

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE  MEETING ON MARCH 8, 2016</b>
<b>FROM:</b>	<b>VERONICA MCALEA MAJOR MANAGING DIRECTOR, CORPORATE SERVICES AND CHIEF HUMAN RESOURCES OFFICER</b>
<b>SUBJECT:</b>	<b>UPDATE: EMPLOYEE ABSENTEEISM 2015</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Corporate Services and Chief Human Resources Officer, the following Report **BE RECEIVED** for information purposes.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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Various verbal and written reports regarding employee absenteeism.

<b>BACKGROUND</b>
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**UPDATE ON EMPLOYEE ABSENTEEISM**

The Corporation is committed to ensuring a safe and healthy workplace for its employees. In the area of Sick, Short Term Disability (STD), Long Term Disability (LTD) and Workplace Safety and Insurance Board (WSIB) Claims Management and Return to Work, Civic Administration works to implement strategies that improve accountability for and management of such health related absences.

**1. Claims Management (Sick, STD, LTD, WSIB)**

The Corporation manages Sick, STD, LTD and WSIB claims by ensuring employees who are absent provide sufficient documentation to the Corporation and insurer (if applicable) to support their claim for benefits. The process also includes investigating claims which the Corporation feels are not compensable under the *Workplace Safety and Insurance Act (WSIA)* or do not qualify for benefits under the STD/LTD contracts of insurance, the applicable collective agreement, and/or applicable policies and/or procedures.

For WSIB claims, Civic Administration conducts an investigation and analyzes the accident information to ensure management reviews, investigates, and understands the accident details and considers the necessary steps to prevent future occurrences.

During the lifetime of a claim Civic Administration maintains regular communication with the employee, manager, and insurer (if applicable) to ensure:

- ongoing medical documentation is provided to support the absence;
- the employee is referred to the appropriate health care provider;
- the employee is seeking and adhering to the recommended treatment plan;
- appropriate benefits are issued in accordance with the *Workplace Safety and Insurance Act (WSIA)*, contracts of insurance, applicable collective agreement, and applicable policies and/or procedures; and
- modified work is offered, as required, ensuring an early and safe return to work.

## **2. Return to Work**

The Corporation has a pro-active Return to Work Program based on a “functional” model. This model focuses on the employee’s abilities and capabilities, rather than their specific medical condition.

Generally, when the Corporation is notified of an employee’s illness or injury, the employee is contacted and provided documentation to take to their health care practitioner so their abilities and capabilities can be identified. Civic Administration contacts the employee’s manager to identify potential modified work options, if appropriate. Civic Administration also maintains a list of potential suitable modified work options that are available across the organization.

If the employee cannot be accommodated in his or her pre-disability position, alternative work may also be explored with the appropriate joint union – management Return to Work Committee, where applicable.

Reasonable attempts are made to ensure employees, who are medically fit to return to work, do so in a timely manner. Employee progress is monitored with the objective of returning the employee to their pre-disability position. If this is not possible, permanent accommodation outside their pre-disability position is considered.

## **3. Statistical Overview - Sick, STD, LTD, WSIB**

### **A. Sick**

All full time employees and some part time employees are eligible for paid sick leave. Sick leave is payable at 100% of an employee’s regular earnings to the extent of their sick leave credits. Sick leave earning provisions vary across employee groups. Eligibility for sick leave is dependent on an employee providing medical documentation in accordance with the applicable collective agreement and/or relevant policies and procedures.

For 2015 the Corporation’s mean lost hours due to paid sick has decreased from 63.2 in 2014 to 60.4 in 2015 (see Appendix A.1).

### **B. Short Term Disability**

Within the Corporation there are a number of STD plans that vary based on employee group. Typically this benefit commences upon exhaustion of sick time or a five day waiting period, and pays between 60 to 75 percent of the employee’s pre-disability earnings. Medical documentation is provided by the employee to the insurer to determine if the employee qualifies for STD benefits in accordance with the relevant contract of insurance. Generally, if approved, STD benefits are payable for up to 26 weeks at which time the employee may be entitled to make application for LTD. During the STD period, medical documentation is required to determine ongoing entitlement.

