

**Memorandum of Understanding Between the Treasury Board of Canada and the  
Association of Justice Counsel with respect to Lifting the Moratorium on  
Vacation Leave Cash-Out**

This Memorandum of Understanding (MOU) is to give effect to the agreement reached between the Treasury Board (the Employer) and the Association of Justice Counsel (AJC) with respect to the liquidation of vacation leave in the excess of carry-over limits, as stipulated in the relevant collective agreement.

This MOU shall apply to employees of the Law Practitioner (LP) bargaining unit.

The parties agree that further to the last extension of the leave cash out moratorium for 2021, the Employer will proceed with the payment of outstanding vacation leave credits, starting on March 31, 2022. In order to return to the carry-over levels allowed in the collective agreement by April 1, 2026, the parties agree to the following process to liquidate excess leave balances over a five-year period between March 31, 2022, to March 31, 2026:

**Vacation Leave Cash-out**

For vacation leave, the mandatory cash-out will take place at a rate of 20% per year for all hours in excess of applicable carry-over limits, each year, from March 31, 2022, to March 31, 2026.

To ensure that lawyers do not continue to accrue vacation leave in their banks in excess of the carry-over maximum between April 1, 2021, and March 31, 2026, lawyers with vacation leave balances above the annual carry-over limit will, in addition to the 20% cash-out described above, also receive a payment for 100% of the earned but unused portion of their vacation leave accumulated during each fiscal year, starting on March 31, 2022. Notwithstanding the above, this cash-out will be limited to the amount necessary to reduce an employee's carryover to the carry-over limit as stipulated in the collective agreement.

Lawyers with a remaining balance in excess of allowable limits on March 31, 2026, will receive a cash-out for the portion in excess, in its entirety, in accordance with the applicable collective agreement provisions.

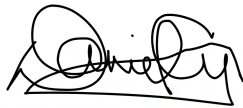
Notwithstanding the paragraphs above, lawyers will continue to be able to request a cash out of their vacation leave balance during the year, in the amounts and manner described in the LP collective agreement.

The employer, in consultation with the employee, may pause the mandatory leave cash-out in a given year, in certain situations where there is an issue with the completeness or accuracy of a lawyer's leave data (for example lawyers in a pending transfer situation).

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**Signatures**

Signed electronically for the Employer



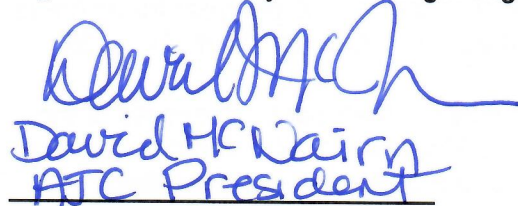
Daniel Cyr  
Senior Director

December 16, 2021

FOR THE EMPLOYER

DATE

Signed electronically for the bargaining agent



David McNaughton  
ATC President

FOR THE BARGAINING AGENT

December 16, 2021

DATE