

Supplementary Unemployment Benefit Plan

Date	May 13, 2020
To	Executive Committee
From	Citizen Experience, Innovation & Performance
Service Area	People & Organizational Culture
Item No.	EX20-18

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve not pursuing a Supplementary Unemployment Benefit Plan for City employees impacted by the COVID-19 pandemic.
2. Remove this item from the Outstanding Item List.
3. Approve these recommendations at its May 27, 2020 meeting.

ISSUE

CUPE Local 21 (Outside Workers), CUPE Local 7 (Inside Workers) and the Amalgamated Transit Union (ATU) 588 made a joint submission to Council on April 15, 2020, requesting the City provide their laid off members a Supplementary Unemployment Benefit Plan (SUBP).

A SUBP allows employers to top up employee employment insurance (EI) benefits. Employees who have been laid off due to the COVID-19 pandemic on or after March 15, 2020 have been directed by Service Canada to apply for the new Canada Emergency Response Benefit (CERB), and not EI. Most City employees currently on layoff are understood to be collecting CERB, not EI. Currently, employers are not able to pair a SUBP with the CERB.

IMPACTS

Financial Implications

Administration is continuously monitoring the City's financial position and the impact of the COVID-19 pandemic. The pandemic affects our local and global economy and is creating financial impacts on the City, as well as our community, including citizens and businesses. To address these impacts Council has made a number of decisions to provide relief.

The City continues to take actions to anticipate and respond to the pandemic in alignment with Public Health Orders (PHO) and the *Re-Open Saskatchewan Plan*. These actions are affecting the City's operations, 2020 financial results and have the potential of impacting long-term financial viability. On April 15, 2020, the City projected a negative net financial impact of \$20.7 million if operations did not return to normal by September 30, 2020.

This forecast did not include the provision of a SUBP for laid off employees. The program proposed by the unions is estimated to result in a minimum of a \$2 million increase to the financial impact forecasted on April 15, 2020. This estimate assumes a 16-week program and would increase if federal income support programs extend to respond to the ongoing COVID-19 pandemic.

Policy and/or Strategic Implications

The City remains committed to responsibly providing critical programs and services to citizens and the community during the COVID-19 pandemic. The City is operating in alignment PHO and the *Re-Open Saskatchewan Plan*. Decisions to lay off employees were based on PHO that require physical distancing, as well as place restrictions on social gatherings and non-critical services.

The City is making decisions related to the resumption of City programs and services, as well as amending service levels to meet the requirements of PHO and the *Re-Open Saskatchewan Plan*. As these decisions are being made, employees on layoff are being recalled by Administration.

Other Implications

The City continues to have open, transparent discussions with the unions on this and other labour relations matters. These discussions are critical in maintaining and building positive relationships with our union partners.

OTHER OPTIONS

This option represents the proposal in the joint submission made to Council on April 15, 2020. It includes providing income assistance for all casual employees on lay off that

supplements government benefits, up to 95 per cent of regular wages, up to a maximum of 16 weeks for the period April 1, 2020 to July 21, 2020. The estimated cost to the City for the proposed income assistance program is approximately \$2 million. This cost will increase if the COVID-19 pandemic continues and employees remain on lay off beyond July 21, 2020.

COMMUNICATIONS

The City Manager met with the unions on May 8, 2020 to discuss the recommendation contained in this report. Following Executive Committee and Council deliberations, additional communication will occur with our unions.

DISCUSSION

Relationship between SUBP, EI and CERB

A SUBP is intended to complement regular EI benefits. A SUBP allows employers to top up employee EI benefits which are typically 55 per cent of regular weekly earnings up to a maximum. Currently, the City provides a SUBP to some unions to top up their members' EI benefits while on maternity/parental/adoption leave or on an education leave related to an apprenticeship. To receive these benefits while on leave, employees are required to commit to a return in service. The City does not have a SUBP in place to offer additional benefits for laid off employees in receipt of EI.

The COVID-19 pandemic has resulted in layoffs across the country, including the City of Regina. The federal government has introduced a number of income support programs to assist laid off workers. To those who qualify, the CERB provides income, retroactive to March 15, 2020, to workers laid off for reasons associated with of COVID-19. CERB provides \$2,000 for each specified four-week period (\$500 per week) up to a maximum of 16 weeks, regardless of prior income level. Employees are also allowed to earn up to \$1,000 per month, from working, while collecting CERB.

The eligibility and use for both CERB and EI have evolved as the COVID-19 pandemic unfolded. This has impacted employers who made decisions to provide a SUBP to their employees prior to federal program adjustments. Currently, employers are not able to pair a SUBP with the CERB.

Federal or provincial financial support is not currently available to municipalities affected by the COVID-19 pandemic to cover operating costs, such as wage top ups for impacted staff. The City, along with other municipalities, are continuing to lobby the federal and provincial government for this type of assistance. If such a program was to become available, the City would explore the feasibility of accessing the program.

Impacted City Employees

As of May 8, 2020, no permanent employees have been laid off.

As of April 1, 2020, 745 casual employees were on lay off, of which approximately 360 were laid off that day. On April 15, 2020, Council approved amended service levels and the Administration began recalling casual staff to support of the delivery of these services. By the end of May, it is expected that over 375 casual employees will be recalled with approximately 370 casual employees remaining on lay off.

While some seasonal casual employees laid off last fall may continue to be in receipt of EI benefits, employees laid off by the City on April 1, 2020 will not receive income assistance through EI, but through CERB. It is our understanding that seasonal casual employees who have not been recalled and whose EI benefits will expire, have been transferred to the CERB. Based on the federal program, it is assumed City's most laid off employees are currently receiving the CERB payment.

With an average weekly salary of \$571 for City casual staff, these employees are receiving the equivalent of 88 per cent of their income with the CERB program at \$500 per week. The City recognizes that casual employees are a mixture of people who can work various schedules – some work minimally throughout the year; others work more regularly but not full time, while others work full time on a seasonal basis.

The majority of the 370 casual employees remaining on lay off at the end of May would typically not be scheduled to work full time. It is anticipated that for these employees the CERB payment will provide more income than what they would have earned had they not been laid off.

Recommended Course of Action

Administration is focused on ensuring employees impacted by the COVID-19 pandemic are able to return to work, as quickly as possible, once PHO is lifted. Our impacted employees are able to access entitlements from CERB. On average, our employees are estimated to be receiving a minimum of 88 per cent or greater of their income from CERB.

The City and our employees are limited by the parameters of CERB. Employers are not able to pair a SUBP with CERB. In the event employers proceed with a SUBP, it is expected employees are likely to be placed in a position where the federal government would 'claw back' CERB benefits.

The recommended course is to not proceed with a SUBP and continue to lobby the federal and provincial governments for program enhancements. This recommendation is consistent with practices among the majority of Canadian municipalities.

DECISION HISTORY

At the April 15, 2020 Council meeting, a motion was passed that instructed Administration to "review the submission from ATU 588, CUPE Local 21 and CUPE Local 7 and return to City Council with a report providing analysis and recommendations on the joint-union

request to provide all laid off employees with the Supplemental Unemployment Benefit Program no later than the end of May 2020”.

The recommendations contained within this report require City Council approval.

Respectfully Submitted,



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Citizen Experience, Innovation & Performance

Respectfully Submitted,



Chris Holden
City Manager

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