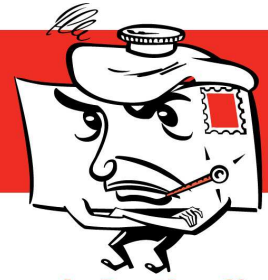




PSAC-UPCE BARGAINING UPDATE



**Canada Post's offer
makes me SICK!**

Dear member,

In October, you turned out in record numbers to provide your bargaining team with a clear mandate. CPC's proposed rollbacks on job security, benefits and vacation entitlements were unacceptable. The wage offer was inadequate and the proposed sick leave scheme was deplorable.

With that strong mandate, your team immediately requested a return to the bargaining table. We did so with the expectation that CPC would meet again with the goal of achieving a fair collective agreement.

Taken at face value, it seems that CPC made significant changes with a second offer. The truth of the matter is, while there have been some improvements on key issues - the sick leave proposal has only been tinkered with.

In tabling their second offer, CPC has attempted to buy your future in the coming collective agreement and for the foreseeable future in the cheapest way possible. In return for small lump sum payments, CPC wants to remove your right to manage your own health in consultation with your physician. They want a Manulife to intervene as the third party who gets to approve or deny your sick leave.

The approval of Manulife and Employment Insurance is still required prior to receiving paid sick leave, only the order in which you have to apply for that approval has changed. Plan reimbursement rates have not changed. The seven days of "personal" leave has not changed. Sick leave banks will still be frozen. The 5 days of Family Related leave will still be eliminated.

A bulletin on Short Term Disability Plans was distributed earlier this week to provide you with detailed background information on how such plans should be designed to help members when they are sick and why CPC's second try falls short when compared to your current entitlements and in relation to other plans. It is posted on PSAC.com in case you missed it.

Also on the PSAC web site is an interactive sick leave calculator that you can use to work out the dollar value of your personal sick leave entitlements – you can then compare that to the lump sum payment that CPC is offering.

Your team will be returning to the bargaining table on November 6th. You are encouraged to check the web site regularly and stay in touch with your local executive over the coming days for any new developments.

What follows is a detailed summary of the most recent set of negotiations as of October 30, 2008. This table is organized by theme.

Article	PSAC/UPCE	CPC
Leave		
Sick leave (43)	Maintain current entitlements	Eliminate sick leave and replace it with a Short term disability programⁱ *
Family-related leave (42.11)	Maintain current entitlements	Eliminate Family related leave and replace it with a Short term disability program – see endnote i
Vacation leave (40)	Maintain current entitlements	Eliminate the entitlement to 7th week of vacation leave after 28 years of service *
Monetary		
Wage increase (AA)	Increase of 3% per year	Increase of 2.25% per year
Cost of Living Allowance (COLA) (31)	Same as CUPW has: COLA to be paid if inflation exceeds 8% cumulatively over 3 years	No change
Child Care (H)	Increase funding by approximately \$200,000 for child care programs	Increase funding by \$15,000 for child care programs
Benefits and Pensions		
Drug Plan	Maintain principle that no member should lose current entitlements, letters of understanding to protect members, joint approach to communications and training	Introduce a new one-tier drug plan with reduced formulary - like CUPW. Drugs that are currently in tier 2 or 3 will require a form to be filled out by employee's doctors.ⁱⁱ
Vision and hearing benefits (37)	Increase to vision and hearing plans, including new entitlement for laser eye surgery	Conditional on accepting the new drug plan: Increases to vision and hearing plans, including new entitlement for laser eye surgery
Paramedical Benefits (O)	Increases to caps on paramedical benefits	Conditional on accepting the new drug plan: Increases to caps on paramedical benefits
Retiree Benefits (37)	Maintain current entitlements	Retirees to be eligible for benefits only after 15 years of service *
Hours of Work, OT, Staffing		
Paid lunch (25)	Provide a paid half hour lunch period for all members	Refused proposed change

Article	PSAC/UPCE	CPC
Job Security, Bargaining Unit Issues		
Job Security (28)	Job security to apply to all employees after 5 years of service	Weakened job security: only applies to employees with five years of service and on strength in 2005
Work in the Bargaining Unit (7)	Strengthened language - others not to perform PSAC/UPCE work and no contracting out	Refused proposed change
Group measurement (New)	Limits to be placed on employer's ability to discipline employees and individually measure employees' work	Refused proposed change
Service Expansion and Innovation and Change Committee (M)	Improvements to funding and expansion of the committee's mandate	The employer has offered \$600,000 for this committee, but this amounts to taking money from their right pocket and putting it into their left pocket.
Other		
Grievance Procedure (19)	Simplified grievance language	Simplified grievance language

List of Items that have been agreed to in principleⁱⁱⁱ		
No Harassment (14)	Improved anti-harassment language, including personal harassment	
Hours of Work (25)	Contact centre employees do not have to take a call in their first or last five minutes of work.	
Hours of Work (25)	Part-time employees must be given at least 72 hours' notice for a shift change – if less notice is given, the first shift will be paid at overtime rates.	
Staffing (27)	Employees to be notified when screened out of a competition	
Staffing (27)	Employees to remain on transfer list for 2 years	
Shift Premiums (32)	Increase of 20 cents to evening premium and 25 cents to night/weekend premium	
Dental fee guide (37)	Updated fee guide, lagging behind by a year	
Designated Paid Holidays (39)	Part-time employees to be paid for no less than the number of hours they would have been scheduled to work on a holiday.	
Bereavement Leave (42.02)	Employees will be permitted to take one of the 4-day leave non-consecutively to attend a burial or ceremony.	
Maternity and Parental Leave (42.04)	Changes to accord with new Quebec legislation (QPIP).	

List of Items that have been agreed to in principle - see endnote iii

Leave Without Pay for Child or Elder Care (42.14)	Employees permitted to take these leaves for periods of 2 weeks or more.
Pre-retirement Leave (42.17)	Employees to be permitted to take this leave in blocks of one day.
Appendix S (Human rights and Workplace Conflict)	Some improvements to this appendix.
Pension	Letter of understanding to give union more control over any surplus

NB: Any employer demand which is marked with an asterisk (*) includes provisions to grandfather current employees. E.g. all current employees would keep or eventually get their 7 weeks. All employees hired after a new agreement was signed would never get it.

ⁱ Short term disability plan: The employer has proposed the implementation of a plan to replace the current sick and family-related leave provisions in the collective agreement. **The plan would reduce the current 20 annual days of paid sick and family-related leave to 7 'personal days'**. These days would not roll over, but would be paid out if unused. The plan would also provide a 70% income replacement when off on extended sick leave. Accumulated sick leave would be partially grandfathered and could be used as a supplementary top-up when off on short term sick leave only. CPC is also offering small lump-sum payments to people who have more than 150 days of sick leave in their banks.

ⁱⁱ Drug Plan: the employer has proposed a new drug plan. It would be one-tier, instead of the current three-tiered system. **The formulary would be greatly reduced from the current formulary.** Drugs that are currently in tier 2 and 3 (reimbursed at 69% and 50%) would require extra forms to be filled out by the employee's doctor and may no longer be covered. The new formulary, like tier 1 of the current plan would be reimbursed at 80%. Employees who were prescribed a drug in 2008 would be grandfathered on that drug.

ⁱⁱⁱ While these have been agreed to in principle at the table, Canada Post has reserved the right to pull any agreements off the table midnight Nov 4, 2008.