



FEBRUARY 17, 2015

# FAQ: Changes to shift trade processes

**This FAQ applies to employees who work in Airports, Call Centres, Cargo, Crew Scheduling and Planning, Customer Journey Management, Customer Relations and Weight & Balance.**

## **1. Why is Air Canada changing the shift trade process?**

Air Canada needs more visibility on who is working and when. This is important because we must comply with federal laws. To know whether we are compliant, we need this information. It is also important to recall that legal requirements prevail over the current Collective Agreements and past practices. Further, the new limits on the number of hours that can be traded are still generous when compared to other employers but are designed to prevent abuse of this privilege.

## **2. Why is Air Canada making these changes now?**

Moving from a paper-based reporting system to technology which allows us to better track these things is the right time to move to a system where shift trading will still be permitted within generous but acceptable limits and tracked differently than it is today allowing Air Canada to meet its legal requirements.

## **3. What legislation or Codes need to be addressed?**

The changes are required based on the following factors:

- **Employment Standards** - Air Canada must control the hours employees work to meet employment standards as defined by the Canada Labour Code.
- **Health and Safety** - Excessive work in a given timeframe may result in harm to employees, customers, or suppliers and/or cause a liability for Air Canada.
- **Taxes and other deductions** – Air Canada needs to accurately perform source deductions and provide accurate information to authorities such as the Canada Revenue Agency.

## **4. How does Air Canada define quarters in a year?**

A quarter is defined as:

- Quarter 1: Jan 1 - Mar 31
- Quarter 2: Apr. 1- Jun 30
- Quarter 3: Jul 1 - Sep 30
- Quarter 4: Oct 1 - Dec 31

## Hours of work

### 5. Why is Air Canada limiting the number of additional hours that I can work?

The Canada Labour Code (CLC) requires companies to limit the number of hours worked to the prescribed maximum of 48 hours a week – regardless of whether the employee is working full time or part time, regardless of whether Air Canada scheduled the employee to work or they traded their shift. The number of additional hours of work permitted under this requirement is still generous:

- Full-time employees – IAMAW and UNIFOR
  - 104 additional hours every 13 weeks, or the equivalent of 13 full-time days.
- Part-time employees – IAMAW
  - 208 hours every 13 weeks or the equivalent of 26 full-time days.
- Part-time employees – UNIFOR
  - 312 hours every 13 weeks or the equivalent of 39 full-time days

### 6. How does the limit in the number of additional hours that I can work affect my ability to shift trade each quarter?

As of April 1, the additional hours that an employees is permitted to work in a quarter will include overtime hours and shifts worked as a result of trades. The maximum additional hours per quarter are:

	IAMAW	UNIFOR
Full Time	104	104
Part Time	208	312

While we do include hours that are worked as overtime or received from another employee from a shift trade to the 104 additional hours, we also deduct from the 104 hours for hours not worked due to RO, LOA or donated shifts. For example, if an employee's quarterly hours are currently at 80 due to OT taken or shift accepted, today the employee takes 8 hours of RO. The employee now has 72 hours towards the 104 limit for the quarter.

### 7. How does Air Canada calculate the additional hours a full time or part time employee can work?

Due to our various shift patterns and compressed work weeks, we define the CLC's prescribed maximum of 48 hours over "quarters" or 13 week periods. The calculation of additional hours is below:

#### **Full time employee – IAMAW or UNIFOR**

Air Canada employees are scheduled to work an average of 40 hours a week which leaves 8 hours of prescribed hours per week under the CLC standard. Since we divide the year into 13 week periods, we multiply the 13 weeks by the 8 hours per week to arrive at **104**.

### **Part time employee – IAMAW**

Part time employees are scheduled to work an average of 32 hours a week which leaves 16 hours of prescribed hours per week under the CLC standard. Since we divide the year into 13 week periods, we multiply the 13 weeks by the 16 hours per week to arrive at **208**.

### **Part time employee – UNIFOR**

Part time employees are scheduled to work an average of 24 hours a week which leaves 24 hours of prescribed hours per week under the CLC standard. Since we divide the year into 13 week periods, we multiply the 13 weeks by the 24 hours per week to arrive at **312**.

