



## **Voluntary Early Retirement Program Information and Application Package**

### **Contents**

The following is included in this information package:

- Overview
- Questions and Answers
- Decision Flowchart
- Benefits Information
- Request for Estimate
- Application

*Note: This package is for Unionized Employees only.*



## **Overview**

### **Purpose**

The purpose of this package is to provide information on the Unionized Employees Voluntary Early Retirement Program. This program is being offered to unionized employees considering retirement and those who are transitioning into retirement. While all union staff can apply, the program is primarily targeted at employees age 55 and older.

Approval of applications is dependent on position elimination or creation of opportunities for other staff who would otherwise experience job loss. In order for an application to be approved, the position or an equivalent position within Covenant Health would potentially be eliminated.

### **Eligibility**

To be eligible for the Voluntary Early Retirement Program, you must be:

- A union employee (all unionized employees may apply; preference will be given to those age 55 or greater)
- Employed by Covenant Health for a minimum of two (2) years
- A permanent full time or permanent part time employee

Employees in receipt of workers compensation benefits, short term disability, long term disability, and/or sick leave are eligible to apply but acceptance may alter the level of benefits received through insurance programs.

Temporary and casual employees are not eligible.

Participation is totally voluntary and subject to approval. Approval is at the discretion of the employee's Manager and subject to operational requirements. Should there be more applications than what can be accommodated, selection of who receives the package will be based on seniority per unit/ program.

### **Calculation of Retirement Payment**

Payment is calculated based on continuous years of service with Covenant Health and age based on the following calculation:

- Two (2) weeks of pay at your basic rate for each year of service, to a maximum of 40 weeks.
- An additional week for each year at age 55 and over to a maximum of 10 weeks.

For calculation purposes, a partial year will be calculated on a prorated basis for both age and years of service. The maximum payment will be 50 weeks. Calculation is based on FTE at the time of application.



For example: If your hire date with Covenant Health is August 11, 1995 and you are 58 years/5 months your payment would be calculated as follows:

- Service calculation: 2 weeks basic rate x 14 years/5 months = 28.4166 weeks basic pay.
- Age calculation: 1 week x 4 years/5 months = 4.4167 weeks
- Total payment would be 32.83 weeks

### Payment Estimates

If you would like an estimate of your offering amount, please contact Corporate Benefits at 780.342.8259 during regular office hours (see page 11). You will be required to provide your employee ID to access the estimate. Telephone requests will only be released if you provide your employee number. *Please request your estimate by January 20, 2010.*

Estimates are not final. A final amount will be provided to each employee once they apply for the offering and a termination date is determined.

### Application Process

*Interested employees must complete the Voluntary Early Retirement Application (page 12) and return it to their Direct Supervisor by January 27, 2010. Applications cannot be withdrawn once they are submitted.*

For an application to be approved, an equivalent position must be eliminated. The Employer has the right to accept or reject an application based on operational requirements. Once applications are submitted they cannot be withdrawn. The decision of who will receive a package is at the full discretion of Covenant Health and is not subject to the grievance/arbitration process.

### Termination

Employment with Covenant Health will be terminated for those employees whose applications are accepted. Covenant Health will determine the termination date of each participating employee. Employee group benefits will also cease at that time. See the attached Benefits document for more information (page 10).

Once employment is terminated, employees are not eligible for rehire by Covenant Health, Alberta Health Services, or any other employer funded directly or indirectly by Alberta Health and Wellness, for the duration of the payment period. If an employee is re-hired during this period, repayment will be required on the remaining balance of the payment period.

### Contacts



The following contacts may be useful to you in considering the Voluntary Early Retirement offering. You are strongly encouraged to consider this option carefully—your application cannot be withdrawn once it has been submitted.