The Corporation’s mean lost hours due to STD claims has remained stable with 15.0 in 2014 and 15.7 in 2015 (see Appendix B.1). The Corporation’s Claims Management and Return to Work Programs have been successful in ensuring employees an early and safe return to work and closing 81 active claims during 2015 (see Appendix B.2).

### **C. Long Term Disability Claims**

Upon exhaustion of STD benefits, or sick leave benefits for those employee groups who do not have STD benefits, employees may be entitled to make application for LTD benefits. LTD benefits typically pay between 66 to 75 percent of an employee’s pre-disability earnings. Further medical documentation is required to determine if the employee qualifies for LTD benefits in accordance with the relevant contract of insurance. If approved, the first years of LTD benefits are assessed based on an employee’s ability to perform their own job. Generally, after two years, LTD benefits are assessed based on an employee’s ability to perform any job.

The Corporation’s mean lost hours due to LTD claims has decreased from 41.2 in 2014 to 38.9 in 2015 (see Appendix C.1).

It is important to note that the Corporation has approximately 34 employees on LTD whom the insurance carrier has deemed “unlikely ever to return to work.” These are claims in which there is no reasonable likelihood that the employee will ever return to work with or without active

claims management (see Appendix C.2 and C. 3). With the removal of these LTD claimants, the Corporation's mean lost hours due to LTD claims was 12.4 in 2015 (see Appendix C.2).

**D. Workplace Safety and Insurance Board Claims**

WSIB benefits are payable to any employee who is deemed to have incurred a workplace injury or illness as determined by WSIB. In order to qualify for WSIB loss of earning benefits, employees are required to submit medical documentation to authorize any absences. WSIB loss of earning benefits are typically paid at 85% of an employee's pre disability net earnings.

For 2015 the Corporation's mean lost hours due to WSIB claims increased to 11.1 hours from 9.2 hours in 2014 (see Appendix D.1). Similar to LTD, it is important to note that the Corporation has approximately 6 full time employees on WSIB whom the insurance carrier has deemed "unlikely ever to return to work." These are claims in which there is no reasonable likelihood that the employee will ever return to work with or without active claims management. With the removal of these WSIB claims the mean lost hours due to WSIB was 5.3 in 2015 (see Appendix D.2.).

The Corporation's Claims Management and Return to Work Program focuses on ensuring employees an early and safe return to work. This has resulted in a return to work rate of close to 99% (see Appendix D.3.).

**SUMMARY**

Civic Administration remains committed to continuous improvement with respect to attendance management. Appropriate, focused and strategic action has been taken to reduce the level of Paid Sick leave in the workplace. Fluctuations in absenteeism levels are expected and will occur over time due to a variety of factors, Civic Administration monitors these fluctuations closely to determine whether any long term concerns exist and action is required. As a result of Civic Administration's action, the City of London's absenteeism, related to paid sick, has dropped from an average of 74.8 hours per Employee in 2007 to 60.4 hours per employee in 2015 which equates to a decrease of 14.4 hours per employee and results in over \$1 million per year less being paid to employees in sick leave benefits.

<b>PREPARED BY:</b>	<b>RECOMMENDED BY:</b>
<b>GARY BRIDGE MANAGER III, HUMAN RESOURCES &amp; CORPORATE SERVICES</b>	<b>VERONICA MCALEA MAJOR MANAGING DIRECTOR, CORPORATE SERVICES &amp; CHIEF HUMAN RESOURCES OFFICER</b>

