

MEMORANDUM OF SETTLEMENT

BETWEEN:

UNIFOR

(the "Union")

- and -

BELL CANADA

(the "Company")

Benefits for Active Employees after the Age of 65

Re: Grievances of Hibbert, MacDougall, Felicetti (27-12-608, 25-12-729 and 25-12-731) the "Grievances"

WHEREAS the Union filed the Grievances on behalf of some employees covered by the Craft and Service Employees collective agreement (the "Collective Agreement");

AND WHEREAS the Union and Company agree that this Memorandum of Settlement is applicable to any other grievances that have been filed under the Collective Agreement prior to November 4, 2014 concerning the issue of benefits coverage after reaching the age of 65 for active employees ("Other Related Grievances");

AND WHEREAS the arbitration hearing of the grievance of Clinton Hibbert commenced before Arbitrator Michel Picher on February 7 and October 17, 2014;

AND WHEREAS, by letter dated January 7, 2014, the Union advised that it does not dispute, on a without prejudice basis, the age-based distinctions contained in the pension plan, the group RRSP and the long-term disability plan;

AND WHEREAS the Company informed Arbitrator Picher and the Union during the hearing on October 17, 2014 that it has decided to allow, in part and on a without prejudice and precedent bases, Mr. Hibbert's grievance, namely the aspect of the grievance pertaining to the premiums charged to active employees over the age of 65 for the coverage of their dependents (spouse or children) under the Medical and Dental Plans;

AND WHEREAS the Company does not agree with any of the Union's allegations made by the Grievances;

AND WHEREAS the parties wish to settle in a full and final manner all matters related to the Grievances;

NOW THEREFORE, the parties agree to the following:

1. The above preamble forms an integral part of this MOS.
2. The Union withdraws its requests that the insurance plans (including basic life and accident) and that the medical and dental plans be continued until the date of retirement, instead of terminating at age 71;
3. The Union withdraws its allegation and its request that the short-term disability ("STD") plan should provide the same benefits after age 65 until the date of retirement;
4. The premium charged to active employees over the age of 65 for coverage of their dependents under the Medical and Dental plans shall be the same as the premium charged to active employees under the age of 65.
5. Bell will provide STD benefits to employees commencing at age 65 and terminating at age 71 as follows:

- (a) Subject to paragraph 5(b), the STD plan will provide benefits beginning on the 8th consecutive calendar day of absence, to a total maximum of 26 weeks, according to the following schedule:

For employees hired after July 1, 2000:

- 100% of the employee's basic salary for the first 8 weeks of disability;
- 80% of the employee's basic salary for the next 18 weeks of disability.

For employees hired before July 1, 2000:

- 100% of the employee's basic salary for the 26 weeks of disability.

- (b) For each period of disability, an employee will be entitled to receive a maximum of 15 weeks of STD benefits. For any new period of disability, the employee will only be able to qualify to receive further STD benefits after having returned actively to work for a minimum period of ninety (90) consecutive days without any sickness absence or unauthorized absence.

- (c) For clarity, employees' entitlement to receive STD benefits is capped at a total of 26 weeks of disability for the entire 6-year period commencing at the age of 65

and terminating at the age of 71, without regard to whether the disability period(s) are consecutive or not.

6. The Grievances and all Other Related Grievances are considered withdrawn by the Union effective as of the date of signature of this MOS.
7. The Union will not initiate, file or support any further grievances or legal proceedings before any arbitrator or the Canadian Human Rights Commission/Canadian Human Rights Tribunal to challenge the legality of the benefits offered to active employees over the age of 65 who are covered by the Collective Agreement. In the event any such proceeding is initiated by an employee covered by the Collective Agreement, the Union will notify the Commission/Tribunal that the issue has been conclusively settled between the parties and the Union agrees that the program of benefits offered to employees over the age of 65 is in compliance with the applicable provisions of the Collective Agreement, including Article 2.02, and the *Canadian Human Rights Act*.
8. Should the Union contravene any of the undertakings set out in paragraph 7 of this MOS, this MOS will become automatically null and void without further notice by the Company.
9. It is understood that this MOS does not prevent the Company from modifying any of the above plans upon satisfying the conditions set out in Article 25, or any other Articles of the Collective Agreement, subject to the Union's right to file a grievance in accordance with the Collective Agreement. It is also understood that this MOS does not alter the respective rights or obligations of parties set out in Article 25 of the Collective Agreement.
10. It is understood that this MOS does not affect the non-arbitrability of grievances pertaining to benefits offered to employees covered by the Collective Agreement, subject to the Union's right to rely on the award of Arbitrator Gee issued on October 29, 2014. For clarity, and as an example, grievances pertaining to STD and LTD benefits will remain non-arbitrable under the Collective Agreement, subject to the Union's right to rely on the award of Arbitrator Gee issued on October 29, 2014.
11. This MOS is entered into without prejudice or precedent basis to the rights of the Union and/or the Company. Other than to enforce its terms, the parties agree that this MOS shall not be referred to or relied upon in any future applications or proceedings.
12. To the extent the Grievances have been allowed in part, the Company will reimburse the employees, within 90 days of the signature of this MOS, the difference in the amount of premium charged for coverage of their dependents.
13. Arbitrator Picher will remain seized in the event of disagreement over the implementation, interpretation or application of this MOS.

SIGNED at _____, this 10 day of December 2014.

FOR THE UNION:



FOR THE COMPANY:

