

Letter of Understanding Re: Compensation for Industrial Employees Drawing Pension Benefits

by and between

**Construction Labour Relations - An Alberta Association
Millwrights (Provincial) Trade Division
(the "Association")**

and

**The Millwrights, Machinery Erectors and Maintenance Union 1460 of the United Brotherhood of Carpenters and Joiners of America,
(the "Union")**

Whereas the Parties have entered into a collective agreement which shall remain in effect from January 10th, 2021 to April 30th, 2023 and

Whereas the Federal Government has proposed to amend the tax rules subject to the *Income Tax Act* whereby collective agreements entered into after December 31, 2019 must ensure that contributions cannot be made to a SMEP in respect of pension plan members who are age 71 and older or members in receipt of pension benefits from a SMEP, and

Whereas the Parties jointly desire to facilitate the ongoing employment of persons who are age 71 and over and members drawing pension benefits from the Millwrights Local 1460 Pension Trust Fund (the Plan) referenced in Article 5 of the collective agreement, and to provide equitable compensation for such persons.

Now Therefore it is Agreed as Follows:

Article 5 of the collective agreement shall continue to be applicable but amended to permit that if an employee who is a union member is engaged in employment for which contributions are to be made to the Plan:

1. After the end of the year an employee attains 71 years of age or
2. An employee is receiving pension benefits from the Plan,

pension contributions which would otherwise be payable by the employer to the Plan will be paid as wages (including Holiday and Vacation Pay) directly to the employee by the employer.

The wage rate for the employee, when this provision applies, are those rates attached to this Letter of Understanding and will be amended when necessary, as a consequence of changes to the base rates contained in the collective agreement.

The Employer shall be notified upon dispatch that a worker is not to have contributions made to the Plan on their behalf because they fall into categories 1 or 2 above.

In no event will this create a greater gross hourly rate of compensation for the Employee paid by the Employer, nor will it increase the Employer's total payroll burden due to changes in the wages which would result in greater Employer statutory contributions (CPP, EI, WCB). Accordingly increases in statutory contributions will be offset by reducing the amounts paid in Wages.

- Those Employees who fall into categories 1 or 2 above will be paid in accordance with the Wage Schedule below:

	Base Rate	VP & SHP	H&W	Pension	Training	Total Wage
General Foreman	\$58.22	\$5.82	\$2.56	\$0.00	\$0.75	\$67.35
Foreman	\$56.22	\$5.62	\$2.56	\$0.00	\$0.75	\$65.15
Journeyman	\$50.72	\$5.07	\$2.56	\$0.00	\$0.75	\$59.10
4th Year Apprentice (95%) 6 Months Served/50% AIT Hours	\$47.14	\$4.71	\$2.56	\$0.00	\$0.75	\$55.16
4th Year Apprentice (90%) After Pass Exam	\$44.86	\$4.49	\$2.56	\$0.00	\$0.75	\$52.66
3rd Year Apprentice (85%) 6 Months Served/50% AIT Hours	\$42.59	\$4.26	\$2.56	\$0.00	\$0.75	\$50.16
3rd Year Apprentice (80%) After Pass Exam	\$40.31	\$4.03	\$2.56	\$0.00	\$0.75	\$47.65
2nd Year Apprentice (75%) 6 Months Served/50% AIT Hours	\$38.04	\$3.80	\$2.56	\$0.00	\$0.75	\$45.15
2nd Year Apprentice (70%) After Pass Exam	\$35.76	\$3.58	\$2.56	\$0.00	\$0.75	\$42.65
1st Year Apprentice (65%) 6 Months Served/50% AIT Hours	\$33.49	\$3.35	\$2.56	\$0.00	\$0.75	\$40.15
1st Year Apprentice (60%)	\$31.21	\$3.12	\$2.56	\$0.00	\$0.75	\$37.64

- This Letter of Understanding shall be attached to and part of the Collective Agreement between the Parties hereto and shall be effective May 16, 2021.

Signed this 1st day of May 2021 by and between:

Original Signature on File

Per: Derrick Schulte
Business Manager, Executive
Secretary Treasurer, ARCAAW

Original Signature on File

Joe McFadyen, President
Construction Labour Relations – An
Alberta Association

Original Signature on File

Per: David Robinson
President, Millwrights, Local 1460

Original Signature on File

Per: Stan Howell
Financial Secretary, Millwrights,
Local 1460