

Memorandum of Agreement

Between

Independent Electricity System Operator

("IESO")

-and-

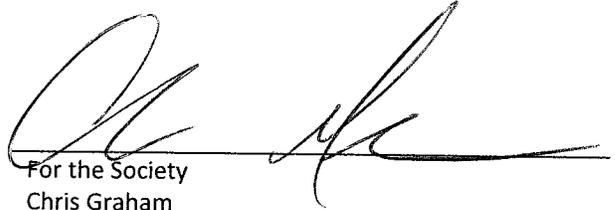
The Society of Energy Professionals

("Society")

IESO and the Society agree to the following Memorandum of Agreement subject to ratification by their respective principals.



For the IESO
Kim Marshall
Vice President, Corporate Services and CFO



For the Society
Chris Graham
Vice President, Society, IESO Local

1/28/16

Date

1. Term of Agreement

Two year extension to the current collective agreement which will now have a term of January 1, 2015 – December 31, 2018

2. Compensation

Effective January 1, 2015, the current system of progression along the salary bands is replaced by a new salary progression plan as described in Appendix A.

The 2015 general wage increase of 1.75% is reflected in the 2015 salary schedule in Appendix A.

The 2016 general wage increase of 1.75% is provided for in Appendix A.

In subsequent years of the agreement the salary schedules will be adjusted as follows:

Effective January 1, 2017 – 1.0% general wage increase

Effective January 1, 2018 – 1.0% general wage increase

The escalator clause (Article 22) is suspended until December 31, 2018.

3. Pension Provisions

a. Plan Design Changes

Effective March 31, 2025 for future service benefit accruals for current employees and new hires:

1. Pension benefits will be based on the average of the highest 5 years of earnings (from 3 years)
2. The “rule” for unreduced early retirement will be changed to “age plus service equals 85 years” (from rule of 82)

Rule of 85

- The rule of 85 would become effective for future service beginning March 31, 2025

- Members with 82 or more points on March 31, 2025 would retain eligibility for an unreduced pension for all service
- For all other members with service prior to March 31, 2025, pension benefits earned for service prior to March 31, 2025 would remain subject to the 82-point rule for an unreduced pension
- For members in this category retiring on or after their 82-point date but before their 85-point date, pension benefits for service from March 31, 2025 will be subject to the plan's early retirement reductions which would be extended below age 55 for this purpose
- For members with 20 or more years of pre-March 31, 2025 service, the early retirement reduction would be 3% per year from the 85-point date
- For members with less than 20 years of pre-March 31, 2025 service, the regular early retirement reductions would apply, including extending those reductions below age 55 for this purpose

Final Average Earnings

- Pension benefits earned for future service beginning March 31, 2025 would be based on a high five-year average instead of a high three-year average; the high three-year average would continue to apply to pension benefits earned for service prior to March 31, 2025

b. Pension Contributions

Employee pension contributions, effective January 1, 2017 shall be 7% below and 9% above the YMPE

Employee pension contributions, effective January 1, 2018 shall be 8% below and 10% above the YMPE

Provisions in the pension plan rules relating to employer contribution "holidays" remain in place, i.e. employee contributions are reduced to 4% below and 6% above YMPE in the event of an employer contribution holiday.

c. PSPP Accrued Benefits

IESO agrees to cooperate with and join the Society in asking for provincial government approval for the transfer of PSPP assets and accrued benefits into the IESO Pension Plan for represented former OPA employees on an individual choice basis.

