



May 19, 2015

Unifor Vacation, General Holidays, & Vacation Purchase Program Terms and Conditions

Dear Colleague,

The purpose of this document is to layout the terms and conditions applicable to the 2016 Vacation, General Holiday Option (GHO) and Vacation Purchase Program (VPP) offered to the employees covered by the Air Canada-Unifor Collective Agreement.

Timelines for the 2016 Program

Application start date:	May 19, 2015
Deadline for application date:	August 15, 2015
Deadline for changes:	August 15, 2015
Confirmation of VPP/ GHO applications:	September 15, 2015
VPP Time bank deductions:	Paycheque of November 18, 2015*
VPP Paycheque Deductions:	Begins first pay in January 2016*
GHO hours added to Time Bank:	First paycheque of January 2016*

**Specific dates to be determined in a subsequent bulletin*

Application

Employees will apply for the program using the online application tool that will be made available to them between May 15, 2015 and August 15, 2015. The tool will be available on ACAeronet under [HR Connex > Go to eHR Kiosk > Unifor AC General Holidays & VPP](#). Late applications will not be accepted after the August 15, 2015 deadline.

VPP is considered a secondary source of Additional Time Off and will only be offered to employees selecting the first General Holiday Option (option A described below).

Statutory Holiday or General Holidays

All employees have the opportunity to convert their nine (9) Statutory Holidays into ten (10) General Holidays which will be bid in conjunction with the annual vacation bid. GHO will automatically be granted for any employee who opts for it. All employees will receive a confirmation email regarding their GHO application. All

employees who opt for the GHO will have the option of using it as biddable vacation, or having the hours added to their Time Bank. If the employee would like the hours to appear in their Time Bank, they will be deposited and able to be viewed on their first paycheque of January 2016*. (***Dates to be determined in a subsequent bulletin***).

1. First, employees should decide if they wish to maintain their current nine (9) Statutory Holidays or to opt in the General Holiday program and convert these nine (9) Statutory Holidays to ten (10) General Holidays.
2. Employees who opt-in the General Holiday program, will have the choice between the following options:
 - Option A: Eighty (80) hours for full-time Employees, forty (40) hours for part-time employees, to be bid in conjunction with the annual vacation bid;
 - Option B: Eighty (80) hours for full-time employees, forty (40) hours for part-time employees, deposited into the employees' time bank for use throughout the calendar year;
 - Option C: Combination of Option A and Option B. Half of the hours to be bid in conjunction with the annual vacation bid and the other half of the hours to be deposited into the employees' time bank.
3. General Holiday entitlement will be prorated for employees absent from the workplace for more than thirty (30) consecutive days.
4. For employees choosing General Holidays, all Statutory Holidays will be treated as regular working days.
5. For employees who elect not to convert their Statutory Holidays to General Holidays, they will maintain their nine (9) Statutory Holidays as per the existing process.

The default position for employees who do not make any selection will be status quo. This means that these employees will not be granted any VPP. Any Time Off taken throughout 2015 that exceeds the employee's prorated entitlement will be considered Additional Time Off and reconciled as such during the 2016 reconciliation process.

The only restriction regarding GHO and VPP weeks is that they cannot be bid during the first round. Employees will be able to split their vacation equally by the number of weeks to which they are entitled, up to a maximum of six (6) blocks if they participate in the General Holiday and VPP program. The weeks selected for the second and subsequent splits will be allocated in the same way as the first, only after all the original seniority process of allocation vacation weeks has taken place.

If an employee does not have a Time Bank, one will be opened for them in order to deposit the GHO hours. If the hours to be deposited due to Option B or C bring the employee over their Time Bank ceiling, these hours will simply be paid out. Furthermore, an employee selecting Option A will not see an impact on his/ her Time

Bank. The eighty (80) hours converted to Additional Time Off will not generate any transaction on their Time Bank. The same applies to the forty (40) hours of Additional Time Off granted in Option C.

