

Wage Freezes under Ontario's Bill 16



By Ella Forbes-Chilibeck

Bill 16, An Act to implement 2010 Budget measures and to enact or amend various Acts

On March 25, 2010, the Government of Ontario caught public service employers and employees by surprise when it introduced Bill 16 which, at Schedule 25, the section entitled *Public Sector Compensation Restraint to Protect Public Services Act, 2010* ("Schedule 25"), institutes wide-sweeping wage freezes to the public service and employees of institutions that receive large-scale funding from the province. OCASA's membership of non-unionized college staff and administrators are captured by this legislation. Bill 16 is retroactive and will take effect on March 24, 2010 – the day before Bill 16 was introduced in the Legislature – if it is enacted.

What does Bill 16 mean to OCASA members?

Two-Year Wage Freeze

As currently drafted, the provisions found in Schedule 25 will freeze existing compensation plans in effect on March 24, 2010 for just over two years, until March 31, 2012. If enacted it will mean there will be no across-the-board salary increases and salary ranges are limited to salary scales which existed on March 24, 2010 for the next two years.

Some Pay Increases are Permitted

Schedule 25 permits increases of compensation to individual employees where these increases were provided for in the employees' contract prior to March 24, 2010 and where they relate to 1)

length of employment; 2) merit increases; or 3) the completion of professional or technical courses and programs. Where bonus income or merit increases meet these criteria, they must continue to be applied by colleges during the two-year wage freeze.

Schedule 25 explicitly prohibits structure increases (i.e. increasing an entire pay range), therefore, members at the maximum of their pay range are not eligible for base pay increases during the two-year freeze. However, employees who have not yet reached the maximum of their pay range can still receive annual pay increases during the wage freeze until they reach the maximum of their existing salary range.

What happens to Compression Allowances & other Remedial Compensation?

Colleges may be restricted under Schedule 25 with respect to the provision of remedial compensation, such as compression allowances. A compression allowance is generally provided to the supervising employee where a subordinate employee's earnings meet or exceed that of their direct supervisor. Bill 16 does not address this circumstance. Furthermore, Schedule 25 requires that the type and amount of compensation already be included in employment contracts as of March 24, 2010 in order for it to be available to employees during the wage freeze. Currently compensation guidelines between the colleges and OCASA members vary from college to college and therefore must be addressed individually with respect to compression allowances,

bonuses and other accommodations for near-retirement employees.

If you are concerned about the impact of Bill 16 with respect to your employment, you may contact the OCASA office at 1-866-742-5429 or by e-mail at info@ocasa.on.ca

Ella Forbes-Chilibeck practises in employment law with the law firm Nelligan O'Brien Payne, OCASA's legal services provider.

Nelligan O'Brien Payne was selected by the Ontario College Administrative Staff Association (OCASA/APACO) as the preferred law firm for its membership.

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