**Human Resources**

Grey Nuns Community Hospital  
Monica Williams – 780.735.7378

Employee Benefits  
Bonnie Pasnak – 780.342.8257

Misericordia Community Hospital  
Catherine Smith – 780.735.2850

Pension Inquiries  
Lisa Sokoluk – 780.342.8259

Edmonton Continuing Care  
Shelly Beck – 780.342.8635

Payroll, Finance  
Glynnis Bruce – 780.342.8662

Alberta – North  
Rick Larter – 780.679.3120

Alberta – South  
Andrew Phillips – 403.760.7203



## Questions and Answers

### **Am I eligible to apply for the Voluntary Early Retirement Program?**

To be eligible for the Voluntary Early Retirement Program, you must be:

- A union employee (all unionized employees may apply; preference will be given to those age 55 or greater)
- Employed by Covenant Health (or with a Covenant Health member facility) for a minimum of two (2) years
- A permanent full-time or permanent part-time employee

Employees in receipt of workers compensation benefits, short term disability, long term disability, and/or sick leave are eligible to apply. Temporary and casual employees are also not eligible.

### **Covenant Health was not in existence 2 years ago; does that mean only service since April 1, 2009 will be recognized?**

No, continuous service from the new legal entity, Covenant Health, as well as any of the predecessor organizations will be recognized.

### **How much will I receive?**

Payment is calculated based on your continuous years of service with Covenant Health and your age:

- Two (2) weeks of pay at your basic rate for each year of service, to a maximum of 40 weeks.
- An additional week for each year at age 55 and over to a maximum of 10 weeks.

For calculation purposes, a partial year will be calculated on a prorated basis for both age and years of service. The maximum payment will be 50 weeks. Calculation is based on your FTE at the time of application.

For example: If your hire date with Covenant Health was August 11, 1995 and you are 58 years/5 months of age your payment would be calculated as follows:

- Service calculation: 2 weeks basic rate x 14 years/5 months = 28.4166 weeks basic pay
- Age calculation: 1 week x 4 years/5 months = 4.4167 weeks
- Total payment: 28.3333 + 4.4167 = 32.83 weeks

If you would like an estimate of your offering, please complete the request form (page 11) and contact Lisa in Corporate Benefits at 780.342.8259. Deadline for requesting an estimate is January 20, 2010.



**What if I worked at a Covenant facility in a program that was transferred to a hospital in the region and then transferred back?**

If the program was transferred and you followed the program, and did not apply or take any action to leave a Covenant facility, then this service will be recognized as continuous. However, if you received severance for this service previously, it will not be recognized.

**How do I apply?**

To apply for the Voluntary Early Retirement Program, complete Part A of the application and give it to your direct supervisor (page 12).

**Is there a deadline for applying?**

Yes, you must give your completed application form to your direct supervisor by **January 27, 2010**.

**Will everyone who applies receive this offering?**

All applications will be reviewed, not all applications will be approved. The approval of each application is dependant on whether your position or its equivalent can be eliminated within the organization. This is something that your direct supervisor will work on in conjunction with her/his colleagues. Should there be more applications than what can be accommodated, selection of those who receive the offering will be based on seniority per unit/program.

**If my application is not approved can I appeal the decision?**

There is no formal appeal process, however, if your application is not approved by your direct supervisor you may apply to have the decision reviewed by the manager or vice president responsible for your area.

**If I accept, does it mean I can never work for Covenant Health again?**

You are eligible to apply for positions that are open to external candidates at any time.

If you begin employment with Covenant Health, Alberta Health Services, subsidiaries or associated corporations or any other employer funded directly or indirectly by Alberta Health and Wellness during the period covered by your payment, you will have to repay the portion based on the date on which you will begin employment.

For example, if you receive 32 weeks of payment and you accept a position at Covenant Health after 20 weeks, you will have to repay 12 weeks of your offering (32 weeks – 20 weeks = 12 weeks).



If you begin employment once your payment period is complete, repayment is not required.

**If I currently work relief at another health care facility, can I continue working in that position after I receive my retirement payment?**

Yes, you can continue to work your relief job at the other facility; however, during your payment period you cannot work more relief hours than you have been working, on average, over the past three months.

For example, if in the past three months you have been working one eight hour shift per month at the other facility; you cannot work more than that at that facility during the payment period.

