

## LETTER OF UNDERSTANDING #12

### Re: Provincial Market Supplement Program

The SAHO Provincial Market Supplement Program is designed to address specific pay related skill shortages by use of a market supplement to attract and/or retain qualified Employees where workplace initiatives have been unsuccessful in addressing recruitment and retention challenges. A market supplement will be implemented only when it is necessary to enhance the ability of Employers to retain and/or recruit Employees with the required skills to deliver appropriate health services.

It is agreed by HSAS, SAHO and Employers that this Letter of Understanding shall work in concert with the Collective Agreement and the SAHO Provincial Market Supplement Program and will supercede all previous Letters of Understanding or special local provisions regarding market supplements with respect to the named classification. All market supplement review requests shall be analyzed by the SAHO Provincial Market Supplement Review Committee taking into consideration the following labour market review criteria: service delivery impacts, turnover rates, vacancy rate analysis, recruitment issue analysis, salary and market conditions.

1. Market supplemented wage rates shall be payable to all eligible Employees assigned to wage schedule classifications, subject to paragraphs 3 and 4 below.
2. Employees shall be eligible for the above market supplemented wage rate if they are employed on the date the market supplement is agreed to by the parties, or if they are hired after the date the market supplement is implemented.
3. The market supplemented wage rate shall be reviewed annually from the date that the SAHO Provincial Market Supplement Review Committee rendered its decision. If the SAHO Market Supplement Review Committee determines that a further market supplement is warranted, then HSAS and SAHO shall meet to negotiate a new market supplemented wage rate. If it is determined that a market supplement is no longer needed, then the market supplemented wage rate shall be frozen, and existing and newly hired Employees shall be entitled to receive the market supplemented wage rate until such time as the Collective Agreement Wage Schedule rate matches or exceeds it.
4. In the event a market supplement wage increase is applied to a classification, the existing percentage wage differential between the said classification receiving the market supplement increase and any level above, in the same classification series, shall be considered and maintained where appropriate.
5. If, as a result of economic increases or classification adjustment, the Collective Agreement Wage Schedule rate is increased to an amount that is higher than the market supplemented wage rate, then the Collective Agreement Wage Schedule rate governs and the market supplemented wage rate would no longer be in effect.
6. It is understood that, for the term of this collective agreement (**April 1, 2009 to March 31, 2013**), market supplemented wage rates shall be subject to economic increases as follows: the dollar value, as derived from the percentage adjustments applied to the educational base rate of pay, shall be added to the market supplemented rate of pay. However, this will not preclude an annual market supplement review and, if applicable, an additional market supplemented wage increase as per LOU #13 may be provided.
7. This market supplement shall be considered pensionable earnings, shall be subject to statutory deductions and shall be subject to union dues deductions as per the formula determined by the union.
8. Should HSAS or SAHO wish to modify or discontinue the terms or conditions of this Letter of Understanding, the party wishing to do so will provide the other party with ninety (90) days notice of the change or discontinuation, and the parties shall meet within fourteen (14) calendar days from notification to discuss the matter.