4. Employee Lump Sum Payments

Lump Sum Payments

Society-represented employees contributing to the Pension Plan as of January 1, 2017 will receive the following:

- Lump sum payment of 1.0% of salary as of January 1, 2017 provided the individual is still an employee of IESO as of January 1, 2017 and contributing to the Pension Plan
- January 1 of each year 2018 – 2033: 2.0% of salary to employees who were contributing to the pension plan as of January 1, 2017 and are still employed by the IESO

5. On-Call Service

Provisions for On-Call premiums in Article 27.2 are amended as follows to be effective upon ratification by The Society:

27.2.2 The on-call service payment for any 16-hour period outside normal work hours is ~~twenty dollars and seventy five cents (20.75)~~ as follows:

2016 \$20.75

2017 \$27.00

2018 \$27.25

27.2.3 The on-call service payment for any 24-hour period outside normal work hours (e.g., Saturday, Sundays, statutory holidays and granted days) is ~~forty-one dollars and fifty cents (\$41.50)~~ as follows:

2016 \$41.50

2017 \$53.95

2018 \$54.50

27.2.4 ~~The maximum on-call service payment for a normal work week is two hundred dollars (\$200.00).~~

These payment rates will be increased annually hereafter to match annual economic increases.

6. Shift Work

Provisions for compensation related to shift work in Article 30.3 are amended as follows to be effective upon ratification by The Society:

b) Shift Differentials

Shift Differentials – 8 and 12 Hour Shifts

- For work on an 8-hour afternoon shift (16:00 – 24:00 hours) – ~~one dollar and five cents (\$1.05) per hour worked~~

2016 \$1.05 per hour worked

2017 \$1.06 per hour worked

2018 \$1.07 per hour worked

- For work on an 8-hour night shift (00:00 – 08:00 hours) – ~~one dollar and thirty five cents (\$1.35) per hour worked~~

2016 \$1.35 per hour worked

2017 \$1.36 per hour worked

2018 \$1.37 per hour worked

- For work on a 12-hour night shift only – ~~one dollar and sixty cents (\$1.60) per hour worked~~

2016 \$1.60 per hour worked

2017 \$1.62 per hour worked

2018 \$1.64 per hour worked

Shift Differentials - 10 Hour Shifts

- First Shift – 06:00 – 18:00 – no shift differential
Second Shift – 14:00 – 02:00 hours – ~~one dollar and fifty cents (\$1.50) per hour worked~~

2016 \$1.50 per hour worked

2017 \$1.52 per hour worked

2018 \$1.54 per hour worked

c) Shift Turnover

- A shift turnover allowance will be paid to employees who have been authorized to perform shift turnovers, based on the criteria below and in compliance with the chart below.
- Only one person will be paid for each shift turnover, either the incoming or the outgoing shift, but not both.
- Rights to overtime are waived in favour of the allowances below when performing normal shift turnovers. The exception to this is in cases where the turnover is 30 minutes or longer due to unusual circumstances. In such cases all time beyond normal working hours will be compensated according to the overtime provisions of this Agreement in place of the allowance.
- Payment per shift turnover is in accordance with the following table:

Salary Grade	Payment 2016	Payment 2017	Payment 2018
MP6	\$23.45	\$23.68	\$23.92
MP5	21.90	22.12	22.34
MP4	20.65	20.86	21.07
MP3	19.45	19.64	19.84
MP2	18.15	18.33	18.51
MP1	17.20	17.37	17.54

These payment rates will be increased annually hereafter to match annual economic increases.

New Article 30.6(d) is added as follows:

(d) The IESO will make every reasonable attempt to finalize a shift schedule by November 1st of each year for the following year.

7. Health Benefits

Amend the benefits brochure as follows to be effective upon ratification by The Society:

Add "Osteopaths" to the list of paramedical service providers at page 10.

Increase Orthotics coverage to \$450 every three years for adults and annually for children

8. Staffing

Amend Article 62.6.3 as follows:

62.6.3 Selection Priority for Vacancies

If there is more than one applicant for a vacancy within The Society's jurisdiction, the applicants will be considered in the priority set out below:

~~c) Surplus applicants that are excluded from The Society (i.e. Management Function) and for whom the vacancy represents a lateral or demotion.~~

d) Selection on a "best qualified" applicant basis from among regular Society-represented applicants, ~~regular Band 9 and above Management Group applicants, and applicants including those~~ with recall rights under Article 64.

e) Selection on a "best qualified" applicant basis from among temporary Society-represented applicants, ~~and temporary Management Group applicants.~~

f) Selection on a "best qualified" applicant basis from among all other regular applicants from the IESO.

g) External to the IESO.

