



Bargaining Fair Wages

Currently members receive an automatic economic increase on October 31 and an incremental raise on June 3 until the top of the scale is reached.

The employer is proposing:

- A very small economic increase (between 1% and 2%, depending on classification). This means that the employer views the work of an A1 as less valuable than that of an A5 or A T2
- Your June increment will no longer be automatic – rather, it will be based on your performance appraisal

In 2009, the expected wage increase for the average Canadian worker is 3.5% except in Alberta where the expected increase is 4.8%

Canada Post wants to replace a portion of the anticipated increase with an increase to the Individual Performance Incentive (IPI). However, the IPI is not cumulative and -- since your base wage rate would increase more slowly -- the amount of the IPI would therefore accumulate much more slowly. In other words, this means a lot less money for you in the future.

This also has serious implications for your pension! The IPI is not pensionable. This would mean that the value of your pension would not increase very much. Over time, your base wage rate and your pension would rise very slowly. This proposal puts your retirement earnings in serious jeopardy.

INCREMENTS

Currently, everyone gets their increment in June automatically. Canada Post wants to eliminate this practice and instead base incremental increases on your performance appraisal from the previous year. Increments would be awarded depending on your result:

1. Needs Improvement – no increment awarded
2. Commendable – one incremental increase on top of your current rate of pay
3. Exceptional - two incremental increases on top of your current rate of pay

Note that you must work a minimum of three months in order to receive a performance appraisal. Anyone who is on leave (MAT/SLWOP/IOD/C&N/Union Leave) for longer than three months or 62 working days in one year runs the risk of not being rateable and therefore ineligible for an incremental raise.

- There are too many variables in play to determine whether or not you receive an incremental increase – bell curve, favouritism, corporate choice
- Surplus employees who were assigned to several locations during the previous year could be vulnerable to a “1” rating

- If you do not get an incremental raise based on your rating it will affect your pensionable earnings
- Employees that are at the top of the pay scale will not get a pay raise.

Example:

Here is an example of the key differences between the two proposals. This example features an A5 who is at the top of his or her salary scale. It also assumes that this member will receive a “2” rating on their performance appraisal each year. You can see from this example that a member would earn close to **\$5,000 less over three years** based on the employer’s proposal!

Union's Proposal		Employer's Proposal	
2008			
Current Salary	57,498	57,498	Current Salary
Plus 3% Increase	1,725	719	Plus 1.25% Increase
Total Salary	59,223	58,217	Total Salary
2% IPI	1,184	1,747	3% IPI
Total Compensation	60,407	59,963	Total Compensation
2009			
Current Salary	59,223	58,217	Current Salary
Plus 3% Increase	1,777	728	Plus 1.25% Increase
Total Salary	61,000	58,944	Total Salary
2% IPI	1,220	1,768	3% IPI
Total Compensation	62,220	60,713	Total Compensation
2010			
Current Salary	61,000	58,944	Current Salary
Plus 3% Increase	1,830	737	Plus 1.25% Increase
Total Salary	62,830	59,681	Total Salary
2% IPI	1,257	1,790	3% IPI
Total Compensation	64,086	61,472	Total Compensation
3 Year Total	186,713	182,148	
Difference	4,566		

Your employer needs to know what you think of this offer. We need to show Canada Post that we are willing to take action to defend our fundamental right to a fair workplace and to workplace respect.

Over the coming weeks, representatives from your bargaining team will be attending local strike vote meetings and will be available to answer your questions.