MEMORANDUM OF AGREEMENT

Between

THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

As Represented By

THE BC PUBLIC SERVICE AGENCY

And

THE PROFESSIONAL EMPLOYEES ASSOCIATION (PEA)

Re: Voluntary Retirement Incentive Program (VRI)

For the term of the 18th Main and Subsidiary Agreements, the VRI program will be implemented in waves to support workforce management activities in the BC Public Service in connection with efficiency reviews and expenditure management. This approach intends to reduce negative impacts on employees, by prioritizing employee choice, enabling voluntary departures where appropriate, and helping minimize the need for involuntary departure processes.

The VRI program has two components the Early Retirement Incentive and the Retirement Incentive. Once ministries are approved by the BC Public Service Agency for the VRI, employee participation in the VRI is by invitation only and subject to the employee's eligibility to retire and the Employer's approval. Employees who are eligible for the VRI program may qualify for one incentive only and will be assessed based on retirement criteria. Employees may receive either the ERI or RI, but not both.

A. Early Retirement Incentive (ERI)

The Early Retirement Incentive (ERI) is a pension enhancement, not a cash payment. Under the ERI, employees who meet specific conditions can retire early without a reduction in their pension, which means they can retire without early retirement reductions to their pension. The ERI is based on the conditions outlined below:

1. From May 01, 2026, to March 31, 2028, if funding is approved by the Employer, the ERI may be available to regular employees in the public service bargaining unit who:

   (a) Are at least 55 years of age on or before a date approved and specified by the Employer or have sufficient pre-retirement leave into the future to reach their 55th birthday; and

   (b) Occupy a position that is declared redundant or creates a vacancy for placement of a surplus regular employee; and

   (c) Are in receipt of an invitation from the Ministry to apply for the ERI.

2. Employees meeting the above criteria may apply for the ERI and subject to the Employer's approval, the ERI shall provide for an unreduced pension if age plus years of contributory service add up to "80" (factor of "80") by their pension effective date (factor of "75" for employees in public safety groups).

3. An employee must leave work on pension or pre-retirement leave at a date consistent with the Employer's operational requirements and no later than the date specified by the Employer for their approved Ministry ERI wave. The

Employer will consult with the Union with respect to timing and duration of the approved ERI window, for clarity, the Employer will advise the Union and receive feedback.

4. Employees in receipt of Long-Term Disability (LTD) in the own occupation phase shall be eligible to apply for the ERI. Those on LTD in the any occupation phase are subject to the terms and conditions outlined in MOA 12 of the Collective Agreement.

5. The cost of the ERI shall be borne by the Employer and shall not be charged to the Public Service Pension Plan.

B. Retirement Incentive (RI)

The Retirement Incentive (RI) is a one-time lump sum payment equal to six months of base salary that may be available to employees who are 55 or older and eligible for their earliest unreduced pension. The RI is based on the conditions outlined below:

1. From May 01, 2026, to March 31, 2028, if funding is approved by the Employer, the RI may be available to regular employees in the public service bargaining unit who:

   (a) Are 55 years of age or older and eligible for their earliest unreduced pension; and

   (b) Occupy a position that is declared redundant or creates a vacancy for placement of a surplus regular employee; and

   (c) Are in receipt of an invitation from the Ministry to apply for RI.

2. Employees who meet the above criteria may apply for RI and subject to the Employer's approval, receive a one-time lump sum payment equal to six months of base salary. Employees who are not 55 years of age may use their pre-retirement leave as time to reach their earliest unreduced pension date.

3. An employee's last day on pay must be consistent with the Employer's operational requirements and no later than the date specified by the Employer for their approved Ministry RI wave. The Employer will consult with the Union with respect to timing and duration of the approved ERI window, for clarity, the Employer will advise the Union and receive feedback.

C. Miscellaneous

1. The ERI and RI will only be available subject to each Ministry's operational requirements, funding, and the Employer's sole approval of specific Ministry program area windows. This means some employees may not be eligible to participate in ERI and RI windows if or when they become available.

2. The Employer determines who is invited to apply for the ERI or RI. Once the Ministry invitation for ERI or RI has been sent to the employee, the employee has a 5-week window to apply for the program. During this time, it is the employee's responsibility to consult with a financial planner (if needed), attend a pension info session, and/or request a pension statement estimate to confirm their pension amounts.

3. Employees who apply for the VRI program (ERI or RI) volunteer to officially retire from the BC Public Service. Once submitted, the application for the ERI or RI cannot be withdrawn. The Employer must approve the application and if approved, the Employee's last day of work is the date determined by the Employer.

4. Eligible employees who take advantage of either the ERI or RI shall waive their rights to any severance payment pursuant to Articles 12, 23, 37 and MOA 9 of the Main and Subsidiary Agreements.

5. For each wave of VRI, it is acknowledged that the Employer has requested and received confirmation from Service Canada that the ERI and RI meet the requirements of Regulation 5.1 of the *Employment Insurance Act*.

6. This Memorandum of Agreement remains in effect for the term of the 18th Main and Subsidiary Agreements and may be amended by mutual agreement. Either party may provide 60 days notice to cancel prior to the end of each fiscal year (March 31) for the following fiscal year. Any VRI processes in flight will be able to complete.

Signed on behalf of the PEA:

Andrea Mears
Labour Relations Officer

Dated: July XX, 2026

July 14 2026

Signed on behalf of the BC Public Service Agency:

Korina Tsui
Assistant Deputy Minister, Labour Relations