**How will my offering be paid?**

There are several options you can consider:

1. You may receive the offering as a lump sum
2. You may contribute your offering to your Registered Retirement Savings Plan (RRSP), subject to Canada Revenue Agency guidelines
3. You may receive a portion of the offering as a lump sum and have the remainder as a contribution to your RRSP, subject to Canada Revenue Agency guidelines

**If I am currently working in more than one position within Covenant Health or another healthcare facility can I apply for this offering on one position only?**

Yes, you may apply on one of your positions only. You do not have to terminate from all positions to be considered. However, you cannot increase the FTE or hours worked in the remaining position for the period of your payment.

**How do I decide which financial option is best for me when receiving my payment?**

Before making any financial decisions, you are encouraged to seek the advice of your financial planner to ensure you make the best choice based on your situation. You can speak to the financial planner at your bank.

Covenant Health currently uses Royal Bank of Canada for banking services. If you do not have a financial planner, you can contact RBC Financial Advisors at 1.800.769.2511.

**Do I have to pay tax on my retirement payment?**

Yes, if you received your offering as a lump sum, you will be required to pay tax at the appropriate taxation level. Contact Payroll at 780.342.8662 for further information or talk with your financial planner about tax implications.

**What happens to my pension?**



**Local Authorities Members**

There are various options for your pension depending on your age and years of service. If you are 55 years of age and **do not** have your 85 factor (combined years of service and age) you may be eligible to allocate your retiring allowance to offset your pension reduction.

Due to Freedom of Information and Privacy legislation, we are unable to access your pension information on your behalf. Please phone the Local Authorities Pension Plan Members Service Centre at 1.877.649.5277 to learn about your pension options.

**Great West Life Members (Youville Home)**

The normal retirement age is 65, however a member may receive their pension at age 55. The value of the account at the date of termination will be used to provide a retirement annuity which will begin on the date the employee elects payment. You may be able to transfer your retiring allowance to your GWL account to enhance your retirement annuity. For additional information contact GWL's Client Service Centre at 1-800-724-3402.

**What happens to my benefits?**

Most of your benefits cease on your termination date or at the end of the month in which you finish working for Covenant Health. Please contact your Benefit Representative for more information or refer to the Benefits Information (page 10).

**Can I withdraw my application?**

No. We encourage you to seek as much information as you can prior to making a decision to apply. This includes asking for an estimate from Benefits, finding out your pension eligibility and speaking with your Financial Advisor.

**If I am currently receiving LAPP retirement benefits, am I eligible to apply for the offering?**

Yes you are eligible if you are receiving a pension from LAPP.

