
Why Alternation? - Entitlements to Consider

An alternation is a situation where an employee trades places with an employee who will be laid off in order to gain access to one of the three sets of special entitlements provided in the *Work Force Adjustment Directive* (WFAD).

Written authorization for an alternation must be secured within 120 days, including week-ends and holidays, from the day the opting employee receives the notice of opting or surplus, not the notice of affected status. The opting employee is the employee who will be laid off, if no alternation occurs. The special entitlements are called “options” in the Work Force Adjustment Directive. There are three options:

- **Option A:** is a priority for appointment of duration of 12 months. The employee who chooses option A and does not find a new position during the 12-month period is laid off. The Employee can request a lump-sum payment of salary for the balance of the surplus period up to a maximum of six months; but authorization is at the discretion of the employer and must not be for an amount of money that is greater than what the employee would receive under option B. In addition, an employee between the ages of 55 and 60 with at least 10 years of service is entitled to a waiver of the 5% per year pension penalty for early retirement (see Appendix B).
- **Option B:** is the Transition Support Measure (TSM). It is a cash entitlement provided by the WFAD. It is additional to severance pay. The employee choosing option B will receive both the TSM and severance. For example, an employee with 25 years of service would receive 52 weeks of pay under TSM in the WFAD plus 25+1 weeks of severance pay pursuant to the collective agreement for a total of 78 weeks of pay. An employee with 1 year of service would receive 22 weeks of pay under the WFAD plus 2 weeks of severance pay for a total of 24 weeks. Entitlements are presented in a table reproduced in *Appendix A* below. Again the employee is entitled to the pension waiver if he or she meets the conditions described in Appendix B.
- **Option C:** is the Education Allowance. The Education Allowance combines the TSM or cash entitlement described above with reimbursement of education related expenses to a maximum of \$11,000 (tuition fees, cost of books and/or equipment). The employee who chooses option C resigns immediately and is not eligible for the pension waiver. The employee can choose under option C to delay for up to two years the departure date and to continue to be employed as a public service employee but on unpaid leave. Again the employee is not eligible for the pension waiver. By continuing to be a public service employee, the employee can continue to contribute to his or her pension for up to two additional years, and to other benefit plans.

How Does Alternation Occur?

There is no single process being followed by all departments. However, the following is fundamental to all processes:

1. Opting employees initiate a given alternation.

In order to initiate an alternation, an opting employee must make contact with the supervisor of a volunteer or alternate. The opting employee must demonstrate to the satisfaction of the supervisor that he or she has the qualifications to carry out the work of the position that the volunteer is prepared to vacate. Departments may have different approval processes. Authorization may need to come from a committee, or even the Deputy Minister.

2. Alternates (volunteers) must make themselves visible as potential partners to a trade.

A CAPE member who wishes to volunteer as an alternate in order to leave the public service with either the TSM or Education Allowance should register with...

- the employee's own department. Each department is required to set up an internal alternation process where volunteers can express an interest in alternation and register.
- Treasury Board. Treasury Board has set up a platform for alternation on the following public service intranet web site: gcforums.gc.ca; Jobs Marketplace-Alternation Forum. The Treasury Board tool will facilitate interdepartmental and even interregional alternations. But they can also be used for alternations within a department. Please note that this tool serves to assist managers. Employees who wish to volunteer for alternation should ensure that they are also on a department list.
- CAPE (options@acep-cape.ca), the CAPE service allows opting members to get contact information in order to find an alternate. CAPE keeps a list of volunteers that it provides to the opting employee. It is up to the opting employee to contact volunteers and arrange contact with supervisors.

In regions outside the National Capital Region, departments are coordinating interdepartmental alternations through *Work Force Transition Committees* (WTC) functioning under the auspices of the Regional Federal Councils. Members who wish to volunteer for alternation in the regions should ask their respective departments to register them with the WTC committee of their region.

Please note that some CAPE members have already received letters of opting employees. And an alternation takes time to complete within the 120-day period following the opting employee's notice. *Registering as soon as possible and in as many places as possible is important.*

CAPE recommends that when registering it should be made clear in writing that you can withdraw from the process at any time prior to the authorization of the alternation in writing. This does not mean that you are not taking the process seriously. It means that circumstances can arise from the time when you register to when an alternation is authorized which would warrant that you rescind your offer to leave the public service.

- 3. The supervisor of the alternate will evaluate the qualifications of the opting employee and the department will authorize the alternation if the opting employee is deemed to have the qualifications to carry out the work that would have been carried out by the volunteer.**

Alternation is not an employee right in the Work Force Adjustment Directive. A volunteer is not entitled to an alternation. However, opting employees have a right to be considered for every opportunity to continue employment in the federal public service. The Directive is very clear on the matter: *"It is the policy of the Treasury Board to maximize employment opportunities for indeterminate employees affected by work force adjustment situations, primarily through ensuring that, wherever possible, alternative employment opportunities are provided to them..."*
6.2.1 All departments or organizations must participate in the alternation process."