(Change the section references accordingly)

9. Family Care

44.4 Family Care

An employee is entitled to take time off for family care. Normally, up to ~~five (5)~~ ten (10) days a year may be taken for this purpose. By mutual agreement with his/her supervisor, the employee may pay for this time by using his/her vacation, banked overtime, by working back the time over a reasonable period of time, or by taking the time off without pay. ~~In the event that an employee requires more than five (5) days off without pay in a year, the first two such additional days (6th and 7th days) will be allowed with pay.~~ Such leave as set out herein is ~~inclusive of any emergency~~ deemed part of leave entitlements under the Employment Standards Act.

10. Training

Add 66.2(f) [New provision]

f) An employee shall re-pay the IESO any amounts received for external training courses which improve an employee's capability for future jobs within the IESO (Article 66.2.d) in the event that the employee terminates his/her employment voluntarily within the timeframe set out in the following schedule:

<u>Years After Reimbursement</u>	<u>Re-payment Amount</u>
<u>Less than 1</u>	<u>100%</u>
<u>1 to 2</u>	<u>66%</u>
<u>2 to 3</u>	<u>33%</u>
<u>After 3 years</u>	<u>0%</u>

The IESO is authorized to withhold any monies owed by employee at the time of his/her termination in order to secure re-payment.

11. PART X - Relocation Assistance

For the term of the ~~2013-2014~~ 2015 – 2018 collective agreement, former articles 52 and 53 are suspended. Relocation agreement provisions applicable to Society represented employees are attached as Addendum 11 to this Collective Agreement.

Amend Addendum 11 so that the maximum allowance for homeowners is changed to \$45,000 and the maximum allowance for renters is changed to \$20,000.

12. Side – Letter: Sick Leave Benefits for former OPA Employees

Employees who were employees of the Ontario Power Authority on December 31, 2014 are entitled to an additional 115 days of sick leave at 75% pay, over and above the amount of sick leave they have accumulated under the IESO sick leave plan. An employee who runs out of sick leave credits under the IESO Sick Leave Plan may use these additional days for authorized medical absences at any time during the period ending December 31, 2019.

APPENDIX A

STEP PROGRESSION

Step Progression Design

Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10
70%	75%	80%	84%	88%	91%	94%	96%	98%	100%

2015 Salary Schedule (35 hours)

Percent	Step	MP1	MP2	MP3	MP4	MP5	MP6
70	1	1,341	1,429	1,524	1,625	1,733	1,847
75	2	1,436	1,532	1,633	1,741	1,856	1,979
80	3	1,532	1,634	1,742	1,857	1,980	2,111
84	4	1,609	1,715	1,829	1,950	2,079	2,217
88	5	1,685	1,797	1,916	2,043	2,178	2,323
91	6	1,743	1,858	1,981	2,113	2,252	2,402
94	7	1,800	1,919	2,047	2,182	2,327	2,481
96	8	1,838	1,960	2,090	2,229	2,376	2,534
98	9	1,877	2,001	2,134	2,275	2,426	2,586
100	10	1,915	2,042	2,177	2,321	2,475	2,639

Schedules 01 and 04 will be replaced by the schedule above for a 35 hour work week. A separate pro rata schedule will be created for a 40 hour work week.

Employees at or above 100% are eligible to receive optional increases to base salary, solely at Management discretion and non-grievable. The optional increases will be in 1% increments to 115%.

General wage increases will be applied to salary schedules using the methodology described in the document called "Method of Calculating Salary Schedule 01 for Management and Professional Staff" dated January 6, 1982.

The collective agreement will be updated to reflect these changes.

