

Public Service Staff
Relations Act



Before the Public Service
Staff Relations Board

BETWEEN

WILLIAM JOSEPH CONNORS

Grievor

and

**TREASURY BOARD
(Revenue Canada, Taxation)**

Employer

Before: Joseph W. Potter, Board Member

For the Grievor: Evan M. Heidinger, Professional Institute of the Public
Service of Canada

For the Employer: Robert B. Lindey, Counsel

Heard at Winnipeg, Manitoba,
March 9, 1998.

DECISION

Mr. William Connors is an Auditor with the Department of National Revenue in Winnipeg. He has filed two grievances, but the grievor's representative stated they are both identical in issue. I indicated at the outset that this decision would apply to both grievances and the parties agreed.

The grievor is seeking a reimbursement for supplementary business insurance (SBI) which, he states, he was required to purchase in 1994 and also in 1995 due to the ongoing travel required by the employer.

The parties entered into evidence an Agreed Statement of Facts and it is reproduced below (Exhibit G-1):

AGREED STATEMENT OF FACTS

*in the matter of W. Connors vs. Treasury Board
(Revenue Canada)*

PSSRB References: 166-2-27980 and 166-2-27981

The parties have agreed to submit the following information concerning the above-noted grievances for the consideration of the Board, which information is not in dispute. This Agreed Statement of Facts is provided without prejudice:

- (1) At all material times, the grievor was a field auditor, classified at the AU-02 level. The provisions of the AU Collective Agreement applied, particularly, the National Joint Council Travel Directive, included in the noted collective agreement at Article 37, Clause 37.03(2). The Travel Directive is herewith entered in evidence on consent.*
- (2) The grievor was required, as part of his regular duties, to attend the premises of various business and corporate taxpayers, or the locations where these taxpayers' financial records were kept, in order to conduct audits of the Income Tax returns which they had filed.*
- (3) Mr. Connors was appointed to a position at the Winnipeg District Taxation Office; he performed these field audits by travelling from the Winnipeg DTO to wherever the taxpayer and/or their records were located.*

-
- (4) *The grievor used his own private vehicle to travel to and from these field audit locations. This travel was undertaken at the employer's request, and he was reimbursed at the higher, per kilometre rate, provided by the Travel Directive.*
 - (5) *A condition of the use of the employee's private vehicle on the business of the employer is that the employee's vehicle be insured at the appropriate level. Privately owned vehicles used on government business must, as a minimum, have basic insurance coverage as defined in the Travel Directive.*
 - (6) *Based on the frequency of government business travel, the employee's insurance policy requirements and the requirement to carry passengers, an employee using his or her private vehicle on government business may be required to purchase supplementary business insurance ("SBI") as defined in the Travel Directive. Employees who are required to purchase SBI are entitled to be reimbursed the additional premium costs incurred.*
 - (7) *Insurance coverage for Manitoba vehicle owners is established by regulation pursuant to The Manitoba Public Insurance Corporation Act, C.C.S.M., c. P215. Copies of the Automobile Insurance Coverage Regulation, Man. Reg. 290/88 and selected amendments, and the Automobile Insurance Certificates and Rates Regulation, Man. Reg. 289/88 and selected amendments, are herewith entered into evidence on consent.*
 - (8) *At all material times, the grievor was reimbursed by the employer for the use of his private vehicle on government business travel at the higher, employer-requested kilometric rate in accordance with the Travel Directive.*
 - (9) *Until 1994, the grievor was reimbursed by the employer for the increased costs he incurred to purchase SBI. The grievor was reimbursed an amount equal to the difference between the "all purpose rate" and the "business rate" premiums as defined in the Automobile Insurance Certificates and Rates Regulation.*

- (10) *In 1994, the definition of “all purpose rate” insurance coverage as defined in the Automobile Insurance Certificates and Rates Regulation was expanded to include vehicles used for purposes for which “business rate” insurance coverage was required.*
- (11) *In 1994 the grievor applied for reimbursement of an amount equal to the difference between the “pleasure car rate” and the “all purpose/business car rate” premiums as defined in the Automobile Insurance Certificates and Rates Regulation, amendment, Man. Reg. 42/94. In 1995, the grievor applied for reimbursement of an amount equal to the difference between the “pleasure car rate” and the “all purpose car rate” premiums as defined in the Automobile Insurance Certificates and Rates Regulation, amendment, Man. Reg. 24/95. The employer denied the grievor’s request for reimbursement of these additional insurance premium amounts in each of 1994 and 1995.*

The parties reserve the right to lead additional documentary and viva voce evidence in support of their respective positions.

The Travel Directive (Exhibit G-2) contains two types of insurance as outlined on page G-4. They are:

Basic insurance means private vehicle insurance coverage which includes travelling to and from work with minimum coverage of \$1 million public liability and property damage.

Supplementary business insurance (SBI) is additional insurance coverage which is required for a private vehicle which is frequently used on government business and provides for third-party liability, including passenger hazard.