An employee that declines the GHO and remains status quo will receive the applicable Stat credits. If a Statutory Holiday falls on employee's scheduled days off, an 8 hour Stat credit will automatically be generated. For employees working a compressed work schedule, if total hours worked is greater than 9 hours (i.e. scheduled hours less any part shift absences), a stat credit of 12 hours will be generated. If total hours worked is less than 8 hours then the stat credit will represent hours worked payable at time + ½. In all cases, employees working compressed work schedules will receive a stat credit not exceeding twelve (12) hours. For part-time employees, holiday pay on days-off will be based on the hours scheduled in the four (4) week period immediately preceding the week in which the holiday falls and will be one twentieth (1/20) of those hours.

Employees with an active Time Bank will see all Stat credits added to their Time Bank up to allowable max option selected. Those who did not opt for a Time Bank will receive stat credits on their pay check following the pay period where the Statutory Holiday occurred. If a Statutory Holiday falls on an employee's vacation, the following will be applied. Employees are entitled to take a day off in lieu of the stat or can opt for a Stat credit. During the reconciliation process, employees may not ask for a reversal. For example, an employee who received a Stat credit cannot ask for a day in lieu once the credit has been paid.

Shift Trades: The process negotiated by the parties is to follow the rules applicable to the original owner of the shift.

General Holidays or Stat Pay Option		Shift Trade Scenario	Eligible for Stat Credits?
Employee A	In the Stat pay option	Employee A trades STAT shift to Employee B	No
Employee B	In the Stat pay option		Yes
Employee A	In General Holidays option	Employee A trades STAT shift to Employee B	No
Employee B	In the Stat pay option		No
Employee A	In the Stat pay option	Employee A trades a STAT shift to Employee B	Yes
Employee B	In the Stat pay option	Employee B trades a STAT shift to Employee A	Yes
Employee A	In General Holidays option	Employee A trades STAT shift to Employee B	Yes
Employee B	In the Stat pay option	Employee B trades STAT shift to Employee A	No

For employees working on LOU 16, the first step will be for the Company to establish if the work can still be performed during the Statutory Holiday. If so, the employee working on the LOU will be given the option to work on the Statutory Holiday or to take an RO day. If the work cannot be accomplished on the Statutory Holiday, the

employee working on the LOU will be offered to take an RO day or to go in his/ her original location for the holiday. The same principle will be applied to Call Centres employees working in a specialized function (e.g. Groups) which is normally closed on the holidays. These employees will be offered the option between working in general reservations or taking an RO day.

Vacation Purchase Program

Only employees who elected Option A of GHO will be eligible for VPP. All employees participating in the VPP program 2016 will automatically get an additional week of vacation approved. However, the second week will be based on operational requirements. One week VPP equates to forty (40) hours for full-time employees and twenty (20) hours for part-time employees.

6. Eligibility to participate in the 2016 VPP program will be established on September 15, 2015.
7. The following will not be eligible for VPP 2016:
 - Employees who elected to maintain their Statutory Holidays.
 - Employees who selected Option B or C of the General Holiday program.
 - Inactive employees who do not have a confirmed return to work date in 2015 as of September 1, 2015.
 - Temporary employees.
 - Employees working in a "small base," with the exception of Saskatoon and Regina.
8. Employees who opted to finance their VPP through their Time Bank and have insufficient hours at the time of the deduction will be automatically moved to a payroll deduction that will start on the first paycheque in January 2016.
9. Should an employee elect to change status to participate in the Retirement Phase-In Program within the course of 2015, participation in the VPP program will be breached. Should this change of status occur during 2016, there will be no change and participation in the program will remain.
10. VPP Payment Options:
 - A) Time Bank:
 - Should an employee elect to use the Time Bank option for their VPP, this will be based on a snapshot balance as of October 24, 2015*.
* ***Date to be determined in a subsequent bulletin***
 - Should an employee elect to use the Time Bank option to finance their VPP, they will see this deduction on their paycheque of November 18, 2015*.
* ***Date to be determined in a subsequent bulletin***An employee may only use a hybrid (half paycheque, half Time Bank) if they opted for two (2) weeks of VPP.

B) Payroll:

This deduction will begin on the first pay period of the 2016*.

