

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: March 26, 2014

SUBJECT: TTC Sick Benefit Association Bylaw Amendments

ACTION ITEM

RECOMMENDATION

It is recommended that the TTC Board sanction the attached amendments to the bylaws of the TTC Sick Benefit Association (SBA), as approved by its Board of Directors on January 31, 2014.

FUNDING

There is no funding impact to TTC's 2014 operating and capital budgets.

BACKGROUND

The Toronto Transit Commission Sick Benefit Association was incorporated in December 1960 to provide and regulate sick benefit payments to unionized employees. The requirement to provide sick benefit payments forms part of the Collective Agreement with all four TTC unions. The TTC, by agreement with the unions, pay the full cost of this benefit. A joint union-management Board of Directors approves SBA bylaw amendments.

SBA bylaw No. 5 requires that any amendments to the bylaws be sanctioned by the TTC Board.

DISCUSSION

Legislative changes effective January 1, 2012 require Canada Pension Plan and Employment Insurance withholdings from SBA payments. The SBA payroll system does not have capabilities to integrate these changes with the TTC regular payroll systems. It was determined that the most cost effective and efficient way to meet these legislative requirements was to process SBA benefits through the TTC payroll system and to have the TTC pay SBA claims directly to the employee. Prior to this change, employees were paid by the SBA and the TTC would fund the SBA an equivalent amount.

The following bylaw amendments were approved by the SBA Board to accommodate and reflect these changes:

By-law 1 Section, 15 (6) was added to allow the TTC to pay benefits and/or claims directly to SBA members; and

By-law 1, Section 14 (2) was amended to stipulate audited financial statements will be prepared if required by law as this change will result in more simplified SBA financial reporting.

JUSTIFICATION

Pursuant to the SBA bylaw No. 5, the TTC Board must sanction all bylaw amendments adopted by the SBA Board, in order for the bylaw to take effect.

March 4, 2014
44-1-86

Attachment: Sick Benefit Association Bylaw Amendments

BY-LAW 1 SECTION 14 (2) AND SECTION 15 (6)

Section 14 - Financial Year and Audit

- 1) The financial year end of the Association shall be December 31st of each year, or any other date from time to time adopted by the SBA Board.
- 2) **If required by law**, at the end of each year and at such other times as the Board or the TTC Board may determine, the books and accounts of the Association shall be audited by an independent firm of Chartered Accountants, to be recommended by the Board and appointed at the Annual General Meeting, subject to the approval of the TTC Board. An annual statement of the fund, with the Auditor's report thereon, shall be prepared by the officers of the Association and shall be sent to each Member and the TTC Board, or published in the Coupler.
- 3) Notwithstanding By-law No.1, Section 14 (1) (2), the Board may, in the event of resignation of the incumbent auditors, appoint an alternate auditor on an interim basis, subject to ratification by the Membership at the next special or Annual General Meeting and approval by the TTC Board.

Section 15 - Payment of Claims

- 1) All applications for payment of benefits provided by the by-laws of the Association shall be made by the Members on the proper forms of the Association and forwarded to the Secretary.
- 2) All applications to the Association for payment of benefits shall be made within 60 calendar days of the date when the event giving rise to the claim first occurred. Failure to file an application within the required time shall not be a bar to payment by the Association, if in the opinion of the Board, the delay was beyond the control of the Member.

Subject to By-Law 4, Section 1 (1) where the Workplace Safety and Insurance Board does not render a decision within 60 calendar days from the date of an application with respect to payment of an occupational injury or an award for compensation, the Member may make an application for payment of benefits from the Association in the form of advances.

Effective April 15, 2005

- 3) Where a Member desires payment of the amount of any benefit or benefits to some person other than the Member, the Member must provide the Association with written authority to make such payment or payments.
- 4) Where a certificate of disability is required by the Association, such certificate shall be signed by the attending physician and shall be forwarded by the Member to the Secretary. In the case of application for sick benefits, such will be paid automatically every two weeks, during the period that the Member's physician estimates disability, provided disability continues and until it is apparent that a further medical certificate is required to prove continuing disability.
- 5) No payment of any benefit provided for under the By-laws of the Association will be made where the event giving rise to the claim for such benefit occurred prior to the effective date of the By-Law under which such claim is made.
- 6) **Notwithstanding anything to the contrary in the By-laws of the Association, the TTC Board may elect to pay benefits and/or claims directly to Members in which case the Association shall not be responsible for payments to Members and the TTC Board shall not be responsible to contribute to the Fund.**