

<b>TO:</b>	<b>CHAIR AND MEMBERS FINANCE AND ADMINISTRATIVE SERVICES COMMITTEE  MEETING ON SEPTEMBER 24, 2012</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</b>

<b>RECOMMENDATION</b>
-----------------------

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>
--

Various verbal and written reports regarding employee absenteeism, including:

- February 27, 2012, Report to Chair and Members of Finance and Administration Committee "Update: Employee Absenteeism."

<b>BACKGROUND</b>
-------------------

**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 makes contact with 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 agreements and/or relevant policies and procedures.

For the period January through to June the Corporation’s mean lost hours due to paid sick has decreased from 31.2 in 2011 to 29.4 in 2012 (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.

For the period January through to June the Corporation’s mean lost hours due to STD claims has increased from 3.9 in 2011 to 7.3 in 2012. (see Appendix B.1) The increase is attributable to a higher number of claims. Despite this increase, 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 a significant number of claims (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.

For the period January through to June the Corporation’s mean lost hours due to LTD claims has remained stable at 21.5 in 2011 and 20.9 in 2012 (see Appendix C.1) It is important to note that the Corporation has approximately 40 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 is 7.1 in 2011 compared to 6.3 in 2012 (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 the period January through to June of 2012 the Corporation’s mean lost hours due to WSIB claims remained relatively stable at 5.1 in 2011 and 5.9 in 2012 (see Appendix D.1). Similar to LTD, it is important to note that the Corporation has approximately 4 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 decreases. For the period of January through June mean lost hours due to WSIB is 2.6 hours in 2011 and 3.2 hours in 2012 (see Appendix D.2.). This is due in part to the Corporation’s Claims Management and Return to Work Program which focuses on ensuring employees an early and safe return to work. This has resulted in a return to work rate of close to 100% (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. 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 (2007) to 60.0 hours per employee in 2011 which equates to a decrease of 14.8 hours per employee and results in approximately \$1 million per year less being paid to employees in sick leave benefits.

<b>PREPARED BY:</b>	<b>PREPARED BY:</b>
<b>SCOTT MATTHEWS SPECIALIST, ATTENDANCE SUPPORT &amp; MANAGEMENT</b>	<b>GARY BRIDGE MANAGER II, OCCUPATIONAL HEALTH &amp; SAFETY &amp; WSIB</b>
<b>REVIEWED AND RECOMMENDED BY:</b>	
<b>VERONICA MCALEA MAJOR MANAGING DIRECTOR, CORPORATE SERVICES AND CHIEF HUMAN RESOURCES OFFICER</b>	

Appendix A.1 Paid Sick - Mean Lost Hours 2003 – June 2012

Employee Group	2003	2004	2005	2006	2007	2008	2009	2010	2011	Jan - June 2011	Jan - June 2012
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	59.2	59.2	62.2	59.9	60.9	52.1	49.7	47.5	51.4	27.5	26.2
CUPE 107	90.2	86.5	85.6	76.4	80.7	67.4	64.2	69.4	70.3	37.6	36.6
DEARNNESS SEIU LOCAL 1.ON	21.1	27.4	41.7	28.3	33.6	21.6	67.9	50.6	45.2	28.8	19.5
DEARNNESS CAW 302	68.7	68.5	65.0	68.3	81.9	52.3	57.9	71.0	57.0	25.2	28.4
FIRE, CM	75.1	85.9	101.0	81.0	66.7	66.5	62.0	101.3	63.4	31.9	46.0
FIRE, PV	79.3	87.4	83.7	91.3	83.9	70.6	70.1	66.1	55.5	32.5	35.6
FIRE SP	96.6	114.9	117.9	114.4	123.4	101.6	99.4	96.8	90.8	46.1	36.6
MANAGEMENT	56.3	45.1	45.5	42.5	44.5	33.6	37.6	35.8	35.3	17.2	18.9
RNFT	-	-	-	-	-	-	97.0	89.7	57.0	132.8	28.4
MEAN	73.8	73.7	75.0	71.3	74.8	61.0	60.2	60.7	60.0	31.2	29.4

Appendix B.1 - Short Term Disability - Mean Lost Hours 2003 – June 2012

Employee Group	2003	2004	2005	2006	2007	2008	2009	2010	2011	Jan - June 2011	Jan - June 2012
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	15.1	13.9	14.6	13.8	13.3	19.0	21.5	12.7	16.5	5.9	10.3
CUPE 107	17.3	9.1	7.2	21.4	15.0	10.3	9.6	9.1	4.8	1.5	12.5
DEARNESS SEIU LOCAL 1.0N	0.0	0.0	0.0	0.0	56.0	88.1	7.6	27.0	0.0	0.0	0.0
DEARNESS CAW 302	6.2	36.0	33.4	37.0	31.4	38.2	56.6	54.9	39.3	1.0	21.5
FIRE, CM	0.0	9.8	0.0	0.0	0.0	0.0	0.0	36.4	0.0	0.0	0.0
FIRE, PV	80.5	3.1	14.7	8.5	0.0	7.7	27.4	25.4	2.4	1.3	0.0
FIRE SP	2.8	0.1	0.1	1.5	3.2	6.1	0.0	1.7	9.8	5.4	1.9
MANAGEMENT	0.0	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
MEAN	11.2	9.1	8.7	12.3	10.5	12.3	13.0	10.4	10.5	3.9	7.3