Placement of Existing Staff onto Step Schedule and Progression

Employees who were OPA employees on December 31, 2014:

- As of January 1, 2015: Placement on the higher of:
 - The step that is nearest to but not less than the employee's former OPA salary with the 2015 economic increase added, or
 - the step that represents one additional step above 70% for every two complete years (12 month periods) of OPA service as at January 1, 2015
- Salary adjustments will be made retroactive to January 1, 2015
- January 1, 2016: Step schedule increased by 1.75%. First step progression.
- Annual progressions to occur on January 1 of each year, unless there is a change in band or a step is withheld/reduced by Management in accordance with the collective agreement.

Employees who were employees of the predecessor IESO on December 31, 2014:

- January 1, 2016: Step schedule increased by 1.75%. Placement onto the step schedule, mapped to the closest step equal to or above the employee's salary rate with 2016 economic increase of 1.75% added.
- Salary adjustments will be made retroactive to January 1, 2016
- January 1, 2017: First step progression.
- As soon as is practicable after this agreement is signed, each employee in this category that would have been eligible for performance pay for the 2015 performance year, will receive a lump sum payment in the amount of 1.5% of his or her 2015 salary.
- Annual progressions to occur on January 1 of each year, unless there is a change in band or withheld/reduced by Management in accordance with the collective agreement.

Employees hired into an unmapped job after December 31, 2014 with a salary that is lower than 70% of the MP salary band:

- Place at 70% of the salary band
- Pay adjustment retroactive to date of hire
- Progression on the anniversary date of hire, unless there is a change in band or withheld/reduced by Management in accordance with the collective agreement

Employees hired into a job with an existing IESO job document after December 31, 2014:

- Place on the step schedule, mapped to the closest step equal to or above the employee's salary rate with 2016 economic increase of 1.75% added.
- Pay adjustment retroactive to January 1, 2016
- Progression on the anniversary date of hire, unless there is a change in band or withheld/reduced by Management in accordance with the collective agreement

New Hires

- Will be placed immediately onto the Step Progression Schedule on date of hire.
- Will be placed at Management's discretion
- Will progress on anniversary date of hire unless there is a change in band or withheld/reduced by Management in accordance with the collective agreement

Promotion (higher MP level)

- If the start date in the new position is not later than nine months after the employee's most recent progression anniversary date, the employee will be placed on the step in the new position that is closest to but not less than the employee's salary in the position being vacated.
- If the start date in the new position is more than nine months after the employee's progression anniversary date, the employee will advance one step in the position being vacated and will then be placed on the step in the new position that is closest to but not less than the employee's salary in the position being vacated.
- Progression date will change based on anniversary date of new position.

Lateral (same MP level)

- There will be no change in Step. Progression date remains unchanged.

Demotion (lower MP level)

- An employee who voluntarily accepts placement in a lower rated position will have his/her current base salary frozen (red-circled) until the employee's current pay entitlement as determined by the salary grade and pay step exceeds the frozen level.
- Management will notify the Society of the pay treatment of an employee who is demoted as a result of performance management. Demotions and related pay treatment are subject to the grievance and arbitration procedure.

35 to 40 hours

- Movement from 35 to 40 hours:
 - Promotion/demotion/lateral rules apply, except that the employee's hourly rate in the 40 hour position must be greater than or equal to the hourly rate in the 35 hour position
 - Example: An MP4 Step 5 employee (35 hours) is successful to an MP4 40 hour position. They will remain at MP4 Step 5, but be paid for 40 hours.

Employees at or above Step 10

- All employees who are paid at or above the Step 10 rate in their salary band will be eligible for economic increases

Temporary Employees

- Temporary employees will be eligible for step progression. All normal provisions apply.

Promotion-In-Place Plans (PIPs)

- No change.

Withholding/Reduction in Step

- Step progression can be withheld due to performance issues, subject to terms and conditions tbd
- Steps can be reduced in accordance with Article 19.4. Step reductions are subject to the grievance and arbitration procedure.

Accelerated Movement

- Steps can be accelerated only with IESO approval (internal guidelines will be developed requiring CFO and Business Unit Leader approval).

Amend agreement as appropriate

- Collective Agreement will be updated to reflect changes in salary schedule structure.