For more information on alternation, please refer to:

- Section 6.2 of the Work Force Adjustment Directive
<http://www.njc-cnm.gc.ca/directive/index.php?sid=277&hl=1&lang=eng>
- CAPE's Information Sheet on Alternation*
http://acep-cape.ca/pdfs/General/files/FI_IS_WFA_RDE_alternation_e.pdf
- CAPE's Information Sheet on What an Opting Employee should know*
http://acep-cape.ca/pdfs/General/files/FI_IS_employees_opting_optant_e.pdf
- ... or the compendium of documents on WFA provided on the CAPE web site at:
<http://www.acep-cape.ca/EN/specialNotice1/>

* The information sheets were written months ago. Events that are announced have for the most part already occurred, for example the setting up of the Treasury Board platform for alternation.

APPENDIX A

Transitional Support Measure

(for the calculation of cash entitlements under both Options B and C)

Years of Service in the Public Service	Transition Support Measure (TSM) (Payment in weeks' pay)	Years of Service in the Public Service	Transition Support Measure (TSM) (Payment in weeks' pay)
0	10	22	52
1	22	23	52
2	24	24	52
3	26	25	52
4	28	26	52
5	30	27	52
6	32	28	52
7	34	29	52
8	36	30	49
9	38	31	46
10	40	32	43
11	42	33	40
12	44	34	37
13	46	35	34
14	48	36	31
15	50	37	28
16	52	38	25
17	52	39	22
18	52	40	19
19	52	41	16
20	52	42	13
21	52	43	10
		44	07
		45	04

For indeterminate seasonal and part-time employees, the TSM will be pro-rated in the same manner as severance pay under the terms of the collective agreement.

Severance pay provisions of the collective agreement are in addition to the TSM.

Shaded cells identify the maximum entitlement.

APPENDIX B

Pension and Pension Waiver

- If you are in a Work Force Adjustment situation, and you choose either option A or option B, you may be eligible for a waiver of the normal pension reduction if the deputy head or his or her delegate certifies that all of the following conditions are met (if the conditions are met, the deputy head must approve the waiver):
 - You are an employee whose services will no longer be required because of a work force adjustment situation;
 - You are between the ages of 55 and 60 and have been employed in the public service for at least 10 years on the date you cease employment;
 - You have a at least 2 years of pensionable service to your credit;
 - You have not received an educational allowance.
- A “pension waiver” is the removal of the normal reduction to an annual allowance that is applied because the individual, at termination, did not meet the age and service thresholds to receive an immediate annuity (55 years of age and at least 30 years of service). This reduction would normally be five percent (5%) for every year that the individual's pensionable service credit is less than thirty years or the age is less than 60 years.

For example, with 25 years of pensionable service, an average salary of \$75,000 during his or her best 5 years and a retiring age of 58 an employee would have yearly pension benefits equivalent to:

$$(2\% \times 25) - [(2\% \times 25)/(5\% \times 2)] = 45\% \times \$75,000$$

rather than the 50% x \$75,000 where no waiver

The (5% x 2) or 10% deduction from the (2% x 25) is the penalty that is waived if an employee chooses options A or B under the *Work Force Adjustment Directive* and meets the conditions above.

Please take note that the information and example above are provided to explain the pension waiver and **should not be used as an authority on pension calculations**. Members should seek authoritative information from the employer and consult the following web site: <http://pensionetavantages-pensionandbenefits.gc.ca/re-wfa-eng.html>

Where can you find more information about your public service pension and benefits?

The Treasury Board of Canada Secretariat along with Public Works and Government Services Canada and other benefits plan administrators work together to inform you about the available options and entitlements you may have. More precisely, the Portal offers you an extensive list of detailed information about your pension (in alphabetical order):

[Division of Pension Benefits Package](#) provides general information on the division of pension benefits upon a marriage or a common-law relationship breakdown.

[Federal Superannuates National Association](#) operating as the National Association of Federal Retirees promotes the interests of retired federal employees.

[Pension Entitlement Information Package](#) includes detailed information related to options when leaving the federal public service.

[Pension Portability Package](#) provides general information regarding pension portability options under the public service pension plan.

[Pensionfacts](#) explains how the public service pension plan works.

[Service Buyback Package](#) provides general information on the buyback of prior service under the public service pension plan.

[Statement Guides](#) accompany your annual statement and are available online only. Select the version of the guide that has been identified on your annual statement.

[Weighing Your Options](#) provides information related to your options when leaving the public service.

[Your Insurance Benefits at a Glance](#) provides a summary of the Health, Dental, Disability and Life Insurance plans offered to active members.

[Your Insurance Benefits in Detail](#) provides a detailed description of the Health, Dental, Disability and Life Insurance plans offered to active members.

[Your Pension at a Glance](#) provides a summary of the public service pension plan.

[Your Pension and Insurance Benefits - Guide for Executives \(2011\)](#) explains the pension benefits and options described in *Your Pension and Insurance Benefits Statement for Executives*. It also provides you with information on your group insurance benefit plans.

[Your Pension and Insurance Benefits Guide \(2011\)](#) explains the pension benefits and options described in *Your Pension and Insurance Benefits Statement*. It also provides you with information on your group insurance benefit plans.

[Your Pension Plan](#) provides an in-depth summary of the major provisions of your public service pension plan.

Treasury Board provides also a Qs & As with the above in hyperlinks.. See:

<http://www.tbs-sct.gc.ca/hr-rh/bp-rasp/pensions/faq-retire-retraite-eng.asp#qe17>