

Dated for Reference February 21, 2018

**Letter of Understanding
(Successorship of CUPE/MoveUp)**

Between

PBC Health benefits Society dba Pacific Blue Cross

PBC

And

CUPE Local 1816

CUPE

And

COPE Local 378

MoveUp

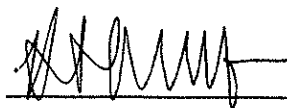
Whereas:

- A. On January 1, 2015 (the Purchase Date) Pacific Blue Cross purchased D.A. Townley (DAT), and maintained DAT as a separate entity.
- B. DAT is certified by MoveUp and has approximately 33 employees in the bargaining unit. The DAT/MoveUp collective agreement expired December 31, 2016.
- C. PBC is certified by CUPE Local and has approximately 550 employees in the bargaining unit. The term of the current PBC/CUPE collective agreement is until July 31, 2022
- D. Effective April 1, 2018 (or such other date as mutually agreed by the parties in order to meet operational requirements) (the Date of Successorship) PBC will merge the operations of DAT into the operations of PBC.
- E. All parties to this agreement (the Agreement) agree that effective April 1, 2018, CUPE will become the successor Union to the DAT employees, and that those DAT employees will be governed by the CUPE collective agreement as amended by the terms of this Agreement.

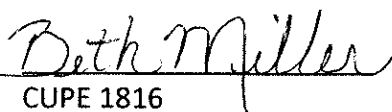
The Parties Agree:

- 1) The parties shall make a joint successorship application to the Labour Relations Board of British Columbia on or before April 1, 2018 to confirm that CUPE is the successor to MoveUp, with respect to the DAT bargaining unit effective April 1, 2018.
- 2) Effective the Date of Successorship the seniority list of DAT will be dovetailed into the seniority list of PBC as of date of hire, except with respect to eligibility to retiree benefits.
- 3) Employees of DAT shall be "red circled" in the event their current pay rate is greater than the equivalent rate of pay under the PBC collective agreement. Notwithstanding the red circling, those employees who have been red circled will continue to benefit from scheduled annual wage increases in the course of the PBC collective agreement.

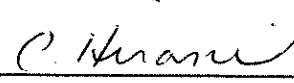
- 4) DAT employees will have the option of maintaining a four day work week or making an irrevocable switch to a five day work week with flex time as administered under the CUPE collective agreement. The four day work week will be administered consistent with the current practice at PBC and not the practice at DAT.
- 5) DAT employee accrued vacation entitlements up to the Date of the Successorship will be honoured by PBC. Credited time shall be at a rate of 7 hours per day. The 2 float days DAT employees received in the past shall cease and vacation entitlements shall be governed by the CUPE collective agreement including the supplemental vacation plan. DAT employees shall be able to receive supplemental vacation with their eligibility determined effective the Purchase date.
- 6) DAT employees shall receive retroactive pay consistent with the wage increases at PBC. Specifically a 1.5% increase effective January 1, 2017 and further 1.75% increase effective August 1, 2017.
- 7) DAT employees who have accrued Health Spending Account allocations shall be entitled to use, but not further accrue the Health Spending Account. All Health Spending Accounts must be exhausted on or before December 31, 2018 or such funds shall be forfeited.
- 8) DAT employees shall be integrated into the CUPE pension plan. The parties shall work cooperatively to ensure that member and employer contributions are moved from the DAT plan to the CUPE pension plan.
- 9) The parties shall establish a Transition Committee with representatives of PBC management, CUPE and former MoveUp members to assist with the on boarding of DAT employees. Meetings shall be held as required to address any outstanding transitional issues. It is anticipated that the Transition Committee will be required for no more than two months after the Date of Successorship.
- 10) The parties shall establish a Job Evaluation Committee to review the DAT positions. The Committee shall consist of representation from PBC management (3), CUPE (2) and former MoveUp members (1). The process shall be consistent with the CUPE Collective Agreement, Appendix A.
- 11) DAT employees shall be eligible for retiree benefits, provided that the Purchase Date or the date of hire (whichever is later) shall be used to determine retiree plan eligibility.



Pacific Blue Cross
Rob Chiarello



CUPE 1816
Beth Miller



COPE Local 378
Cathy Hirani