

# CONTRACT INTERPRETATION MANUAL

## Article 55 SEVERANCE ALLOWANCE

### Interpretation Guidelines

Regular employees are entitled to severance allowance if they come under one of the following categories:

1. In the 1st category, an employee must meet the following three criteria:
  - (a) The employee must have a minimum of 10 years service
  - (b) The employee must be leaving the Employer's workforce voluntarily; and
  - (c) The employee must leave the Employer's workforce after their 55<sup>th</sup> birthday.
2. In the 2nd category, an employee must satisfy the following two criteria:
  - (a) The employee must have a minimum of 10 years service; and
  - (b) The employee's service is no longer required by the Employer (e.g. facility closure, reorganization etc).
3. In the 3rd category, an employee must satisfy the following two criteria:
  - (a) The employee is required to retire because of a medical disability as defined in the Pension (Municipal) Act or Pension (Public Service) Act; or
  - (b) If the employee is required to retire because of a medical disability but the employee is not enrolled under the provisions of the Pension (Municipal) Act or Pension (Public Service) Act, the medical disability is to be determined by a board of medical practitioners established in a like manner to the Act.
4. In the 4th category, an employee must satisfy the following two criteria:
  - (a) The employee must have a minimum of 10 years service; and
  - (b) The employee dies while in service.

Employees who are terminated for cause are not eligible for severance allowance.

An employee does not have to be a participant or be contributing to the Municipal Pension Plan.

An employee is eligible for severance allowance when the employment relationship is terminated. In particular, a laid off employee is entitled to severance allowance under Article 19.01 (5). The payment of severance allowance only occurs after the 1 year period of recall, unless the Union waives the employee's rights to recall (HLRA and HEU, September 21, 1982 (Larson) (Troubleshooter Recommendation)).

### Article 55.02 - Severance Allowance Entitlement

An eligible employee is entitled to one week of pay for every two years of service.

Service is defined as service with the Employer, plus any service ported from another Employer under the PCA. Arbitrators have clarified that this includes only service accumulated from working in a regular position (Vancouver Coastal Health Authority and BCNU, October 1, 2002 (Gordon) (Expedited Arbitration)).

The pay rate is based on the employee's hourly wage rate on the employee's last day worked in their position.

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If the employee is on LTD and retires without returning to work, the pay rate is the employee's hourly wage rate on the effective date of acceptance of their LTD claim.

The severance allowance of an eligible employee who dies on service is paid to their estate.

## Article 55.03 - Calculation of Severance Allowance

Eligible employees are entitled to proportionate payments for periods for service of less than two years based on the formula set out in Article 55.03 in the PCA.

The same periods of service cannot be used more than once for calculating severance allowance.

Calculation of service for RPT employees is based on the formula set out in Article 55.03 (B).

Calculation of service can include time away from work as the result of a WSBC claim as long as the claim arises out of a workplace accident with the employee's current Employer (Oceanview Care Home and BCNU, January 8, 2003 (Sullivan)). The grievance was dismissed as the arbitrator found that the time on WCB leave couldn't be included in the calculation for service because the WCB ruled that the employee's WCB leave with the current Employer arose from an injury that occurred with a previous Employer.

Calculation of service may include service as an LPN with the same Employer if there was no interruption in the employee's service (HEABC (Victoria General Hospital and Royal Jubilee Hospital) and BCNU, June 28, 2004 (Sullivan) (Troubleshooter Recommendation)).

Casuals are not entitled to severance allowance.

The following joint interpretation was agreed to in May of 2017 between the NBA and HEABC.

### HEABC-NBA PROVINCIAL COLLECTIVE AGREEMENT - JOINT INTERPRETATION

#### ARTICLE 55.01 SEVERANCE ALLOWANCE

A regular employee who had a break in service for a period as a casual employee -with the same Employer - will be entitled to count all time as a regular employee for the purpose of establishing eligibility for severance allowance per Article 55.01.

Nothing in this joint interpretation is intended to expand an employee's portability rights pursuant to Articles 51 or 55.04.

Examples:

1. An employee is hired as a regular employee in May 2010. The employee goes casual with the same Employer in May 2015. The employee posts into a regular position with the same Employer in May 2016. The employee retires in May 2021. The employee's service from May 2010 – May 2015 (five (5) years) and May 2016 – May 2021 (five (5) years) will be combined for the purposes of determining eligibility for severance allowance per Article 55.01.
2. An employee is hired as a regular with Employer A in July 2005. The employee goes casual with Employer A in July 2010. The employee accepts a regular position with Employer B in July 2015. The employee retires in July 2021. The employee's five (5) years of regular service with Employer A is not

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combined with her six (6) years of services with Employer B for the purpose of qualifying for severance allowance. Casual employees cannot port previous service with a different employer

This joint interpretation is effective as of May 8, 2017 and may not be relied upon for any retroactive claims for severance allowance.

## Arbitration Awards

1. Burnaby General Hospital and BCNU, September 8, 1987 (Hope). The grievance was dismissed. The bargaining history did not support the Union's claim that the Employer had agreed to industry wide portability for the purpose of calculating severance allowance. Retroactive application of a provision requires clear expression of intention.
2. Oceanview Care Home and BCNU, January 8, 2003 (Sullivan). The grievance was dismissed. The calculation of service for severance did not include service for the period of time the grievor was on a WCB leave that arose out of an injury that occurred with a previous Employer.

## Expedited Arbitrations

1. Vancouver Coastal Health Authority and BCNU, October 1, 2002 (Gordon). The grievance was dismissed. Service for the purpose of severance only includes service accumulated as a regular employee (i.e. it does not include service accrued as a casual employee).

## Troubleshooter Recommendations

1. HEABC (Victoria General Hospital and Royal Jubilee Hospital) and BCNU, June 28, 2004 (Sullivan). Grievance was upheld. Service for the purpose of severance could include service accumulated as an LPN with the same Employer.

## Footnotes

<b>Article</b>	55
<b>Sub-Article</b>	55.01, 55.02, 55.03, 55.04, 55.05
<b>Last Update</b>	31-03-21
<b>Related Articles</b>	11, 13, 19, 42, 49, 51