

**Prince Edward Island Harmonized Sales Tax Implementation Project (PEI HSTI)
HUMAN RESOURCES AGREEMENT (HRA)**

BETWEEN

The Canada Revenue Agency as represented by the Commissioner of Revenue (“CRA”)

AND

The Government of Prince Edward Island (“PEI”) as represented by the Minister of Finance, Energy and Municipal Affairs.

1.0 Purpose of Agreement

1.1 The Governments of Canada and Prince Edward Island have executed a Canada-Prince Edward Island Comprehensive Integrated Tax Co-ordination Agreement (CITCA).

1.2 The CITCA provides for the negotiation of a Human Resources Agreement (HRA) based on the following:

1.2.1 The CRA and PEI agree that provincial employees possess skills and knowledge that are valuable to the operations of the CRA.

1.2.2 The CRA and PEI agree that effective management of human resources is an essential component for the foundation of a high-performing organization.

1.2.3 The CRA and PEI acknowledge that each must consider relevant legislation and policies and their collective agreement obligations with their respective bargaining agents. Within this context, the CRA and PEI agree to make the best possible arrangements for the employment of Prince Edward Island employees with the CRA.

1.2.4 The CRA and PEI agree to disclose, to the extent permitted by law, relevant information that will assist the parties in the execution of this agreement.

1.2.5 Consistent with the principles of change management, the CRA and PEI agree to a coordinated approach for employee communication throughout the transition of PEI employees to the CRA.

1.2.6 The parties acknowledge that the HRA is subject to the enactment by Prince Edward Island of any legislation necessary to give effect to the CITCA.

1.3 Within the context of 1.2 above, the parties agree to the following:

2.0 Definitions

The following are definitions of the terminology appearing in this Agreement:

2.1 An “employee” is a permanent (indeterminate) employee who is employed for work which is of a continuous full-time or part-time nature with PEI.

2.2 “Indeterminate employment” occurs when an employee has been made a job offer and has been hired for an indefinite period of time.

2.3 “Individual incumbent” is defined as a permanent employee whose substantive position is identified in the Appendix.

2.4 A “substantive position” is the actual position to which an employee is appointed on a permanent basis and does not refer to positions to which an employee is appointed on an acting basis.

2.5 "Flexible work arrangements" include such employer-approved arrangements as mutually beneficial work schedules, variable work weeks, and compressed work schedules.

2.6 The "rate of pay" means the annual rate of pay which is earned by the employee in their substantive position; it excludes remuneration such as acting pay, travel allowances and bilingualism bonus.

3.0 Recognition of Experience/Qualifications

3.1 The CRA's collective agreements and staffing policies do not contain seniority provisions in respect to staffing of positions. Staffing in the CRA is carried out in accordance with a staffing program established pursuant to section 54 of the *Canada Revenue Agency Act*. The CRA has adopted a Competency-Based Human Resource Management Regime which includes the Agency's Staffing Program that selects qualified candidates based on job-specific requirements. The Staffing Program also recognizes individual experience, education, and competencies in filling current and future vacancies based on business needs established for the position to be filled. Experience can be defined in terms of quality (depth, breadth, diversity, and complexity) which may be gained in a given job and is evaluated on an individual basis. Employees who join the CRA will be provided with the same opportunities for competency assessment as are currently provided to all CRA employees.

4.0 Job Placement Process

4.1 The CRA will provide employment opportunities for employees in either the Charlottetown Tax Services Office or the Summerside Tax Centre. The timing of the offers of employment is based upon the wave schedule in the Appendix.

4.2 The CRA agrees to make an offer of indeterminate employment in accordance with the time frames identified in the Appendix to each individual incumbent in accordance with the job placement process set out in this section.

4.3 Those eligible for an offer of indeterminate employment are those employees whose work is directly impacted by the PEI HSTI project and who hold one of the substantive positions set out in the Appendix on the date that this Agreement is signed. In addition, PEI will provide to the CRA the names, substantive position title, group and level of each employee whose position appears in the Appendix in accordance with the time frames identified in the Appendix.

