



FIR Labour Relations Ltd

ADVISORY LETTER

BY E-MAIL

July 31, 2019

AL-09-20

TO: ALL FIR ACCREDITED MEMBERS IN LOCAL 1937

Gentlemen and Mesdames:

Re: Arbitration Decision re Cancellation of Benefits During a Legal Strike

The issue of cancellation of employee benefit coverage during the 2019-2020 USW strike has now been decided by arbitration provided for under the USW-Coastal Forest Industry Health and Welfare Plan.

The Trustees agreed to an arbitration under the B.C. Commercial Arbitration Act and Mr. Shawn Hatch acted as Arbitrator. The arbitration results were initially decided on January 24, 2020 but the USW Trustees took issue with the result and sought “clarification” under the Act. This resulted in a second set of presentations and a final decision was made by Arbitrator Hatch on July 23, 2020.

Copies of both awards will be emailed to FIR members under separate cover and will be available on the FIRLR Benefits Website at firlrbenefits.com.

In brief summary, the key question asked of the Arbitrator was: “Are Plan members who are engaged in a lawful strike covered under the Plan during the duration of that lawful strike on the basis set out in the April 1, 1993 Trustees Resolution?” Arbitrator Hatch’s answer was in two parts---He concluded that FIR accredited member companies are bound by the Resolution but independent employers are only bound by it if they have a specific agreement with the Union that benefits will continue.

The Resolution that is in effect for FIR accredited members provides that premiums are to be paid for by the employer during the strike but are to be reimbursed by employees after return to work.

Consequently, any FIR accredited member company who cancelled benefits will be

required to pay the life insurance premiums for the duration of the strike but will have the right to recover the amount of those premiums directly from employees now that the strike has ended.

In addition, any FIR accredited member company who paid for life insurance benefits during the strike will now be entitled to recover the amount of life insurance premiums paid directly from employees.

Employers seeking reimbursement from employees should do so following the principles set out in the Stan Lanyon arbitration decision (WFP v USW(Benefits Premium Grievance(2008)BCCAAA No.159).—the employer is entitled to recover the prorated benefit payment costs for the partial months of the strike but cannot recover costs for any employee who was on layoff, WI or WCB prior to the commencement of the strike.

Non-FIR (independent) companies who did pay for employee coverage during the strike are not entitled to reimbursement for premiums as those companies are not covered by the 1993 Resolution.

Call or email us if you have any questions.