



REPORT FOR ACTION

Amendments to Toronto Parking Authority Policy Resolution 4-1 (Appendix 3) - Vacations with Pay

Date: October 20, 2020

To: Board of Directors, Toronto Parking Authority

From: Acting President, Toronto Parking Authority

Wards: All

SUMMARY

Toronto Parking Authority (TPA) has established a range of Board-enacted Policies which form the guiding principles and procedures by which it operates.

This report seeks approval of recommended revisions to TPA Policy Resolution 4-1 Appendix 3: Vacations with Pay.

The change in service milestone from 22 years to 21 years of service for vacation entitlements has been in effect since 2006. As 22 years is no longer a milestone for purposes of vacation entitlements, the reference to the 22-year milestone is no longer required. It is recommended that references to the 22-year milestone be removed.

Vacation leave is an important part of work-life balance for employees, supporting both health and wellness. For this reason, Toronto Parking Authority encourages employees to take their annual vacation leave entitlements. To support employee well-being and to manage the financial risk of ongoing accumulation of accrued vacation, it is recommended that the policy encourage the scheduling of vacation time and limit carry-over.

RECOMMENDATIONS

The Acting President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority approve amendments to Toronto Parking Authority Policy Resolution 4-1 (Appendix 3): Vacations with Pay in Appendix A and direct staff to enact this Policy Resolution as amended.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report.

DECISION HISTORY

TPA Board of Directors most recently reviewed and approved Policy Resolution 4-1 (Appendix 3), Vacations with Pay, at its meeting of April 24, 2017 as part of TPA's biennial policy review.

COMMENTS

The rationale for the policy review and approval recommended in this report is set out as follows.

Policy 4-1 (Appendix 3) (see Appendix A):

Description of proposed changes:

- In section (A), remove "after completing 22 year's service 6 weeks"
- In section (A), remove "(Effective Jan 2006"
- In section (A), remove "Upon completion of 22 years service 12%"
- In section (A), remove "(Effective Jan 2006)"
- In Section (C), add " Toronto Parking Authority reserves the right to schedule an employee's vacation to ensure it is taken before year-end."
- Add new section (E) Vacation Carry-Over.

Purpose for Review and Approval:

The current Policy Resolution 4-1 Appendix 3, Vacations with Pay, was most recently reviewed in April 2017.

Annual Vacation Entitlements

A change to annual vacation entitlements was implemented effective January 2006, in which the service eligibility criteria for 6 weeks of annual vacation entitlement was reduced from 22 years of service to 21 years of service. Since January 2006, the reference to 22 years of service in the Vacations with Pay policy has become redundant and is no longer relevant. The proposed changes in section (A) of the Vacations with Pay policy are minor changes to remove references to the 22 years of service.

Vacation Carry-over

Vacation carry-over and vacation payouts are authorized under extenuating circumstances because of inherent financial liability that comes with both employees not taking their vacation entitlement and the need for employees to take a healthy break away from the workplace. Vacation leave is a critical part of work-life balance for employees. Staff conducted a review of the vacation carry-over experience. It was noted, that an average of 21 days of vacation time per employee was carried over from 2019 to 2020. While this is a slight decrease from the 2018 average of 22 days, continued focus is needed to ensure employees can take a vacation break from the workplace and minimize future financial liability.

The proposed changes in sections (C) and (E) of Policy Resolution 4-1 (Appendix 3) clarify TPA's right to schedule employee vacations and introduce vacation carry-over in the policy, which includes a vacation carry-over cap of one year's vacation entitlement, consistent with the City of Toronto. Vacation carry-over days are to be scheduled and taken by October 31st of the subsequent calendar year to ensure that carry-over days are managed and not allowed to extend as a liability into future calendar years. Vacation carry-over requests will be made in writing. Given the associated budgetary impacts of a vacation payout, it is appropriate for the approval authority to be the Vice President or President. An annual report on vacation carry-over will be prepared by Human Resources to the Senior Management Team.

Vacation Pay

According to the *Employment Standards Act (ESA)*, employees earn a minimum of two weeks vacation time upon completion of every 12-month vacation entitlement year. After five years of employment employees are entitled to three weeks. The *ESA* does not provide for any additional increases to the vacation time entitlement, although a contract of employment or collective agreement may do so. In the case of TPA, collective agreements and contracts of employment (i.e. offer letters) bind the organization legally. TPA is required to pay vacation in accordance with these agreements.