Appendix A.1 Paid Sick - Mean Lost Hours 2006 – 2015

Employee Group	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	59.9	60.9	52.1	49.7	47.5	51.4	51.6	52.1	57.0	46.9
CUPE 107	76.4	80.7	67.4	64.2	69.4	70.3	69.7	68.6	63.9	72.9
DEARNESS SEIU LOCAL 1.ON	28.3	33.6	21.6	67.9	50.6	45.2	36.2	27.8	52.2	66.1
DEARNESS UNIFOR 302 (CAW)	68.3	81.9	52.3	57.9	71.0	57.0	53.5	54.7	50.9	45.4
FIRE, CM	81.0	66.7	66.5	62.0	101.3	63.4	98.5	73.0	70.4	95.5
FIRE, PV	91.3	83.9	70.6	70.1	66.1	55.5	64.0	66.3	76.7	71.9
FIRE SP	114.4	123.4	101.6	99.4	96.8	90.8	80.2	103.5	101.0	101.6
MANAGEMENT	42.5	44.5	33.6	37.6	35.8	35.3	40.0	37.7	46.5	40.3
RNFT	-	-	-	97.0	89.7	174.8	183.5	87.7	78.2	40.6
MEAN	71.3	74.8	61.0	60.2	60.7	60.0	59.1	61.6	63.2	60.4

Note: Management Employees' Paid Sick and STD benefits are combined into one Program and reported collectively under Paid Sick.

Appendix B.1 - Short Term Disability - Mean Lost Hours 2006 – 2015

Employee Group	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	13.8	13.3	19.0	21.5	12.7	16.5	17.5	16.5	14.2	23.1
CUPE 107	21.4	15.0	10.3	9.6	9.1	4.8	21.3	12.9	26.1	12.9
DEARNESS SEIU LOCAL 1.ON	0.0	56.0	88.1	7.6	27.0	0.0	0.0	0.0	0.0	0.0
DEARNESS UNIFOR 302 (CAW)	37.0	31.4	38.2	56.6	54.9	39.3	54.8	49.0	39.0	53.8
FIRE, CM	0.0	0.0	0.0	0.0	36.4	0.0	0.0	0.0	0.0	0.0
FIRE, PV	8.5	0.0	7.7	27.4	25.4	2.4	36.0	37.7	27.2	3.1
FIRE SP	1.5	3.2	6.1	0.0	1.7	9.8	*(1.4)	2.2	6.1	11.9
MANAGEMENT	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
RNFT	-	-	-	0.0	12.0	0.0	0.0	0.0	212.0**	0.0
MEAN	12.3	10.5	12.3	13.0	10.4	10.5	14.3	12.3	15.0	15.7

\*Result of historical change

\*\*Due to the small employee group, one absence can have a significant impact

Appendix B.2 - Short Term Disability – Opened and Closed Claims

Year	Total Open Claims	Total Claims Closed/RTW
2006	72	62
2007	61	54
2008	70	60
2009	71	68
2010	70	88
2011	81	91
2012	78	81
2013	67	63
2014	79	76
2015	76	81

Note: this chart reflects the number of claims opened and closed in a year

Note: total claims closed/RTW may include claims opened in prior years

Appendix C.1 Long Term Disability – Mean Lost Hours 2006 – 2015

Employee Group	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	30.1	32.1	31.4	43.2	55.2	49.6	55.3	56.7	58.4	57.2
CUPE 107	70.2	86.5	75.2	67.0	28.0*	52.2	51.6	54.4	50.3	46.1
DEARNESS SEIU LOCAL 1.ON	0.0	0.0	87.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEARNESS UNIFOR 302 (CAW)	94.0	94.6	107.7	129.3	189.5	186.5	143.1	142.7	157.2	127.1
FIRE, CM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIRE, PV	0.0	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0
FIRE SP	0.0	0.0	0.5	6.2	1.3	4.0	5.7	0.7	0.0	4.9
MANAGEMENT	34.6	29.9	17.9	15.7	15.6	13.0	10.1	11.7	3.9	5.5
RNFT	-	-	-	0.0	0.0	0.0	0.0	0.0	16.0	0.0
MEAN	38.5	42.4	38.3	41.5	38.5*	42.3	41.4	42.2	41.2	38.9

\*Note: includes a significant historical adjustment as a result of a WSIB appeals decision

Appendix C.2 - Long Term Disability **WITHOUT** Claims which have been deemed “Unlikely to Ever Return to Work” – Mean Lost Hours 2006 – 2015

