Gain Sharing Formula Determination

Overview

The Gain Sharing formula (see below) embedded across a subset of provincial public sector Collective Agreements (CAs) was determined on February 29, 2024. The result of the formula is outlined on page 2 of this document.

Gain Sharing Formula (Background)

Alberta’s 20-year average (2000-2019) of Real Gross Domestic Product (GDP) is 2.7%. Provided that the “Average of all Private Forecasts for Alberta’s Real GDP” for 2023 Calendar Year is at or above 2.7% as of February of 2024, then an additional 0.5% will be added to wages retroactively effective on the “Specific Dates” listed in each CA.”

“Average of all Private Forecasts for Alberta’s Real GDP” for 2023 Calendar Year would be a simple average of Alberta’s Real GDP for 2023 across the following independent forecasting institutions:

- Conference Board of Canada
- Stokes Economics
- BMO Capital Markets
- CIBC World Markets
- Laurentian Bank
- National Bank
- RBC Royal Bank
- Scotiabank
- TD Bank

The most recent publicly available forecast for Alberta’s Real GDP for 2023 would be sourced from each institution at the time the pay-out determination would be made in February 2024.

The provincial public sector employers that negotiated contracts containing the Gain Sharing formula include: Alberta Public Service, various Government Agencies, Boards and Commission (ABCs), Post-Secondary Institutions (PSI) and School Division (covering support workers).
## Average of All Private Forecasts for Alberta’s Real Gross Domestic Product Growth in 2023

<table>
<thead>
<tr>
<th>Institution</th>
<th>Real GDP Growth Forecast for 2023</th>
<th>Release/Published</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conference Board of Canada</td>
<td>2.20%</td>
<td>December 15, 2023¹</td>
</tr>
<tr>
<td>Stokes Economics</td>
<td>1.80%</td>
<td>January 2024²</td>
</tr>
<tr>
<td>BMO Capital Markets</td>
<td>1.80%</td>
<td>February 23, 2024³</td>
</tr>
<tr>
<td>CIBC Capital Markets</td>
<td>2.10%</td>
<td>February 13, 2024⁴</td>
</tr>
<tr>
<td>Laurentian Bank</td>
<td>2.20%</td>
<td>February 2, 2024⁵</td>
</tr>
<tr>
<td>National Bank</td>
<td>1.80%</td>
<td>February 2024⁶</td>
</tr>
<tr>
<td>RBC Royal Bank</td>
<td>2.20%</td>
<td>December 2023⁷</td>
</tr>
<tr>
<td>Scotiabank</td>
<td>2.30%</td>
<td>February 6, 2024⁸</td>
</tr>
<tr>
<td>TD Bank</td>
<td>2.20%</td>
<td>December 19, 2023⁹</td>
</tr>
<tr>
<td><strong>Average of All Private Forecasts</strong></td>
<td><strong>2.07%</strong></td>
<td><strong>Calculated on February 29, 2024, at 11:59pm</strong></td>
</tr>
</tbody>
</table>

| Gain Sharing Trigger Condition | 2.70% |

**Result:**

The Average of All Private Forecasts for Alberta’s Real GDP Growth for 2023 (as sourced from each forecaster listed in the above formula on February 29, 2024) is 2.07%.

*This falls below the 2.70% Trigger Condition.*

Therefore, the trigger conditions have **NOT** been met, and the additional 0.5% wage increase referenced in the formula above does **NOT** need to be implemented.

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³ BMO Capital Markets Economic Research – February 2024, Provincial Economic Outlook.
⁴ CIBC Capital Markets – February 2024, Provincial Economic Outlook: An unequal slowing (page 1).
⁷ RBC Economics & Thought Leadership – December 2023, Provincial Outlook.
⁸ Scotiabank Global Economics – February 2024, Scotiabank Forecast Tables.
⁹ TD Canada – December 2023, Provincial Economic Forecast.