An employee can give up some, or all, of the employee's earned vacation time with the employer's written agreement and the approval of the Director of Employment Standards. This approval does not affect an employer's obligation to pay the employee vacation pay. Employees may give up vacation time, but not the right to vacation pay. TPA is legally bound by the *ESA*, collective agreements, and specific employment contracts to pay any vacation earned by the employee.

CONTACT

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SIGNATURE

Robin Oliphant, Acting President
Toronto Parking Authority

ATTACHMENTS

Appendix A: Proposed Amendments to Toronto Parking Authority Policy Resolution 4-1 (Appendix 3), Vacations with Pay

APPENDIX A

PROPOSED AMENDMENTS TO TORONTO PARKING AUTHORITY POLICY RESOLUTION 4-1 (APPENDIX 3), VACATIONS WITH PAY

TORONTO PARKING AUTHORITY

POLICY RESOLUTION

Appendix 3 4-1

ITEM: **Vacations With Pay**

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PURPOSE To define the Company policy with respect to vacations with pay.

SCOPE The following policies are applicable to all employees.

POLICY **(A) Full time union; office staff and management**

Annual Entitlement

after completing 1 year's service	3 weeks
after completing 8 year's service	4 weeks
after completing 17 year's service	5 weeks
after completing 22 year's service	6 weeks
after completing 21 year's service	6 weeks (Effective Jan 2006)

All employees who have been employed by the Authority for 25 consecutive years shall be entitled annually to an additional day of vacation with pay for each year in excess of 25 years up to a maximum of 30 years.

Less than One Year's Service

An employee who is a member of the union may be granted a vacation, even though ~~the employee~~ has been employed less than one year, at the discretion of ~~the~~ supervisor. Office and management staff may be granted vacations with pay while having less than one year's continuous service. The amount which ~~the employee~~ ~~he or she~~ will be entitled to will be 4% of regular wages earned up to the date at which vacation commences.

Calculation of Amount to be Paid Upon Separation of Employment

Less than 1 year's service as per Employment Standards Act

Upon completion of 1 years service but less than 8	6%
Upon completion of 8 years service but less than 17	8%
Upon completion of 17 years service but less than 23	10%
Upon completion of 22 years service	12%
Upon completion of 21 years service (Effective Jan 2006)	12%

In calculating the amount of pay, the employee is entitled to the above percentage as applied to total earnings, including overtime from the last anniversary to date of separation.

FIRST ADOPTED: November 28, 1985

LAST AMENDED: April 24, 2017

LAST REVIEWED: April 24, 2017

MINUTE NUMBER: 17-055

MINUTE NUMBER: 17-055

TORONTO PARKING AUTHORITY

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If vacation time is requested prior to an anniversary date, the above calculation ought to be considered prior to granting.

In the event an employee leaves the Authority and has taken some vacation time prior to the completion of an anniversary, then the value of the days taken will be subtracted from the above percentage calculation.

(B) All part time and student employees (Union)

All part-time and student employees shall be entitled to vacation pay in accordance with the Collective Agreement as approved from time to time by the Board of Directors.

(C) Scheduling vacation

Unless otherwise noted within Collective Agreements, the scheduling of vacation is subject to operational requirements. Consecutive weeks of vacation scheduled may not exceed three (3) weeks unless authorized by the respective VP/Head. The Authority reserves the right to schedule an employee's vacation to ensure it is taken before year-end.

(D) Using vacation days carried over from prior years

Management has the right and obligation to approve, in advance, when vacation can be taken with due consideration given to the efficient operation of the Authority and the related ability to schedule the workforce.

(E) Vacation Carry-Over

Employees are entitled to vacation in each calendar year and are encouraged to use it in the year that it is earned. Vacation carry-over will only be allowed in extenuating circumstances.

Subject to the approval of the vice-president or designate, a maximum of one year's vacation entitlement may be carried over and used before October 31st of the year into which it is carried over.

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In unusual circumstances, when vacation that is carried over cannot be used, for example, where an employee has been asked to forego vacation for operational reasons, requests for extension to the following year will be considered on a case by case basis by the vice-president or designate.

The employee and supervisor/manager have a mutual responsibility to develop a vacation schedule that ensures all earned and carry-over vacation is taken in a timely manner.

Employees must submit their requests to carry over vacation in writing to their supervisors/managers for approval by the vice-president or designate. Each individual request must be balanced with the operational impact of that employee taking additional vacation the following year.

Requests for Carry-over must be submitted in writing no later than September 30th of the vacation year.

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