

**Ministry of Education**

Education Labour and Finance  
Division

315 Front Street West  
11<sup>th</sup> Floor  
Toronto ON M7A 0B8

**Ministère de l'Éducation**

Division des relations de travail et du  
financement en matière d'éducation

315, rue Front Ouest  
11<sup>e</sup> étage  
Toronto (Ontario) M7A 0B8



**2024: B02**

**Date:** February 14, 2024

**Memorandum To:** Directors of Education  
Senior Business Officials  
Secretary/Treasurers of School Authorities

**From:** Andrew Davis  
Assistant Deputy Minister  
Education Labour and Finance Division

Louis Dimitracopoulos  
Chief Administrative Officer & Assistant Deputy Minister  
Corporate Management and Services Division

**Subject:** **Monetary Resolution to Bill 124**

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We are writing to provide you with information on the Memoranda of Settlement (MOS) reached between various education sector unions and the Crown regarding the *Protecting a Sustainable Public Sector for Future Generations Act, 2019* (Bill 124) to support school boards in the administration of the MOS payments within the timeline agreed to in the Letters of Agreement (LOA) between the Crown, Trustees' Associations, and various education sector unions.

**MOS Details**

The MOS, which applies to ETFO Teachers, ETFO Education Workers, OSSTF Teachers, OSSTF Education Workers and CUPE, include the following across-the-board (ATB) compensation increases to all compensation amounts to which the original 1% increase applied during the 2019-22 collective agreements:

- a) September 1, 2019: 0.75% (i.e., a total of 1.75% increase)

- b) September 1, 2020: 0.75% (i.e., a total of 1.75% increase)
- c) September 1, 2021: 2.75% (i.e., a total of 3.75% increase)

The increases will be compounded annually and included in the salary grids, wage schedules, applicable premiums, applicable allowances and will form the basis for applying the salary and wage increases from the 2022-26 collective agreements. For clarity, with respect to premiums and allowances, these compensation increases only apply to applicable premiums and allowances that were increased with 1% ATBs in the 2019-22 collective agreements. In addition, where the compensation amounts were already pensionable under the 2019-22 collective agreement, these compensation increases will also be pensionable. While these are retroactive payments, they will be reflected on the 2024 employee T4 slips and do not require adjustments to prior years' T4 slips.

For illustrative purposes, a person earning \$45,000 per year on August 31, 2019 whose salary was increased by 1% (or \$450 for a total of \$45,450) on September 1, 2019, should be updated to reflect a 1.75% salary increase (or \$787.50 for a total of \$45,787.50) retroactively to September 1, 2019. Similarly, the earnings should be updated to \$46,588.78 as of September 1, 2020 (\$45,787.50 + 1.75% or \$801.28). Finally, the earnings should be updated to \$48,335.86 as of September 1, 2021 (\$46,588.78 + 3.75% or \$1,747.08).

Further direction and updates will be provided for other employee groups as those details become available.

## **Timelines & Eligible Employees**

The LOAs require school boards to calculate the retroactive amounts to each eligible employee and provide payment within 120 days of the release of the arbitration decision on the increase for the 2021-22 school year, which is no later than June 8, 2024.

Eligible employees for retroactive payments are any employees that were employed during the 2019-20 to 2021-22 school years. These adjustments will also apply to compensation amounts for the 2022-23 school years and thereafter also requiring retroactive payments to additional employees. Compensation increases are to be pro-rated, as applicable, based on the actual period of employment and FTE status.

## **Funding Adjustments**

### **A. Funding provided through the Grants for Student Needs (GSN)**

As agreed to in the LOAs, the ministry will update the funded salary and benefits benchmarks in the GSN regulations (excluding supervisory officers, directors, and Principals and Vice-Principals (PVPs)) for the 2019-20 through to 2021-22 school years, conditional upon approval by the

Lieutenant-Governor-in-Council, within 60 days of the release of the interest arbitration decision. Using these updated benchmarks, the ministry will provide the incremental funding to school boards. Please note that when the funds are released, funding will be provided for all employee groups (excluding supervisory officers, directors and PVPs). For those employee groups without a monetary resolution to Bill 124, school boards must set aside those funds until notified by the ministry that an agreement is in place.

The benchmarks for the 2022-23 and 2023-24 school years will be updated in the GSN regulations at a later date to reflect the cumulative increase in salary benchmarks over the 2019-22 period.

## **B. Funding through provided Priorities and Partnerships Funding (PPF)**

Additional funding will be provided to support school boards' MOS payments for employees who were funded through PPF (excluding supervisory officers and directors). The ministry will allocate a one-time PPF amount per school board. The methodology used by the ministry to calculate the board-by-board amounts is based on:

- a) Identifying all PPF programs and their funding from 2019-20 to 2023-24.
- b) Removing the PPF programs and their associated funding where staffing costs were an ineligible expenditure.
- c) Of the remaining PPF programs (i.e., those with eligible staffing expenditures), applying 80% to the total PPF programs' funding as a proxy measure for staffing costs.
- d) Applying the compounded compensation ATB increases to the total PPF programs' estimated staffing costs portion (i.e., the 80% of the PPF programs with eligible staffing expenditures) to determine the total Provincial PPF Monetary Resolution to Bill 124.
- e) Allocating the total Provincial PPF Monetary Resolution to Bill 124 to school boards based on each board's proportionate actual PPF payments for eligible programs with staffing from 2019-20 to 2023-24.

These funds will be provided through a new transfer payment agreement (TPA) that will be administered through TPON following the release of the arbitrator's decision on the increase for September 1, 2021. To streamline funding for school boards, these TPAs will also include funding for updated salary benchmarks for Official Languages in Education (OLE) staffing components.

Some of the elements set out in this memo can only take effect if certain regulations are made by the Minister of Education or Lieutenant Governor in Council under the *Education Act* or other legislation as required. Such regulations have not yet been made. Therefore, the content of this memo should be considered subject to such regulations, if and when made.

If you have questions about the implementation of the Memorandum of Settlement or GSN funding updates, please direct them to [eflpb@ontario.ca](mailto:eflpb@ontario.ca) and questions about PPF funding can be directed to [EDU-PPF-FPP@ontario.ca](mailto:EDU-PPF-FPP@ontario.ca).

Sincerely,

*Original signed by*

Andrew Davis  
Assistant Deputy Minister  
Education Labour and Finance Division

*Original signed by*

Louis Dimitracopoulos  
Chief Administrative Officer & Assistant Deputy Minister  
Corporate Management and Services Division

Cc: Executive Director, Association des conseils scolaires des écoles publiques de l'Ontario (ACÉPO)  
Executive Director, Association franco-ontarienne des conseils scolaires catholiques (AFOCSC)  
Executive Director, Ontario Catholic School Trustees' Association (OCSTA)  
Executive Director, Ontario Public School Boards' Association (OPSBA)