The grievor’s representative stated basic insurance is required for employees who operate a car on business infrequently and the SBI is required for employees who frequently use their vehicle on business and the added cost is reimbursed by the employer. This reimbursement is spelled out in section 2.10 of the Travel Directive:

2.10 Privately owned vehicles

2.10.1 To ensure that travellers are adequately protected, privately owned vehicles used on government business shall, as a minimum, have basic insurance coverage. The cost of this insurance is provided for in the kilometric rates. Any additional premium costs necessary to increase private vehicle insurance coverage to the basic level are not reimbursable, including the lowering of deductibles. All distances driven shall be accumulated and reimbursed in accordance with the appropriate kilometric rates.

2.10.2 Based on the frequency of government business travel, the employee's insurance policy requirements and the requirement to carry passengers, the need to purchase supplementary business insurance (SBI) coverage for the required time periods shall be determined in consultation between the employee and the employer.

2.10.3 Additional premium costs for public liability and property damage, collision and comprehensive coverage when obtaining SBI for one vehicle (including motorcycles) during a given time period shall be reimbursed, based on receipts. ...

Mr. Heidinger stated that prior to the filing of the grievance in 1994, there were three types of insurance rates in effect in the province of Manitoba. They were (Exhibit E-1, tabs 1 and 3):

(tab 3)

1. *pleasure car rate: means the basic premium payable for universal compulsory automobile insurance in respect of each private passenger vehicle that*
 - (a) *is not driven to or from or part way to or from work for more than 1609 kilometres during a registration year or not more than four days in one month, and*
 - (b) *...*
 - (c) *...*
2. *all purpose rate: means the basic premium payable for universal compulsory automobile insurance in respect of each private passenger vehicle, except a private passenger vehicle for which the pleasure car rate, the school car rate or the business/delivery car rate of basic premium may be paid.*

(tabs 1 and 3)

(3) *business/delivery car rate: means the basic premium payable for universal compulsory automobile insurance in respect of each private passenger vehicle that*

(a) ...

(b) ...

(c) ... *is utilized for 1609 kilometers or more during a registration year in connection with a trade, business or occupation,*

Up to 1994, the grievor was reimbursed for the difference between the “business/delivery car rate”, which he was required to carry, and the “all purpose rate”.

In 1994, the “all purpose rate” and the “business/delivery car rate” were combined into an “all purpose/business rate” (see Exhibit E-1, tab 4). The definition paralleled the “all purpose rate” with minor editorial alterations. The effect for the grievor was a discontinuance of the reimbursement.

The grievor’s representative submitted that the grievor should receive the difference between the “all purpose/business rate” and the “pleasure car rate” as he was precluded from purchasing the lower cost rate because he was required to use his car frequently on business. This he argued was what was intended by the supplementary business insurance.

Counsel for the employer pointed to section 2.10.1 of Exhibit G-2 as indicating that it was the employee’s responsibility to ensure he had the basic insurance coverage. Counsel then pointed to the definition of basic insurance and noted it included travelling to and from work. The cost of this is offset, in part, by the higher kilometric rate paid to the employee.

After the change in 1994, the basic coverage was the “all purpose/business rate” according to Mr. Lindey. As the Travel Directive requires employees to assume the cost of the basic insurance coverage, there is no reimbursement in this case. The definition of the pleasure car rate did not meet the basic coverage definition because it placed a restriction on the number of times you could go to and from work. This

interpretation is buttressed by the French version of the definition of basic insurance found at page G-2 of Exhibit G-2.

Decision

The question I am being asked to answer is: Does the all purpose/business rate meet the definition of basic insurance or does it meet the definition of SBI? If it is the former, then no differential is owing. If it is the latter, then a differential is payable.

Basic insurance is the responsibility of the employee. The Travel Directive states that basic insurance "... includes travelling to and from work ...".

Supplementary business insurance (SBI) "is additional insurance coverage which is required for a private vehicle which is frequently used on government business ..." (underlining added). This cost is reimbursed.

In Manitoba, from 1994 onward, there have been two types of insurance available. The first, "the pleasure car rate", does include travelling to and from work but on a restricted basis. The second, "all purpose/business rate", is additional insurance coverage which is required for a private vehicle which is frequently used on government business. The parties were in agreement that the grievor requires his vehicle for frequent use on government business. He therefore must purchase the "all purpose/business rate", the cost of which exceeds the "pleasure car rate".

If the grievor was not required to use his vehicle frequently on government business, he could avail himself of the "pleasure car rate". This would enable him to use his car to travel to and from work, albeit not on an every day basis. However, in my view the "pleasure car rate" meets the Travel Directive definition of basic insurance as it does allow travel to and from work. In the grievor's case, this lower rate is not available to him; consequently he must purchase additional insurance at an additional cost. I find this meets the definition of SBI in the Travel Directive and is therefore to be reimbursed. The grievor is required to use his car frequently on government business. He must purchase additional insurance coverage due to this requirement. It is the added cost that is to be reimbursed and I find the employer was wrong in its refusal to do so.

Accordingly, for all these reasons, the grievances are allowed.

**Joseph W. Potter,
Board Member**

OTTAWA, March 26, 1998.