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STAFF REPORT
ACTION REQUIRED

Voluntary Separation Program – Toronto Public Library

Date:	August 21, 2020
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to seek Toronto Public Library (TPL) Board approval to offer a Voluntary Separation Program (VSP) for staff, similar to that offered by the City of Toronto.

At its meeting on July 28 and 29, 2020, City Council approved new measures to help address the significant financial and operational pressures caused by the COVID-19 pandemic. One of the cost-saving measures is to offer a Voluntary Separation Program (VSP) to staff who are eligible for retirement with an unreduced pension, with a lump-sum payment of up to three months' salary, if they retire by December 31, 2020. The cost of the VSP will be funded by leaving the resulting vacant positions open for a minimum of six months.

TPL proposes to offer a VSP with the same terms and conditions as the City's plan.

RECOMMENDATIONS

The City Librarian recommends that:

1. the Toronto Public Library Board approves the implementation of a Voluntary Separation Program, which has the same terms and conditions as the Voluntary Separation Program at the City, and will be extended to staff who are eligible for retirement with an unreduced pension to provide for:
   a. a lump-sum payment of one-month's salary per completed year of service to a maximum of three months;
   b. payment for ancillary vacation and sick leave;
   c. a proposed departure date of no later than December 31, 2020;

2. if the Toronto Public Board approves the Voluntary Separation Program then this be reported to the City's Executive Committee through the Budget Committee.

FINANCIAL IMPACT

Funding the Voluntary Separation Program, including any ancillary payments for vacation and sick leave, will be provided from the savings to TPL's operating budget to be generated from holding the positions that become vacant as a result of this program open for a minimum of six months or, in exceptional cases, an equivalent vacancy.

The VSP should result in ongoing savings as vacated positions are subsequently filled at a lower pay rate.

The Director, Finance & Treasurer has reviewed this financial impact statement and agrees with it.

DECISION HISTORY

At its meeting on July 28 and 29, 2020, City Council considered Update on the City's Response to COVID-19 and Financial Impacts and approved new measures to help address the significant financial and operational pressures caused by the COVID-19 pandemic. One of the approved cost-saving measures is to offer a Voluntary Separation Program to staff who are eligible for an unreduced pension. Council requested that should any Agency or Corporation approve a voluntary separation program for their staff, such program be similar to the provisions of the City's VSP and that Agency Boards submit a report to the Executive Committee through the Budget Committee.

TPL proposes to offer a similar VSP to eligible staff.

COMMENTS

TPL has a natural rate of staff attrition and this fluctuates each year. Even when the position that is vacated is subsequently filled at a lower pay rate, attrition typically provides an opportunity for savings as there is often a lag between the departure and the rehire.

As a strategy to accelerate this natural attrition rate, a new Voluntary Separation Program (VSP) is being recommended for TPL employees who are eligible to retire with

an unreduced pension. By enhancing the rate of attrition, the VSP will contribute to the cost-savings objectives.

Only permanent employees, both members of Local 4848, CUPE, and non-represented, who are eligible for an unreduced pension on their proposed departure date (no later than December 31, 2020) are eligible to participate and apply for the VSP. The VSP will allow eligible employees to retire by December 31, 2020 and receive a lump-sum payment of one-month's salary per completed year of service to a maximum of three months.

All VSP applications are subject to Library approval. VSP payments, including any ancillary payments for vacation and sick leave, must be funded by labour cost savings, by keeping the resulting vacant position open for at least six months (or, in exceptional cases, an equivalent vacancy) following the employee's retirement. Any applications that cannot be funded in this manner will be declined. Operational needs may also result in declining certain applications. The approval or non-approval of any application, including the employee departure date, is solely at the Library's discretion. Staff will be able to rescind their retirement notice if not approved for the VSP.

Employees who wish to be considered for participation in the VSP will be required to complete and submit an application by September 15, 2020. TPL will consider all applications and decisions will be made and communicated to employees by October 1, 2020. All employee departures under this program must take place by December 31, 2020.

TPL's VSP will have the same terms and conditions as the Voluntary Separation Program at the City.

CONCLUSION

Adoption of the Voluntary Separation Program is a strategy in line with the City of Toronto that will assist TPL to address the challenging financial situation and will contribute towards addressing budget pressures in 2021 and beyond.

CONTACT

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SIGNATURE

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City Librarian