

DATE: April 30, 2020

TO: Works Council  
Executive Committee  
Rick Hazelaar  
Al Pedro  
Dale Fleming/Chris Viau  
Guy Bilodeau  
Trevor Cochrane  
Quarry  
Bulletin Boards  
Catherine Barsby

FROM: Peter Schmidt

FILE: I-36

SUBJECT: Works Council Meeting – April 29, 2020

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**Present:**

Chris Georgei (Sawhouse)  
Dave Fletcher (Pressing)  
Trevor Bruce (Sawhouse)  
Brad Shoemaker (Finishing)  
John Galway (Maintenance)  
Ken Dairies (Quarry)

**Management:**

Jason Nieman  
Peter Schmidt  
George Azevedo  
Trevor Cochrane  
Chris Viau

**Absent:**

Mark Trueman – (Finishing)  
Tony Pedro (Pressing)

A Works Council meeting was called on April 29, 2020.

The meeting was held via conference call with some Works Council members while others were present in the conference room.

Peter Schmidt welcomed everyone and opened the meeting.

**Canadian Emergency Wage Subsidy:**

**Management** – Do the employees agree to the proposed amendment to the Work’s Council agreement?  
(see attached)

**Works Council-** Yes.

**Management** – We have a copy of it here for signatures, we’ll include it in the minutes.

Before this meeting, we forwarded all the members some documents to review. The documents shows that employees who earn more than \$35,000 per year will have a greater after tax benefit with the 75% subsidy, CEWS payments versus the CERB payments. (see attached) Please let us know if you have any questions.

**Works Council-** When we were calling employees about the amendment, there was some expressed concern about coming off of the CERB and having to re-apply for EI in June if they weren't called back and the amount of time it might take to see payments again.

**Management** – At this time, there's no way of knowing if the federal government is planning on extending the CERB or the CEWS. What we're going to do is allow each employee to make the decision that they feel is best for them. We've had a good look at it and the only drawback that we can see is that any employee who received CERB from April 12 to the time that they are put back on the payroll, will have to pay that portion of CERB back to the CRA. We've outlined it in the attached documents, and we'll help employees out with any questions they may have on how to do that.

**Works Council-** Once an employee is put back on the payroll, even if they're not yet back to work, will those hours count towards their year end bonus?

**Management** – Yes. Of course, the yearend bonus is based on sales and if we have something to share at the end of the year. Given the slower start to the year and the uncertainty moving forward, we're not sure what the end of the year will look like sales-wise.

**Works Council-** Will the CEWS be paid out in one lump payment?

**Management** – The retroactive pay will be paid over two pay cheques and after that it will be paid weekly just like our regular payroll.

**Works Council-** How long will we qualify for the program?

**Management** – Arriscraft qualifies for the 8-week period from April 23 through June 5.

**Works Council-** How will employees report this to EI when the next reporting cycle happens?

**Management** – If an employee has been called back and is working, they should report that income and hours worked. If an employee is not working but receiving CEWS income, they should report that as earned income when reporting.

**Works Council-** When will we get the first CEWS cheque?

**Management** – We have to call everyone and ask how they wish to proceed, if it goes quickly that first check will be deposited on May 8<sup>th</sup>. If not, it will be on the 15<sup>th</sup>. We'll know for sure by Monday May 4<sup>th</sup>.

**Works Council-** Will employees receiving the CEWS be paid for the long weekend in May?

**Management** – Yes, at the 75%.

**Works Council**- Will voluntary lump sum pension contributions continue at the previous amount?

**Management** – Yes, they will.

**Works Council**- How does it look for calling employees back? How busy are we?

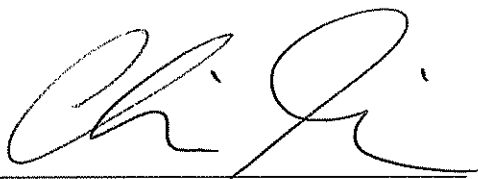
**Management** – We'd like to be able to call a few more employees back in the coming weeks. We're continuing to work through our new hygiene systems and are making adjustments where needed. We're going to test out some non N95 masks for comfort and suitability so we have some to offer up to any employee who may want to wear one on a continuous basis. We believe that there will be another call back if things remain as they are. There's no decision as of yet, but we're keeping a close eye on things.

**Works Council**- What about cast stone? Is that program going to continue?

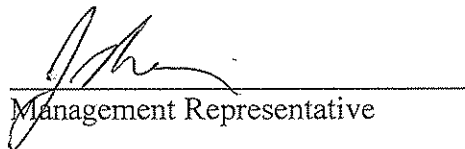
**Management** – We can't focus on it at the moment. We still believe it has a lot of potential, but at the moment we have to focus on making sure the new protocols are working and increasing sales and production in an unknown climate. But we're hoping to continue with it down the road.

Meeting adjourned at 2:45 PM  
Next Works Council meeting TBA

**The Employee Assistance Program (EAP) is available to all Arriscraft Canada employee's including those currently on layoff or the CEWS program. Their website is [www.homewoodhealth.com](http://www.homewoodhealth.com) or you may call 1-800-265-8310.**



Works Council Representative



Management Representative

## Canadian Emergency Wage Subsidy Program

We are planning to apply for the Canadian Emergency Wage Subsidy CEWS. Arriscraft will qualify for the four-week period from April 12 through May 9. It has yet to be determined if we will qualify for the period from May 10 through June 6.