**When will I find out if my application has been approved?**

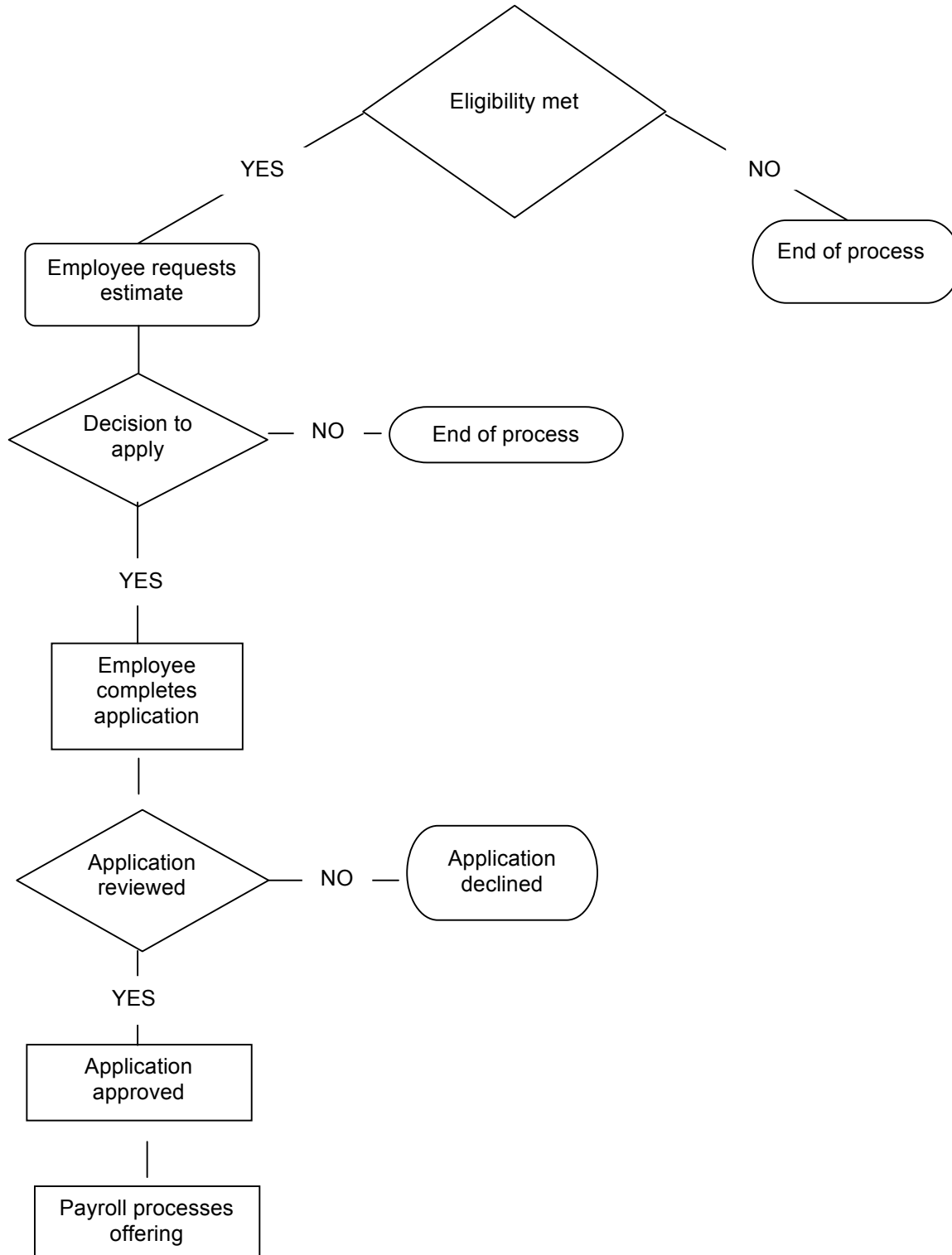
You will receive a letter from your VP/ Manager no later than **February 10, 2010**.

**Where can I get more information?**

You're welcome to phone the Human Resource and Finance contacts listed on page 4 with your questions. Information sessions will also be held **(dates to be confirmed)**.



**Decision Flowchart**





## **Benefits Information**

Benefits are affected in the following way upon termination of employment:

### **Health and Dental Coverage**

Coverage continues to the end of the month the termination occurs. Claims incurred prior to the end of the month must be submitted to the provider within 60 days.

### **Flex/Health Spending Accounts**

Coverage will continue to the end of the month the termination occurs. Claims incurred prior to the end of the month must be submitted to the provider within 60 days.

### **Group Life Insurance**

Coverage ceases on the date of termination. Individuals have 31 days to convert to a private policy with the insurance carrier without medical evidence. Conversion forms will be provided with the benefit termination package. The amount of coverage is limited to maximums set by the insurance policy held by the Employer.

### **Short Term Disability**

Coverage ceases on the date of termination.

### **Long Term Disability**

Coverage ceases on the date of termination.

### **Local Authorities Pension**

Contributions cease on the date of termination. Notification of termination, including contributions and service year to date, is forwarded to Alberta Pensions Administration after the termination has been processed. Alberta Pensions Administration will forward a termination option package to the employee's home address. Individuals who are looking at retirement options should contact their Pension/Benefit representatives to review the documentation requirements.

### **Group RRSP**

Contributions cease on date of termination. Employees should contact their provider to discuss available options.



