



November 6, 2014

TO: BRANCHES & FACILITIES

CATCA FINANCIAL UPDATE – DUES HOLIDAY

In the fall of 2013, the CATCA Board of Directors approved a recommendation made by the union's Board of Trustees to attempt to reduce the sick leave fund liability which exists for its past and present Board members.

CATCA offered all eligible past and present CATCA Board members a payout of their accumulated CATCA sick leave as per the Collective Agreement. The sick leave banks were no longer growing as of April 1, 2011 because NAV Canada has taken over responsibility for CATCA office holders' sick leave credits as part of an agreement reached during collective bargaining. However, the liability of the fund continued to grow because of yearly economic increases. This initiative was a way to reduce the union's growing liability. It is important to note that the payouts were offered at the same rate dictated in the collective agreement (50%) and that CATCA would have been required to payout all affected members of the board upon their retirement. By paying out those who accepted the offer now, the payouts were at today's rates and the liabilities were reduced.

Once the payouts were made to those who accepted the offer, there was a surplus of \$286,000 in the sick leave fund. The surplus is a result of the elimination of future liabilities to CATCA and clearly shows why this recommendation was made. After consultation with our auditing firm and the CATCA Board of Trustees, the Board of Directors passed a resolution at its October meeting to refund the surplus to the membership in the form of a dues holiday.

Therefore, there will be no deduction of dues from members' pay-cheques in December of this year.

On Behalf of the Board of Directors;

Peter Duffey
President

Doug Best
Executive Vice President