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
Jan – June 2012	52	40

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 2003 – June 2012

Employee Group	2003	2004	2005	2006	2007	2008	2009	2010	2011	Jan - June 2011	Jan - June 2012
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	17.6	23.9	23.4	30.1	32.1	31.4	43.2	55.2	49.6	24.0	27.2
CUPE 107	66.8	65.4	67.9	70.2	86.5	75.2	67.0	28.0*	52.2	27.7	25.2
DEARNESS SEIU LOCAL 1.ON	0.0	0.0	0.0	0.0	0.0	87.0	0.0	0.0	0.0	0.0	0.0
DEARNESS CAW 302	83.0	87.6	91.1	94.0	94.6	107.7	129.3	189.5	186.5	89.2	79.0
FIRE, CM	0.0	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	0.0	0.0	0.0	2.1	0.0	0.0	0.0	0.0
FIRE SP	0.0	0.0	0.0	0.0	0.0	0.5	6.2	1.3	4.0	0.4	2.6
MANAGEMENT	27.6	35.3	33.6	34.6	29.9	17.9	15.7	15.6	13.0	7.8	5.1
RNFT	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0
MEAN	32.2	35.5	35.8	38.5	42.4	38.3	41.5	38.5*	42.3	21.5	20.9

\*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 2003 – June 2012

Employee Group	2003	2004	2005	2006	2007	2008	2009	2010	2011	Jan - June 2011	Jan - June 2012
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	5.8	6.4	7.8	11.0	9.6	9.1	13.1	17.7	14.0	7.3	9.9
CUPE 107	6.3	2.3	4.0	5.4	12.1	9.9	10.2	11.3	6.3	6.9	4.5
DEARNESS SEIU LOCAL 1.ON	0.0	0.0	0.0	0.0	0.0	82.7	0.0	0.0	0.0	0.0	0.0
DEARNESS CAW 302	25.0	15.8	3.8	12.3	15.1	23.4	48.9	84.2	53.5	34.0	25.9
FIRE, CM	0.0	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	0.0	0.0	0.0	2.1	0.0	0.0	0.0	0.0
FIRE SP	0.0	0.0	0.0	0.0	0.0	0.5	6.2	1.3	4.0	1.0	2.6
MANAGEMENT	5.0	10.0	6.0	3.1	6.3	4.6	1.0	4.9	2.6	5.6	0.0
RNFT	-	-	-	-	-	-	-	0.0	0.0	0.0	0.0
MEAN	5.8	5.3	4.9	6.1	8.1	7.9	10.7	14.7	10.2	7.1	6.3

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
Jan – June 2012	68	12

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 - 2003 – June 2012

Employee Group	2003	2004	2005	2006	2007	2008	2009	2010	2011	Jan - June 2011	Jan - June 2012
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	0.9	0.7	0.2	1.3	3.8	2.3	4.2	5.6	5.2	2.6	0.2
CUPE 107	27.9	25.2	31.6	30.1	30.9	34.0	28.1	52.4*	28.4	11.7	11.2
DEARNNESS SEIU LOCAL 1.ON	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEARNNESS CAW 302	23.0	19.7	29.0	27.0	41.9	61.7	25.8	27.0	18.7	10.0	11.0
FIRE, CM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIRE, PV	8.9	15.4	11.6	0.2	21.8	17.5	65.9	0.0	4.9	4.9	4.5
FIRE SP	7.9	11.8	9.8	4.7	1.8	9.2	13.9	9.6	11.7	4.7	12.0
MANAGEMENT	0.1	0.1	0.6	0.0	0.3	0.4	0.0	0.1	0.0	0.0	0.4
RNFT	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0
MEAN	10.3	9.9	11.6	10.3	11.9	14.3	13.1	17.6*	11.4	5.1	5.9

\*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 - 2003 – 2011

Employee Group	2003	2004	2005	2006	2007	2008	2009	2010	2011	Jan - June 2011	Jan - June 2012
	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs	Hrs
CUPE 101	0.9	0.7	0.2	1.3	3.8	2.3	4.2	5.6	2.8	2.6	0.2
CUPE 107	23.9	21.1	27.6	26.2	27.0	30.1	15.7	5.4	12.4	3.9	3.4
DEARNNESS SEIU LOCAL 1.ON	0.0	0.0	1.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
DEARNNESS CAW 302	16.1	13.4	29.0	27.0	41.9	61.7	25.8	27.0	18.8	10.0	11.0
FIRE, CM	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
FIRE, PV	8.9	15.4	11.6	0.2	21.8	17.5	65.9	0.0	4.9	0.0	8.4
FIRE SP	7.9	11.8	9.8	4.7	1.8	9.2	13.9	3.5	5.4	1.6	9.1
MANAGEMENT	0.1	0.1	0.6	0.0	0.3	0.4	0.0	0.1	0.0	0.0	0.4
RNFT	-	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0
MEAN	8.8	8.5	10.5	9.3	10.9	13.3	10.0	5.2	5.9	2.6	3.2



Appendix D.3 - WSIB – Returned to Work %

Employee Group	Claims	Returned to Work	% Returned to Work
2003	340	340	100%
2004	317	317	100%
2005	293	293	100%
2006	300	299	99%
2007	344	344	100%
2008	290	289	99%
2009	300	300	100%
2010	239	238	99%
2011	263	262	99%
Jan – June 2012	128	128	100%

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