4.4 PEI will provide the following information to the CRA about every employee referenced in 4.3, in accordance with the time frames identified in the Appendix:

- i. Full name, home address, phone number (home and office), social insurance number, work location, scheduled date of appointment to the CRA and, where appropriate, flexible work arrangements;
- ii. Substantive position title, group and level, date appointed, current rate of pay, increment date and, if known, the rate of pay immediately prior to the date of appointment to the CRA. Subject to Article 5.3, should there be a change to the employee's rate of pay between the period following the employee's acceptance of the CRA offer of employment and the effective date of the appointment, PEI will confirm the new rate of pay no later than 3 months prior to the employee's date of appointment;
- iii. Education, language profile and supporting documentation as required by the CRA;
- iv. Date of appointment to the Prince Edward Island public service and confirmation of years of continuous service;
- v. Balance of time remaining in initial PEI 6-month probationary period, if applicable

vi. Information regarding any workplace accommodations, if applicable.

4.5 The CRA positions for which employees will be considered are set out in the Appendix. Employees will be matched to a CRA position on the basis of their qualifications, including education and experience. The substantive position and rate of pay of the employee will guide the CRA in determining appropriate job matches, in consideration of the business requirements of the CRA.

4.6 Prior to commencing employment with the CRA, employees shall be required to meet the CRA's Security/Reliability Clearance process, including a criminal record check. The start date of appointment will be contingent upon completion of the security clearance process.

4.6.1 Employees who do not provide their individual consent for this check will be deemed to have declined an offer of employment pursuant to this Agreement.

4.6.2 The CRA will provide an explanation to those employees who are not confirmed under this process. In no instance will details of this process be provided to PEI.

4.6.3 Where an employee is not successful as a result of this security check, the employee shall be deemed to have declined the offer of employment. PEI will only be advised that the employee has declined the CRA offer of employment.

4.7 The effective date of all offers of employment made pursuant to this Agreement will be in accordance with the time frames identified in the Appendix.

4.7.1 The offer of employment shall contain, at a minimum: a start date for the position; the job description; classification level; salary level and salary range of the position; location; bargaining unit, if applicable; requirement to travel, if applicable; language of position; acknowledgement of pre-existing accommodations, if applicable, and a provision that the offer of employment is valid only if the employee remains as an individual incumbent immediately prior to the effective date of appointment with the CRA.

4.7.2 The CRA will provide to PEI a copy of the offer of employment it makes to employees and proof of delivery of the offer.

4.7.3 The CRA will provide PEI with a template Offer of Employment letter no later than 15 days prior to the date the letter is to be issued.

4.8 An employee receiving an offer of employment pursuant to the provisions set out above must accept or decline the offer in accordance with the time frames identified in the Appendix. Should an employee fail to respond within the specified period, the employee shall be deemed to have declined the offer and the offer expires.

4.9 Employees who accept an offer of employment with the CRA will be required to complete and submit the following forms in accordance with the time frames identified in the Appendix:

- i. Personal Information Form;
- ii. Direct Deposit Enrolment Form and void cheque;
- iii. Federal and Provincial Tax Forms (TD1s);
- iv. Completed Personnel Screening, Consent and Authorization Form;
- v. Conflict of Interest Employee Certification Document;
- vi. Code of Ethics and Conduct Confirmation of Receipt Form; and
- vii. Workforce Profile Questionnaire (optional).

Employees who do not submit the required documentation to the CRA within the timelines identified in the Appendix shall be deemed to have declined the offer and the offer expires.

4.9.1 Various other forms related to benefits (e.g. insurance forms and the Oath of Affirmation of Office and Secrecy) will be required to be completed on, or prior to, the date of appointment.

4.9.2 PEI and the CRA shall establish a process that will ensure that those employees who wish to complete the required documentation for the CRA's benefit plans prior to their date of appointment may do so.

4.10 Any employee who is found to be in a conflict of interest situation prior to the effective date of appointment to the CRA will have the option of removing themselves of the conflict in accordance with the CRA Code of Ethics and Conduct or will be deemed to have declined an offer of employment pursuant to this Agreement. The CRA will advise PEI of the name of the employee who has been deemed to have declined an offer of employment and it is understood the CRA will not provide details as to the nature of the conflict.