If employees are on layoff and receiving the Canadian Emergency Response Benefit CERB, they will benefit from switching to the CEWS if their earnings are over \$35,000. Most employees will have more after tax income. Generally, between \$125 and \$200 more per week. See the attached charts comparing the benefits.

If employees would prefer to stay on the CERB and not be recalled and not be included in the CEWS program they should let their supervisor know.

Employees who are currently working and now choose to revert to the CEWS program should let their Supervisor know. That said, we do have to have enough higher skilled employees willing to work and enough employees to operate current production levels or the program will have to be suspended.

Employees who go on the CEWS will be recalled and paid 75% of their average weekly earnings between January 1 and March 15 up to a maximum of \$847 per week. Income tax will be paid through payroll. Pension deductions will be made and matched by the company. Vacation accruals will continue.

Employees who have returned to work will receive retroactive pay for the period of their layoff between April 12 and May 9.

Employees on layoff will be recalled and will receive retroactive pay for the period of their layoff between April 12 and May 9.

Employees who receive the CEWS will need to pay back the \$500 weekly benefit for the period of April 12 through May 9. The following is a excerpt from the Canada Revenue Agency website:

### **Return or repay CERB**

You may need to return or repay the CERB if you:

- return to work earlier than expected, including being paid retroactively
- applied for CERB but later realize you are not eligible
- applied and received the CERB from CRA and Service Canada for the same eligibility period

Do I have to repay my CERB if I get rehired or find a new job?

You are required to repay the CERB if you no longer meet the eligibility requirements for the 4-week period in question. For example, you applied for the 4-week period of April 12 to May 9. At the time you applied, you expected to have little or no work or income for that 4-week period. But you have just found out your employer has rehired you and will give you back-pay for that same 4-week period. In this situation, you will need to repay the CERB for that 4-week period of April 12 to May 9.

You can return or repay the CERB to the CRA regardless of whether you received the payment from the CRA or Service Canada.

Since the CERB is taxable, you can expect to receive a T4 on the amount of CERB you received.

However, the CRA will reverse the transaction if you repay the CERB for whatever reason, and you will not receive a T4 slip for that payment.

In order to ensure that T4 slips are not issued improperly, we encourage you to repay your CERB before December 31, 2020. If you need more time to repay based on your personal situation, please contact the CRA or visit the CRA payment page to ensure that by December 31st you have made the necessary arrangements to payback based on agreed upon schedule.

# Canadian Emergency Response Benefit CERB versus Canadian Emergency Wage Subsidy CEWS

## Canadian Emergency Response Benefit CERB

\$500 benefit with no tax withheld. Taxes paid at tax time.

After tax benefit of Canadian Emergency Response Benefit			
Taxable Income	Tax rate	Weekly Income Before Tax	Weekly Income After Tax
\$40,000	13.7%	\$500.00	\$431.50
\$44,740	14.4%	\$500.00	\$428.00
\$48,535	15.2%	\$500.00	\$424.00
\$50,000	15.6%	\$500.00	\$422.00
\$60,000	17.9%	\$500.00	\$410.50
\$78,786	20.7%	\$500.00	\$396.50

## Canadian Emergency Wage Subsidy CEWS

75% of average weekly income from January 1 to March 15, up to \$847 per week

After tax benefit of Canadian Emergency Wage Subsidy				
Taxable Income	Tax rate	75% Weekly Income Before Tax	75% Weekly Income After Tax	Extra Amount After Tax
\$40,000	13.7%	\$576.92	\$497.88	\$66.38
\$44,740	14.4%	\$645.29	\$552.37	\$124.37
\$48,535	15.2%	\$700.02	\$593.62	\$169.62
\$50,000	15.6%	\$721.15	\$608.65	\$186.65
\$60,000	17.9%	\$847.00	\$695.39	\$284.89
\$78,786	20.7%	\$847.00	\$671.67	\$275.17

No waiting time for benefit since it is paid through payroll

Income tax paid through payroll, no amount will be due at tax time

Pension contributions continue to be made and matched by the company

Vacation accrual continues

If employment income is more than \$35,000 per year the CEWS benefit is higher

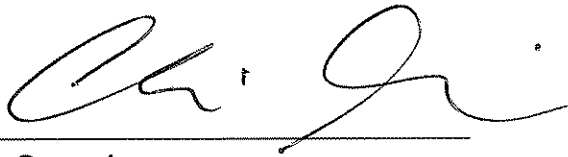
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From: Peter Schmidt  
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Subject: Canadian Emergency Wage Subsidy

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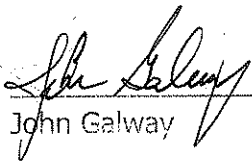
### Section 17.2 and W17.2 Canadian Emergency Wage Subsidy

Employees not working and taking part in the Canada Emergency Wage Subsidy (CEWS) program will be paid 75% of their average weekly earnings from January 1 through March 15, 2020 up to a maximum of \$847 per week. If employees perform work at an Arriscraft facility their wage rate will revert to the rate of the skill classification held in the department and published in the current contract

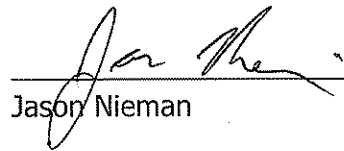
Agreed to by the works council on April 29, 2020.



Chris Georgei



John Galway



Jason Nieman



Peter Schmidt