### **8. I have already received shifts in excess of the maximum additional hours that I am allowed per quarter. Will the Company give me a let?**

The calculation towards the additional hour maximum will only begin as of April 1, 2015.

### **9. I am on an outside assignment such as LOU or XB, and sometimes have to work overtime. Rather than getting paid for the extra hours worked, I do it for lieu time which we track on our own. In addition, sometimes I might pick up some overtime or a donated shift in my previous role such as Station Attendant, Customer Sales and Service Agent, Customer Service Agent. Does all this extra time have to be included in my additional hour allotment?**

Yes. All hours of work -- regardless of how it is achieved --- will need to be recorded to ensure we are compliant with the Canada Labour Code. The "all hours of work" includes regular scheduled, overtime, LOU, etc.

## **Maximum allowable hours an employee can be absent from the workplace as a result of donating shifts**

### **10. Why has Air Canada implemented a maximum allowable number of hours that I can be away from the workplace?**

The ability to trade shifts was intended to help employees manage occasional constraints in their personal lives which affected their availability to work when scheduled. It was not intended to be a means for employees to be absent from the workplace for extended periods of time, to be able to continually alter a shift pattern or take alternate employment that conflicts with their Air Canada schedule. The maximums set are a reasonable amount of time that an employee can be away from the workplace due to shift trading.

The 520 hours per year for full time employees and 260 per year for part time employees represents a quarter of the annual scheduled shifts.

## Positive pay

### 11. What is positive pay?

Positive pay means that Air Canada will pay the employee who works a given shift, as opposed to paying the person who is scheduled (but does not work) that given shift.

### 12. Why is Air Canada implementing positive pay this spring?

Air Canada must deduct the proper amount from pay as required by tax and related laws. Forms issued for tax purposes must accurately reflect the amounts paid and deducted from pay to employees. Accurate information on hours worked is required in order for Air Canada to properly make those deductions and to produce accurate tax forms. Penalties are imposed for providing incorrect information.

### 13. Why is there no effective date for the implementation of positive pay?

As this change is currently in development with I.T., we do not anticipate it coming into effect any sooner than April 1. The Company will advise well in advance of when it will be implemented.

### 14. Employee "A" shift trades his shift tomorrow to Employee "B". In return, Employee "A" agrees to work a shift for Employee "B" on a day that falls on or after the date that positive pay has been implemented. How does the system prevent Employee A from being paid twice and Employee B not at all?


It doesn't. No matter when the system is implemented there will be some employees who fall between the two periods – before and after implementation. Now that employees are aware, they should make their best effort to complete outstanding shift trades as soon as possible as there will be no exceptions once positive pay is implemented. Between now and the implementation of positive pay, shift trades will not be approved more than 30 days in advance.

### 15. Employee "A" earns \$10 an hour and Employee "B" earns \$20 an hour. Employee B does a shift trade with Employee A. Does Employee "B" earn his usual \$20 an hour or the \$10 hourly rate of Employee A?

Employee "B" earns his usual \$20 per hour. The person who works the shift traded hours will always be paid their normal applicable hourly rate.

### 16. How will the implementation of positive pay affect my pension? For example, if I trade shifts away will I be lowering my income and therefore making lower pension contributions resulting in a lower pension. Conversely if I accept shifts, will I be making higher contributions and therefore earning a higher pension?

Your pension contributions will be directly impacted: trading shifts away will result in lower pension contributions while accepting extra shifts will result in higher pension contributions, however the impact will be different based on which pension plan you participate in.



If you participate in a pension plan with a defined benefit component, only shift trades occurring during the best consecutive 36 months of pensionable earnings during your career will have an impact. In that case your defined benefit pension amount will be affected positively if you accept extra shifts, and negatively if you trade shifts away.

If you participate in a hybrid plan or a multi-employer plan, your pension benefits (total or partial) depend on the contributions you make to the pension plan, therefore your pension benefits will be directly impacted by your trades – positively if you accept extra shifts and negatively if you trade shifts away.