

Policy:

The Village of Innisfree understands that a Cost-of-Living Allowance-based policy is an effective tool for the retention and recruitment of municipal employees and maintains an employee's standard of living from year to year.

"Cost of living increases are designed to help keep the amount of money coming in, stay in proportion to the amount of money going out."

Purpose

To establish policy and procedures on how a Cost-of-Living Allowance (COLA) Policy will be calculated for Village employees.

This Policy supersedes any previous Village of Innisfree Personnel Policy regarding cost-of-living allowances.

1.0 Definitions:

- 1.1 **"CAO"** means Chief Administrative Officer pursuant to the *Municipal Government Act*.
- 1.2 **"COLA"** means "Cost-of-Living Allowance."
- 1.3 **"CPI"** means the "Consumer Price Index" that represents changes in prices as experienced by Canadian consumers. It measures price change by comparing, through time, the cost of a fixed basket of goods and services.
- 1.4 **"CPI Portal"** means the Statistics Canada website that provides that statistical data on the changes in prices for the basket of goods and services.
- 1.5 **"Full Time Employees"** means an employee working more than 30 hours a week.
- 1.4 **"Part Time Employees"** means an employee working less than 30 hours a week.
- 1.5 **"Temporary Employees"** means an employee working on a short-term contract, not permanent.

2.0 Responsibilities:

- 2.1 The CAO is responsible for ensuring awareness and compliance with this Policy.

3.0 Affected Persons:

- 3.1 This Policy shall apply to all full- and part-time employees.

- 3.2 This Policy does not apply to Temporary employees.
- 3.3 In the event an employee, who is qualified on the basis of their employment status, is on a probationary period, said COLA calculations shall not be applied until the probationary period has concluded.

4.0 Cost-of-Living Allowance Calculations:

- 4.1 The COLA Policy will commence effective January 1st, 2022 and will continue to be implemented on January 1st annually.
- 4.2 The base for this calculation will be the CPI index for December 15th, 2021; future years shall use the December CPI value as the base.
- 4.3 COLA will be calculated by taking the annual December 15th *Consumer Price Index* value for the year and multiplying that value by .75 (equivalent to 75% of the CPI value.)
- 4.4 There will be no reduction in hourly rates should there be a decrease in the *CPI*.
- 4.5 In the event that Statistics Canada ceases to publish the monthly CPI in its present form, such changes to the COLA process shall be the subject to review by Council prior to January 31st of the year the changes come into practise.
- 4.6 The CAO is authorized to annually input the COLA calculation into the January Payroll.

5.0 End of Procedure.