

## Arbitration Award Released

# Arbitration Board Releases Decision

As you know, PARO and the Council of Academic Hospitals of Ontario (CAHO) met with the Arbitration Board on September 20, September 21 and October 24. The Arbitration Board has completed its deliberations and has now issued its decision.

I am very pleased to report that the Arbitrator has recognized that residents in Ontario are underpaid and they have ordered salary increases to begin to redress this inequity.

The main issue at Arbitration was compensation. Our goal was to return Ontario residents to our historic position as the best paid residents in Canada. Over many years, PARO has been improving working conditions for residents, in particular work hours. However, as work hours are not subject to binding arbitration in our Agreement, this was accomplished by compromising on financial issues. This left Ontario's residents among the lowest paid in Canada as we entered this round of bargaining.

It was our goal to recover this lost ground and your Negotiations Team, PARO Staff and our Legal Counsel have worked hard to build and deliver solid arguments to the Arbitration Board. Our employer, CAHO, strongly objected to any catch-up taking place and strenuously argued that we had voluntarily settled for less money in previous rounds of bargaining in return for work hour improvements, and could not make that ground up now. They also argued that the economy couldn't support any improvements to the contract and that a climate of wage restraint was justified. CAHO proposed a two-year contract with increases of 0.7% in each year.

In the decision that has just been released, the Arbitrator has awarded "catch-up" increases exceeding those that have generally been negotiated by, or awarded to, other unions in the Ontario broader public sector. Although the Arbitrator was not prepared to move Ontario residents back to being the highest paid in the three year term of this Collective Agreement because of the difficult economic climate, the Arbitration Award does make significant moves in that direction. The Arbitration Board also stressed that its decision to award a degree of catch-up at this time rested, in part, on the extent to which residents in Ontario "work long hours under stressful conditions performing extremely valuable services". The Arbitrator also wrote that negotiated improvements to work hours "were not simply in the interest of the residents, but self-evidently also in the interests of the hospitals and their patients".

### **The Award**

The Arbitrator has awarded a three-year Collective Agreement, retroactive to July 1, 2013, and ending June 30, 2016. The Award includes a combination of across the board salary increases in each of the three years plus special annual adjustments in each year of the Agreement to the PGY1 residents and PGY3 through PGY9 residents. These special adjustments are intended to move PARO members up in their relative position compared with residents in other provinces. The Board did not provide an additional adjustment for PGY2s because the salary paid at the PGY2 level does not lag our provincial counterparts to the same degree as other PGY levels. .

In particular, the Arbitrator has seen fit to award 1.4% across the board salary increases for all residents effective July 1, 2013, July 1, 2014 and July 1, 2015. These increases will also be applied to the Chief and Senior Resident Administrative Bonuses.

In each of the three years, an additional adjustment of \$850 will be added to the PGY1 salary; \$400 to the PGY3 and PGY4 salaries; and \$750 to PGY5 to PGY9 salaries.

All increases in salary, to the Chief and Senior Administrative Bonuses and the special adjustments will be retroactive for current and former residents and are to be paid within 90 days.

As a result of these salary increases, Ontario residents will move from ranking near the bottom, compared to current salaries paid to residents in other provinces, up to second place by the final year of the Collective Agreement.

The chart below shows the new salary rates awarded by the Arbitrator:

	<b>July 1, 2013</b>	<b>July 1, 2014</b>	<b>July 1, 2015</b>
PGY1	\$52,629.91	\$54,216.73	\$55,825.76
PGY2	\$60,442.51	\$61,288.71	\$62,146.75
PGY3	\$64,515.22	\$65,818.43	\$67,139.89
PGY4	\$68,857.17	\$70,221.17	\$71,604.26
PGY5	\$73,752.93	\$75,535.47	\$77,342.97
PGY6	\$78,026.94	\$79,869.32	\$81,737.49
PGY7	\$81,079.08	\$82,964.19	\$84,875.69
PGY8	\$85,625.86	\$87,574.62	\$89,550.66
PGY9	\$90,172.63	\$92,185.05	\$94,225.64

In terms of the actual percentage increases awarded by the Arbitrator, these are shown in the next chart:

	<b>% Increases Year Over Year</b>			<b>Total Compounded</b>
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>% Increases</b>
PGY1	3.06%	3.02%	2.97%	9.32%
PGY2	1.40%	1.40%	1.40%	4.26%
PGY3	2.03%	2.02%	2.01%	6.18%
PGY4	1.99%	1.98%	1.97%	6.06%
PGY5	2.44%	2.42%	2.39%	7.43%
PGY6	2.38%	2.36%	2.34%	7.25%
PGY7	2.35%	2.33%	2.30%	7.14%
PGY8	2.30%	2.28%	2.26%	6.98%
PGY9	2.23%	2.21%	2.19%	6.78%

The Arbitrator also awarded an increase to call stipends of just over 10%. Effective July 1, 2015, in-hospital and converted call stipends will increase to \$116 and home call and qualifying shifts will increase to \$58.

Hospitals and/or paymasters will now be required to provide each resident, on at least a quarterly basis, an accounting of the number and type of call stipends paid together with the corresponding dates on which each call or shift was worked. This includes a reporting of any call stipend denied. Hospitals and/or paymasters that don't already have a system in place to provide this reporting must do so as soon as is practical but, in any event, no later than January 1, 2016.

The Arbitrator also awarded an increase in the top-up for pregnancy and parental leave from 75% to 84%, with stand-alone parental leave reduced to 12 weeks. This takes effect the date of the Award, i.e. November 18, 2014. In addition, the Arbitrator ordered the elimination of the current requirement of 13 weeks of employment before a PGY1 is eligible for pregnancy or parental leave top-up. Residents on pregnancy and parental leave will continue to accrue vacation entitlement. During the hearings, in addition to arguing that Ontario residents were underpaid compared with other provinces, we provided evidence that we are underpaid relative to other health care providers. We proposed a Job Assessment Process to compare the relative value of the work of residents with other health care providers. The Arbitrator agreed and has ordered the parties to negotiate the terms of a process that is to include an independent adjudicator/referee to resolve any differences and has also ordered that this process be completed prior to June 30, 2016.

The CAHO nominee on the Board, and our Nominee, have both indicated that they do not agree with the decision and that they will be issuing written dissenting positions. This is often the case with Interest Arbitration Boards. However, it is the written decision by the Chair of the Board, Mr. Kaplan, which is binding on all parties.

Work will now begin to revise our Collective Agreement in order to reflect the changes mandated by the Arbitration Board. Once this work has been completed the new contract will be posted on our website.

The written report of the Arbitrator can be downloaded by [clicking here](#).

I want to take a moment to recognize the 2013/14 and 2014/15 PARO Negotiation Teams who have volunteered countless hours on your behalf. Furthermore, many of your colleagues volunteered their time and energy to be interviewed as case studies to support our Arbitration Brief. We have also been very ably served by our PARO staff and by our Legal Counsel and, on your behalf, I would like to extend my appreciation for their dedicated work.

Finally, I want to thank you for your ongoing patience and invaluable support as we have worked through this negotiation process.

Warmest regards,

Kaif Pardhan, MD  
PARO President & Chair, Negotiations Team