4.11 The CRA will provide PEI with the names of those employees who accept a job offer within 5 business days following receipt of acceptance.

5.0 Compensation

5.1 The rate of pay for the new employees shall be determined as being the nearest to, but not less than, the rate of pay the new employee was earning in their substantive position immediately prior to the effective date of appointment, provided that such a rate is within the salary range of the CRA position. In the case of an employee appointed to a position covered by the Public Service Alliance of Canada – Union of Taxation Employees (PSAC-UTE), if the rate of pay is not within the salary range of the CRA position, the rate of pay shall be determined in accordance with the salary protection provisions of Article 7 contained in the CRA-PSAC collective agreement.

5.2 For pay increment purposes, the effective date of appointment with the CRA becomes the employee's anniversary date as defined by applicable CRA terms and conditions of employment.

5.3 If an employee is entitled to a retroactive increase to their rate of pay in their former provincial substantive position, following the date of appointment with the CRA, the employee's salary with the CRA will be recalculated in accordance with the provisions of paragraph 5.1 above. PEI shall provide the CRA with information necessary to process the potential adjustments.

6.0 Application of the Official Languages Act within the CRA

6.1 Employees who are offered a bilingual position with the CRA are subject to undergoing the Public Service of Canada's Second Language Examination. An employee who does not meet the language requirements of the position will be offered a unilingual position, consistent with the terms and conditions of the original offer, including rate of pay.

7.0 Employment Guarantee

7.1 Employees who accept an offer of employment with the CRA shall have access to the employment protection entitlements established within the Work Force Adjustment (WFA) provisions of the CRA-PSAC collective agreement upon appointment to the CRA subject to the following:

7.1.1 Subject to section 7.1.2, the CRA undertakes that the employment of an employee will not be terminated prior to the end of a two-year period following the effective date of initial appointment to the CRA, other than for just cause or with the agreement of the employee.

7.1.2 Employees who, as a result of an employee-initiated action following the effective date of appointment to the CRA, voluntarily accept a position other than that accepted pursuant to

the letter of offer as a result of this Agreement will forego the employment guarantee provided in section 7.1.1.

7.1.3 The employment guarantee will cease two years from the effective date of appointment to the CRA.

8.0 Recognition of Prior Service

8.1 Employees who accept a position at the CRA shall have their continuous years of service with Prince Edward Island public service recognized by the CRA.

8.2 This service recognition will apply to the following entitlements, provided for in CRA-PSAC collective agreement as well as any future entitlements which are determined on the basis of a period of service or employment:

- i. Vacation Leave;
- ii. Maternity Leave without Pay and Special Maternity Allowance for Totally Disabled Employees;
- iii. Parental Leave without Pay and Special Parental Allowance for Totally Disabled Employees;
- iv. Pre-retirement Leave;
- v. Severance Pay as it pertains to the qualifying period and determination of eligibility to receive such pay;
- vi. Transition Support Measures related to Work Force Adjustment; and
- vii. Marriage Leave with Pay.

9.0 Vacation Leave

9.1 Employees who accept an offer to join the CRA shall be entitled to carry over any earned but unused vacation leave entitlement earned with Prince Edward Island public service to a maximum of 262.5 hours.

9.2 PEI will make every reasonable effort to ensure that vacation leave of employees is reduced to the greatest extent possible prior to commencing employment with the CRA.

9.3 PEI shall reconcile unused vacation credit information as of the employee's last date of employment with PEI and confirm this information in writing to the CRA immediately following the date of appointment.

10.0 Sick Leave

10.1 Upon employment with the CRA pursuant to this Agreement, the CRA will accept the transfer of earned but unused days of sick leave for each employee who accepts employment with the CRA to a maximum of 375.0 hours.

10.2 PEI shall reconcile unused sick leave information as of the employee's last date of employment with PEI and confirm this information in writing to the CRA immediately following the date of appointment.

