



Communications, Energy and Paperworkers Union of Canada
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Ontario Region

November 28, 2011

MEMO

To: Telco Locals in Ontario

Re: Post Retirement Benefits Arbitration Decision

Arbitrator Stephen Raymond issued his decision on November 28, 2011 in connection with the Post Retirement Benefits grievances filed by the Union. The Arbitrator dismissed the grievances. A copy of the decision is attached.

The Arbitrator based his decision upon Article 25 of the collective agreement. The Arbitrator determined that the actions of the company are subject to both Article 25.02 and 25.03 of the collective agreement.

The Arbitrator ruled that Article 25.02 permitted the Employer to announce changes to the benefit plans provided that it did so by giving the CEP at least 30 days' notice. This is qualified by the wording of Article 25.03, which permits that the consent of the Union, which may not be unreasonably withheld, is necessary for any changes that were to occur during the term of the collective agreement.

The Arbitrator ruled that 25.03 acts as a "freeze provision", that would prevent change to the benefit plans during the term of the collective agreement and would provide the Union with an opportunity to bargain to prevent the modification. The Arbitrator specifically noted that the elimination of post retirement benefits was not prevented by the CEP in the last round of negotiations.

On the basis of the decision of the Arbitrator, Bell's ability to phase out post retirement benefits as announced, was made effective by the ratification of the current collective agreement. The CEP entered bargaining with the knowledge that Bell intended to phase out post retirement benefits, and accordingly the CEP had an onus to change the collective agreement at negotiations in order to prevent the elimination of post retirement benefits.

The final offer presented by Bell did not provide for the continuation of post retirement benefits. This final offer was ratified by the employees in the bargaining unit, and according to the Arbitrator's interpretation of the collective agreement this was sufficient for post retirement benefits to be phased out as announced by Bell.

In solidarity,

Barb Dolan,
Administrative Vice President,
CEP Ontario Region.