**Estimate Request**

*To be completed by employee. Submit this page to Lisa Sokoluk in Corporate Benefits to receive an offering estimate (lisa.sokoluk@covenanthealth.ca).*

Name: \_\_\_\_\_ Employee number: \_\_\_\_\_

Date of birth: \_\_\_\_\_ Age: \_\_\_\_\_ years \_\_\_\_\_ months

Employment start date: \_\_\_\_\_ years \_\_\_\_\_ months \_\_\_\_\_

Department/site: \_\_\_\_\_

Estimated term date: \_\_\_\_\_

Position/title: \_\_\_\_\_

Full time: \_\_\_\_\_ Part time: \_\_\_\_\_ FTE \_\_\_\_\_

Hours/week: \_\_\_\_\_ Hourly rate: \_\_\_\_\_

Home phone: \_\_\_\_\_ Work phone: \_\_\_\_\_

Name of direct supervisor: \_\_\_\_\_

**Please note, calculations are an estimate and are subject to audit. Final figures will be determined once applications are approved.**



**Voluntary Early Retirement Program Application**

*PART A: To be completed by employee and forwarded to her/his direct supervisor.*

Name: \_\_\_\_\_ Employee number: \_\_\_\_\_

Date of birth: \_\_\_\_\_ Department/Site: \_\_\_\_\_

Position/Title: \_\_\_\_\_

Full Time: \_\_\_\_\_ Part Time: \_\_\_\_\_ FTE: \_\_\_\_\_

Home phone: \_\_\_\_\_ Work phone: \_\_\_\_\_

Name of direct supervisor: \_\_\_\_\_

By completing this form, I am declaring my interest in the **Voluntary Early Retirement Program**. I understand that should my application be approved:

1. I will receive payment of 2 weeks per year of continuous service to a maximum of 40 weeks of pay plus 1 week for each year at age 55 and over to a maximum of 10 weeks for a maximum total of 50 weeks. This amount is inclusive of any and all termination entitlements.
2. I will not be eligible for re-employment or be retained on a fee-for-service basis for a term period equal to the payment period.
3. Should I wish to be employed or retained on a fee-for-service by Covenant Health, Alberta Health Services or any other employer funded directly or indirectly by Alberta Health and Wellness during the payment period, I will repay a prorated lump sum amount to Covenant Health. This amount will be dependent on the start date of my re-employment.
4. I will be required to complete a Release which releases Covenant Health from any and all entitlements related to employment and includes repayment provisions should I become re-employed by Covenant Health or employed by Alberta Health Services, or any other employer funded directly or indirectly by Alberta Health and Wellness.
5. Upon approval of my application, I will be required to terminate employment within four weeks or a date mutually agreed upon with Covenant Health.

I also understand that:



- Approval of this application for the Voluntary Early Retirement Program is at the sole discretion of Covenant Health.
- Approval of this Voluntary Early Retirement Program is irrevocable.

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Signature

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Name (please print)

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Date

**Please submit this portion of the application to your direct supervisor (Part A).**



*PART B: To be completed by the applicant's direct supervisor and forwarded to their Manager/Vice President by January 27, 2010. The direct supervisor must confirm employee information as stated in Part A.*

- I will support this request by abolishing the incumbent's position

Position #: \_\_\_\_\_ Classification: \_\_\_\_\_ FTE: \_\_\_\_\_

Targeted last date of work: \_\_\_\_\_

- I would support this request if a generally equivalent position elsewhere can be abolished and I can fill this position with another qualified candidate. The position being abolished is: \_\_\_\_\_ Incumbent: \_\_\_\_\_

- I cannot approve this request at this time because (reason): \_\_\_\_\_

\_\_\_\_\_

Direct supervisor signature: \_\_\_\_\_ Date: \_\_\_\_\_

Director/ED/SOO signature: \_\_\_\_\_ Date: \_\_\_\_\_

Vice President Signature: \_\_\_\_\_ Date: \_\_\_\_\_

*Note: This application will not be accepted unless both parts have been completed and signed appropriately. Once the application is complete, please forward to Human Resources for processing.*

**For Human Resources Use Only**

- |  |  |
|--|--|
| <input type="checkbox"/> EDB/Termination Documents                         | <input type="checkbox"/> Calculation Sheet |
| <input type="checkbox"/> Submitted to Payroll                              | <input type="checkbox"/> Legal Release     |
| <input type="checkbox"/> Direct Transfer of an Eligible Retiring Allowance |  |

Received by: \_\_\_\_\_ Date: \_\_\_\_\_