11.0 Accommodation

11.1 For a period of up to 18 months after the dates of appointment with the CRA, the CRA will respect the commitments PEI has made in the cases of employees accepting offers of employment who are under authorized accommodation plans for health and disability reasons. Any extension or renewal of these plans will be subject to the applicable terms and conditions of employment within the CRA.

12.0 Probationary Period

12.1 Employees accepting offers of employment from the CRA will not be subject to a probationary period with the CRA, except for those employees who have not completed their initial provincial 6-month probationary periods with PEI on the effective dates of appointment with the CRA. These employees will be required to complete the remaining portion of their 6-month probationary periods with the CRA, with the remainder of such periods commencing on the date of appointment with the CRA.

13.0 Flexible Work Arrangements

13.1 The CRA will review flexible work arrangements and will respect them to the extent possible, according to the CRA-PSAC collective agreement and relevant policies.

14.0 Membership Fees

14.1 Professional accounting membership fees will be paid in accordance with the provisions of the respective collective agreements and applicable policy.

15.0 Benefit Plans

15.1 The CRA shall enroll employees who complete benefit enrolment forms in federal health, dental and long-term disability plans, supplementary dependant and spousal life insurance, accidental death and dismemberment, critical illness, spousal insurance and supplementary health and hospital for which employees are entitled to enroll.

15.2 PEI agrees to continue and pay for its health and dental coverage for employees and family members during the waiting periods established by the federal health (30 calendar days) and dental insurance plans (exactly 3 months).

15.3 With respect to disability leave and entitlement, the CRA shall ensure that benefits are not denied to any individual who may have a pre-existing medical condition.

15.4 The CRA shall reimburse PEI for the costs of any premiums associated to continue the benefits set out in 15.2.

16.0 Pension Plan Arrangements

16.1 The existing Pension Transfer Agreement will apply to employees joining the CRA.

17.0 Maternity and Parental Leave

17.1 An employee accepting an offer of employment who is on maternity or parental leave on the agreed upon appointment date shall remain an employee of PEI until such time as their maternity or

parental leave concludes. The effective date of appointment shall be modified to coincide with the day following the expiration of the maternity or parental leave.

18.0 Leaves of Absence

18.1 Except as may be governed by other provisions of this Agreement respecting particular leaves of absence, an employee who accepts a job offer with the CRA who is on a leave of absence that would continue beyond the effective date of appointment may either elect to remain an employee of PEI until the termination of the leave of absence or return to work with PEI before the effective date of appointment with the CRA.

18.2 Following the signing of this Agreement, PEI will not approve any discretionary leave of absence for an employee whose leave would begin or continue beyond the effective date of appointment to the CRA.

18.3 When an employee is on a leave of absence that goes beyond the effective date of appointment as per the CRA letter of offer, the effective date of appointment will be amended to coincide with the date the employee is scheduled to return to work with PEI.

18.4 The foregoing clauses (18.1, 18.2, and 18.3) do not apply to employees on maternity or parental leave.

19.0 Disability/Workers Compensation Benefits

19.1 An employee in receipt of disability or workers compensation benefits immediately prior to the effective date of appointment to the CRA will have their situation reviewed by PEI. If such an employee is fit to return to full-time work with PEI, within a two-year period from the proposed date of appointment to the CRA, the effective date of the employee's appointment to the CRA will be amended to the date PEI deems the employee fit to return to full-time work. If the employee is not fit for full-time work within this two-year year period, the employee will remain an employee of PEI.

20.0 Other Terms and Conditions

20.1 Except as stipulated in this Agreement, the terms and conditions, including those pertaining to benefits in the CRA-PSAC collective agreement, legislation and regulations, and other relevant policies and procedures will apply to employees from the dates of their appointment with the CRA.

20.2 In the event PEI leaves the HST framework within 5 years of HST being implemented (i.e. before April 1, 2018), PEI agrees to make reasonable job offers to its former employees within 3 months of leaving the HST framework, for a start date of no later than 1-year after the province returns to a provincially administered sales tax. These job offers will be conditional upon the employees resigning from their positions at the CRA.

