Retroactive pay for all IAM bargaining units. Below is a list of issues addressed and attached is a copy of the arbitrator's award. The issues raised were:

1. Are Aveos employees entitled to any retro pay since they were still Air Canada employees until they transitioned over to Aveos in July 14 2011? The arbitrator did not agree with the union's position on this issue and dismissed the claim.
2. For our members who retired and subsequently rehired at Aveos; the arbitrator agreed with the union on this issue and subsequently they will receive retro pay up until the time that they retired.
3. For members who resigned from Air Canada and rehired with Aveos, and met the criteria for post retirement benefits (25 years of service, age and service equaling 80 points or age 65 with 10 years of service) the Company has agreed to pay these members retroactivity pay up until the time that they resigned.
4. For members on Great West Life, the arbitrator ordered that they needed to be in receipt of a retroactive payment from bargaining in the form of a percentage wage increase not an equivalent. Most of the members of TMOS, Finance and Clerical received a lump sum payment for the first year and therefore they are excluded from any additional monies. They could be eligible for an increase if they are still on GDIP into the second year of the Collective agreement. Please see both orders attached.
5. For those members that are on Workers Compensation he stated that these payments are governed by various Provincial Boards and he has no authority to decide this issue. However, on May 1, 2013 the Arbitrator has directed the Union and the employer to cooperate together in providing the provincial boards with the arbitrated outcomes and request a ruling on retroactivity for compensation payments. If the compensation boards refuse this question, the matter can be brought back to the arbitrator.
6. The arbitrator ruled that he has no authority to rule retroactivity pay for members collecting employment insurance payments.
7. Finally for members on Maternity and paternity leaves he stated that these were unpaid leaves and would not attract any retroactivity.

If you have any questions please contact you're Shop Committee or you're General Chairmen.

In Solidarity,

Tony Didoshak,  
General Chairperson  
Transportation District 140, IAM & AW

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**IN THE MATTER OF AN ARBITRATION**

**B E T W E E N :**

**AIR CANADA**

**- and -**

**IAMAW**

**Retroactive Pay**

**MARTIN TEPLITSKY, Q.C.**  
**Arbitrator**

**APPEARANCES:**

**On behalf of Air Canada: Denis Boucher**  
**Andrea Zaffaroni**

**On behalf of IAMAW: Tony Didoshak**  
**Boyd Richardson**

**Hearing held March 27, 2013 in Calgary**

A number of issues have arisen with respect to entitlement to retroactive pay.

The first is whether Air Canada employees who resigned and then joined Aveos should receive the increase for the period they remained Air Canada employees.

The final offer selection award did not address issues of retroactivity. In the absence of any agreement between the parties, past practice is a useful guide. The past practice has consistently been not to pay retroactivity to employees who leave the company prior to the date of payment. Accordingly, this claim is dismissed.

The second issue relates to retirees who then were hired at Aveos. The past practice on retirees has been to pay retroactivity for the period up to retirement. Accordingly, I so award for the retirees who then joined Aveos.

The third issue is with respect to GDIP. Are these payments adjusted for retroactive payments? Again, there is no guidance in the FOS award. However, the employer's written policy is to adjust for claims which arise after the date when retroactivity begins. Accordingly, for the retroactive payment, back to April 1, 2011, any employee whose GDIP payments began after that date receive the retroactivity for this period. However, if the GDIP payments continue after April 1, 2012, this retroactive payment is not applicable because it did not precede the commencement of GDIP. This written policy is a reasonable approach and I so award.

Workers' Compensation payments are determined by the various provincial boards and it is for them, not me, to decide the impact, if any, on retroactivity.

Employment Insurance payments are also not within my jurisdiction. As for maternity leave, because it is unpaid leave, no issue of retroactivity is engaged.

DATED the 5<sup>th</sup> day of April, 2013.

A handwritten signature in black ink, appearing to read 'M. Teplitsky', written over a horizontal line.

MARTIN TEPLITSKY, Q.C.  
Arbitrator

**IN THE MATTER OF AN ARBITRATION**

**B E T W E E N :**

**AIR CANADA**

**- and -**

**IAMAW**

**Retroactivity**

**MARTIN TEPLITSKY, Q.C.**  
**Arbitrator**

**APPEARANCES:**

**On behalf of Air Canada: John Beveridge**

**On behalf of IAMAW: Fred Hospes  
Boyd Richardson  
Ken Russell  
Gary Sinclair  
Paul Penman  
Todd Haverstock  
Michel Richer**

**Hearing held via telephone conference on May 1, 2013**

Further to my award dated April 5, 2013, a number of issues have arisen.

The first relates to whether the lump sum payment in the first year for certain employees which is calculated as the equivalent of 2% of earnings during the specified year, results in a 2% lump sum payment for employees on GDIP. No evidence of past practice was provided. The employer's policy is that GDIP or WSIB payments are not earnings for this purpose. My conclusion is that GDIP payments are long-term benefits intended to provide a replacement in part for earnings which because of disability the employee has lost. On balance, I conclude that GDIP payments are not earnings within the meaning of the formula bargained between the parties to trigger the lump sum. In any event, the employer's policy with respect to this issue cannot be said to be unreasonable.

#### Worker's Compensation Payments

I dealt with this in my award and remain persuaded that this is a matter for the provincial boards. If they refuse to consider this question, it can be brought back to me. In the interim, I direct the Union and the employer to cooperate together in providing the several provincial boards with the arbitrated outcomes and to request a ruling on retroactivity for WSIB payments.

#### Retire/Rehire

This issue was settled.

DATED the 1<sup>st</sup> day of May, 2013.



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MARTIN TEPLITSKY, Q.C.  
Arbitrator