

Ex Gratia Update October 2008

For several months the five public sector Unions have continued to aggressively work towards achieving a final payout of the 24 million dollar ex gratia payment. Our target date for the first payout continues to be the end of 2008.

As of today's date 11209 applications have been processed. This is a substantial number of applications which required a considerable amount of effort and time to process. The number of successful applicants impacts on the overall pay out to individuals. Simply put the larger the number of claimants the lower the payout per individual.

We have continued to pursue with the Canada Revenue Agency the issues of income tax and statutory deductions, EI, CPP. It is now final, there will have to be income tax deductions as well as contributions for EI and CPP. While this is not totally unexpected we had hoped for a better result.

The Court in approving the payout from the ex gratia fund mandated a hold back of a portion of the total fund. The Court was concerned about late applicants. The hold back will be for a six month period following the first payment. After the six month period, if there remains a balance in the trust fund, a second cheque will be issued to all eligible applicants. The ultimate aim is to have a zero balance in the fund.

The Court also approved an appeal process. The appeal period is sixty days after the first payout. The appeal must be in writing and you must forward any supporting documentation or representations you wish to have considered on the appeal within the 60 day period. The appeal is a written appeal with the onus of proof resting entirely with the applicant.

We will continue to update you as we move towards completion of the project.