* ***Date to be***

determined in a subsequent bulletin

11. On an annual basis, the Company will reconcile General Holidays and VPP. If the reconciliation process requires employees to refund the Company, employees will be notified thirty (30) days in advance of the amount owed to the Company.

Vacation Entitlement, Vacation Pay and Vacation Reconciliation

Employees will continue to be eligible to take their full entitlement as Time Off. During the course of the year, no employee will see any deduction made from their pay check for any Time Off that was taken, even if this Time Off exceeds their Vacation Entitlement. Therefore, any time in excess of one's prorated entitlement will be considered Additional Time Off (ATO). During the reconciliation process, the Company will reconcile all of this Time Off from the previous vacation year. As per the established processes, in mid-March 2016* (for the 2015 vacation year), all Additional Time Off will be deducted first from an employee's Time Bank, depending on whether the employee has a Time Bank and/ or the number of hours in it, followed by a pay check deduction in late March 2016* for all remaining time. All money owed back to the Company will be eligible to applicable taxes. This process is consistent with the 2011 Collective Agreement negotiated between Air Canada and the Unifor.

Years of Service	Entitlement (in weeks)	Entitlement Part-time Employees (in hours)	Entitlement Full-time Employees (in hours)
1 through 4 years	2	40	80
5 through 14 years	3	60	120
15 through 24 years	4	80	160
25 years and over	5	100	200

As per Article 14.08.03 of the Collective Agreement, any leave of absence taken throughout the year in excess of thirty (30) consecutive days, with the exception of absences due to workplace injuries, will be prorated according to the time worked during the year.

In order to avoid being in an overpayment situation, employees have the opportunity to use the Unifor Vacation Calculator which allows each employee to calculate their own prorated entitlement in hours and determine the number of hours of paid

vacation . In order to access this tool, please log on to ACAeronet under *HR Connex >Go to eHR Kiosk > CAW Vacation Calculator.*

Employees will continue to receive a Vacation Pay Adjustment which is equivalent to 4%, 6%, 8%, 10% of their vacationable earnings (depending on years of service). This money will appear on their paycheque in late March of 2016*. All money paid out to employees will be added to their gross earnings and appear in full on the earnings side of the pay check.

During the reconciliation process, should an employee owe money back to the Company because of Additional Time Off taken during 2015, there will be a gross to net calculation of 60% for all the money owing to that employee. For example, if 60% of an employee's Vacation Pay Adjustment, VPP Balance owed to them or Vacation Payout is greater than the total amount owed by that employee, there will be a one-time deduction of the full ATO in late March of 2016. If the 60% is less than the ATO owed by the employee, we will apply the 60% deduction and any outstanding monies to a maximum of \$150 per pay for Full Timers and \$75 for Part Timers for any outstanding monies owed.

In early March of 2016*, the Unifor Vacation Statement will become available to all Unifor employees via ACAeronet under *HR Connex > Go to eHR Kiosk > My Unifor Vacation Statement.* This detailed statement will provide a breakdown all Time Off taken from 2015 in regards to Vacation, GHO and VPP. In the Show Details, employees will be able to view all dates with applicable hours of Time Off. As mentioned above in terms of the reconciliation process, any time taken in excess of ones prorated entitlement will be owed back to the Company. As per our established processes, all Time Off will be decremented first as Vacation, followed by GHO and VPP. Employees will be sent a reminder in early March of 2016* reminding them to view their statement and advise if they believe there are any discrepancies in dates/ hours, because in late March 2016*, the final statement will be launched and there will be significant delays in adjustments reported after that March deadline.

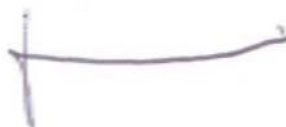
****Please bear in mind that all above dates pertaining to reconciliation 2016 are tentative and are subject to change slightly. In early January 2016, a second bulletin will be sent out to confirm all dates.***

Should you have any questions, please don't hesitate to contact your resource manager

Sincerely,



Eric Jodoin
Advisor, Labour Relations



Frances Galambosy
Bargaining Committee Chairperson