21.0 Outstanding Grievances/Complaints

21.1 PEI will attempt to resolve outstanding grievances prior to the dates of appointment with CRA. Any grievances, complaints, arbitrations or other proceeding or cause of action related to PEI employees which are outstanding as of the employees' effective date of appointment to the CRA shall remain the exclusive responsibility and liability of PEI. In cases where grievances cannot be resolved in advance of the effective date of appointment, CRA will cooperate with PEI in releasing witnesses and/or complainants from work on a leave-without-pay basis to participate in the dispute process.

22.0 General

22.1 The CRA and PEI agree to cooperate on administrative arrangements to ensure an efficient transition. This will include a process at the management level for addressing issues related to the implementation of this Agreement.

22.2 Any disputes arising from this Agreement will be referred to the joint governance structure established by the Prince Edward Island Department of Finance, Energy and Municipal Affairs and the CRA for the transfer to a single sales tax administration. Should the governance structure be unable to resolve the dispute, the dispute will be referred to the PEI Deputy Minister of Finance, Energy and Municipal Affairs and the CRA Commissioner of Revenue for resolution. Disputes not resolved at this level will be referred to the Minister of Finance, Energy and Municipal Affairs and the Minister of National Revenue.

IN WITNESS THEREOF, this Agreement was signed

For the Canada Revenue Agency

For the Government of Prince Edward Island as
represented by the Minister of Finance, Energy
and Municipal Affairs

At: Ottawa, ON

At: Charlottetown, PEI

Date: DEC 18 2012

Date: December 21, 2012

By: W. Doreen Jones
Deputy Commissioner of Revenue Acting as
Commissioner of Revenue

By: David Aisneau
Deputy Minister of Finance, Energy and
Municipal Affairs

Appendix

Position Matches and Appointment Dates

PEI Position Number	CRA Group/Level	CRA Job Name	CRA Job #	CRA Location
Wave 1 Transition Date - April 1, 2014				
537	SP-04	Collections Contact Officer	SP0439	Charlottetown Tax Services Office
562	SP-04	Processing Officer – Accounts, Benefits and Rebates	SP0474	Summerside Tax Centre
592	SP-04	Collections Contact Officer	SP0439	Charlottetown Tax Services Office
2021	SP-03	Assessment Processing Clerk	SP0290	Summerside Tax Centre
9391	SP-05	Collections Officer	SP0396	Charlottetown Tax Services Office
Wave 2 Transition Date - April 1, 2015				
538	MG-SPS-02	Review and Verification Supervisor	MG0347	Summerside Tax Centre
542	SP-03	Compliance Programs Support Clerk	SP0291	Charlottetown Tax Services Office
546	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
550	MG-SPS-04	Manager, Review and Verification	MG0346	Summerside Tax Centre
552	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
554	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
555	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
556	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
557	SP-04	Collections Contact Officer	SP0439	Charlottetown Tax Services Office
559	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
598	MG-SPS-02	Review and Verification Supervisor	MG0347	Summerside Tax Centre

PEI Position Number	CRA Group/Level	CRA Job Name	CRA Job #	CRA Location
602	SP-03	Accounts and Benefits Processing Clerk	SP0281	Summerside Tax Centre
2212	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
7514	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
7515	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office
7516	SP-08	Screeener/Examiner, Prepayment Program	SP0800	Charlottetown Tax Services Office

* Summerside Tax Centre is located on 275 Pope Road, Summerside, Prince Edward Island

* Charlottetown Tax Services Office is located on 161 St. Peters Road, Charlottetown, Prince Edward Island

Wave Time Frames

Wave	Effective Date of Appointment	Information from PEI due to CRA (4.4)	CRA Offer of Employment Issued (4.2)	Deadline for Acceptance of Offers (4.8)	Forms Information from Employees Accepting a CRA Offer (4.9)
1	April 1, 2014	Immediately following the signing of the HRA	January 11, 2013	February 12, 2013	January 6, 2014
2	April 1, 2015	Immediately following the signing of the HRA	January 11, 2013	February 12, 2013	January 5, 2015

The information included in this Appendix may be amended upon mutual agreement of the parties.