

**APPENDIX "A"**  
**Letter of Understanding**

Between:

**MECHANICAL CONTRACTORS ASSOCIATION ONTARIO**

(the "MCAO")

- and -

**ONTARIO PIPE TRADES COUNCIL**

(the "OPTC")

**Re: Paid Personal Emergency Leave**

WHEREAS on November 27, 2017 the *Fair Workplaces, Better Jobs Act, 2017*, known as Bill 148, received Royal Assent,

AND WHEREAS section 39 of Bill 148 amends section 50 of the *Employment Standards Act, 2000* (the "ESA") by providing ten annual days of personal emergency leave ("PEL"), of which two are to be paid ("the paid PEL days"),

AND WHEREAS Regulation 526/17 to the *ESA*, made on December 13, 2017 and filed on December 18, 2017, amends Regulation 285/01 (the "Amended Regulation") of the *ESA* by providing for the elimination of the paid PEL days "[i]f a construction employee who works in the construction industry receives 0.8 per cent or more of his or her hourly rate or wages for personal emergency pay",

AND WHEREAS the MCAO and the OPTC are or form part of, respectively, employer and employee bargaining agencies and have concluded a provincial collective agreement for the term May 1, 2016 to April 30, 2019 (the "Provincial Agreement"),

AND WHEREAS the MCAO and the OPTC are desirous of amending the Provincial Agreement for the balance of its term, and for the terms of the next two successor Provincial Agreements for the terms of, respectively, May 1, 2019 to April 30, 2022 and May 1, 2022 to

can\_dms:\11220255613

April 30, 2025 (the "Renewal Agreements"), to provide a 0.8% payment and to thereby eliminate the paid PEL days for employees covered by the Provincial Agreement,

AND WHEREAS the MCAO and the OPTC agree that this Letter fully satisfies such intent in accordance with the Amended Regulation and the *ESA*,

NOW THEREFORE IT IS AGREED:

1. Employees covered by the Provincial Agreement will receive a PEL payment (the "PEL Payment") at each pay period effective immediately and retroactive to January 1, 2018, such retroactive payments to be made within 45 calendar days of the date hereof.
2. The PEL Payment is calculated on 0.8% of the Base Rate plus Vacation and Statutory Holiday Pay of each employee for each hour earned by that employee.
3. No employee working under the Provincial Agreement will receive the paid PEL days, but they will be entitled to ten unpaid PEL days in accordance with and subject to the requirements of the *ESA*, as amended by Bill 148.
4. Paragraphs 1, 2 and 3 above will automatically extinguish and cease to exist should there be any legislation, including regulations, which eliminates or materially modifies the requirement to provide paid PEL days or the PEL Payment in respect of employees employed under the Provincial Agreement or any renewals thereof. For clarity, all contractors bound to the Provincial Agreement will cease paying the PEL Payment immediately upon the effective date of such legislation.
5. Subject to paragraph 4 above, paragraphs 1 (but only up to the words "each pay period"), 2, 3 and 4 of this Letter will automatically become a part of the Renewal Agreements.

DATED July 26, 2018

DATED July 26, 2018

On behalf of the MCAO

  
 \_\_\_\_\_  
 Serge Robert  
 On behalf of the MCAO

On behalf of the OPTC

  
 \_\_\_\_\_  
 James Fogarty  
 On behalf of the OPTC