Employee Group	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	11.0	9.6	9.1	13.1	17.7	14.0	20.6	12.7	14.3	17.4
CUPE 107	5.4	12.1	9.9	10.2	11.3	6.3	14.4	12.3	13.7	14.4
DEARNESS SEIU LOCAL 1.ON	0.0	0.0	82.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEARNESS UNIFOR 302 (CAW)	12.3	15.1	23.4	48.9	84.2	53.5	48.0	45.2	42.0	23.9
FIRE, CM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIRE, PV	0.0	0.0	0.0	2.1	0.0	0.0	0.0	0.0	0.0	0.0
FIRE SP	0.0	0.0	0.5	6.2	1.3	4.0	6.3	0.7	0.0	4.9
MANAGEMENT	3.1	6.3	4.6	1.0	4.9	2.6	0.0	4.3	0.0	5.5
RNFT	-	-	-	-	0.0	0.0	0.0	0	16.0	0.0
MEAN	6.1	8.1	7.9	10.7	14.7	10.2	14.0	10.6	10.5	12.4

Appendix C.3 - Long Term Disability – Opened and Closed Claims

Year	Total Open Claims	Total Claims Closed/RTW
2006	64	18
2007	67	21
2008	66	17
2009	66	11
2010	75	22
2011	70	18
2012	80	23
2013	75	22
2014	75	24
2015	79	24

Note: this chart reflects the number of claims opened and closed in a year  
Note: total claims closed/RTW may include claims opened in prior years

Appendix D.1 - WSIB – Mean Lost Hours - 2006 – 2015

Employee Group	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	1.3	3.8	2.3	4.2	5.6	5.2	2.7	3.3	2.1	0.8
CUPE 107	30.1	30.9	34.0	28.1	52.4*	28.4	19.1	16.7	17.6	21.5
DEARNESS SEIU LOCAL 1.ON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	0.2	0.0
DEARNESS UNIFOR 302 (CAW)	27.0	41.9	61.7	25.8	27.0	18.7	18.7	19.7	24.1	36.0
FIRE, CM	0.0	0.0	0.0	0.0	0.0	0.0	15.7	0.0	0.0	0.0
FIRE, PV	0.2	21.8	17.5	65.9	0.0	4.9	9.2	4.2	0.0	30.1
FIRE SP	4.7	1.8	9.2	13.9	9.6	11.7	20.8	18.6	18.7	21.7
MANAGEMENT	0.0	0.3	0.4	0.0	0.1	0.0	0.8	1.1	1.3	0.4
RNFT	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MEAN	10.3	11.9	14.3	13.1	17.6*	11.4	10.1	9.2	9.2	11.1

\*Note: includes a significant historical adjustment as a result of a WSIB appeals decision

Appendix D.2 – WSIB WITHOUT Claims which have been deemed “Unlikely to Ever Return to Work” – Mean Lost Hours - 2006 – 2015

Employee Group	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	1.3	3.8	2.3	4.2	5.6	2.8	0.3	0.9	2.1	0.8
CUPE 107	26.2	27.0	30.1	15.7	5.4	12.4	5.0	4.6	5.0	4.9
DEARNESS SEIU LOCAL 1.ON	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	0.1	2.1
DEARNESS UNIFOR 302 (CAW)	27.0	41.9	61.7	25.8	27.0	18.8	18.7	19.9	24.1	36.0
FIRE, CM	0.0	0.0	0.0	0.0	0.0	0.0	15.7	0.0	0.0	0.0
FIRE, PV	0.2	21.8	17.5	65.9	0.0	4.9	9.2	0.0	0.0	30.1
FIRE SP	4.7	1.8	9.2	13.9	3.5	5.4	3.0	1.6	5.8	8.6
MANAGEMENT	0.0	0.3	0.4	0.0	0.1	0.0	0.8	1.0	1.4	0.4
RNFT	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0
MEAN	9.3	10.9	13.3	10.0	5.2	5.9	3.2	3.0	4.4	5.3



Appendix D.3 - WSIB – Returned to Work %

Year	Claims	Returned to Work	% Returned to Work
2006	300	299	99%
2007	344	344	100%
2008	290	289	99%
2009	300	300	100%
2010	239	238	99%
2011	263	262	99%
2012	247	245	99%
2013	225	224	100%
2014	234	232	99%
2015	265	263	99%

Note: this chart reflects the number of claims opened during a year and how many of those same claims have returned to work