



Collective Bargaining 2018

Welcome to all

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Association of Postal Officials of Canada Association des Officiers des Postes du Canada



Negotiation Team

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The Association and the Corporation have reached a tentative agreement for the renewal of their Collective Agreement.

This round of bargaining presented a unique set of circumstances. Four critical factors presented the Association with a distinctive opportunity:

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1. The Corporation is in the final stages of the Government of Canada independent review of Canada Post. This review was intended to ensure Canadians receive quality postal services at a reasonable price. The Standing Committee's review and public hearings have been completed and a full report has been published. Feel free to consult the Government of Canada's website for a copy of this report.

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- The Government tabled on April 12, 2017 its response to the Standing Committee's report. It is currently considering the Committee's recommendations as well as all of the evidence gathered throughout the review process. The priority is to ensure Canada Post provides Canadians with the quality postal services.

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- The Corporation's Five Point Plan, implemented to address the Corporation's financial challenges, is in limbo awaiting the Government's final decision.
- The uncertainty of this Government process presented an opportunity to the Association. And the Association believed it could take advantage of this opportunity.

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2. The major bargaining agent representing the Corporation's employees lodged a complaint with the Office of the Superintendent of Financial Institutions to have the Corporation ousted as the administrator of the Canada Post Pension Plan. This process was commenced in 2014 and continues as of today.

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- Simultaneously, on February 28, 2014, the Government of Canada introduced regulations that provided the Corporation with relief from the need to make special payments into the Canada Post Pension Plan for four years (from 2014 to 2017). Such special payments are required when a pension plan reports a deficit. The relief was meant to provide the Corporation with a period of time to transform its business (Five Point Plan) and our pension plan.

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- With 2017 being the final year of relief, it is anticipated that Canada Post may need to resume special payments in 2018. The resumption of the special payments will be subject to the proposed amendments to the Regulations of the *Pension Benefits Standards Act*.
- The objective of the amendments is to ease the burden of solvency deficient payments on the Corporation and improve the long-term sustainability of the defined benefit pension plan by increasing the limit of the letter of credit and solvency payment reduction from 15% of assets to 15% of liability. The effect would allow the Corporation to take greater solvency payment reduction.
- Without this additional relief, the reported corporate profits may not be sufficient to fund these special payments.

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3. The Corporation is currently bargaining with one other bargaining agent and will soon embark on another round with another bargaining agent. The Corporation's bargaining focus to date has been to seek concessions. The Association saw this as an opportunity to allow the Corporation to direct its collective bargaining focus toward the other bargaining agents.

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4. The Association's bargaining team completed a comprehensive review of the proposals sent to the National Office from the Branches. It was clear that the proposals received were easily classified as follows:
- issues already addressed in the collective agreement but not applied;
 - issues already bargained during prior rounds without success; and
 - requests for financial enhancements.

It was the decision of the bargaining team that nothing would be gained by pursuing the first two issues and that the focus should be on the third issue.

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- With these challenges forming the backdrop to our round of collective bargaining, the Association approached the Corporation with a view to expediting the bargaining process. The Association was of the view that expediting the process would allow the Corporation to focus on the significant issues it is currently facing without looking to the Association for concessions.
- As well, by not putting the Corporation in the position of having to bargain a new collective agreement with the Association in the traditional fashion, there could potentially be greater financial enhancements available without giving up any prior gains.

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- The parties agreed to meet and discuss how the expedited process would work and what issues would be discussed. It was decided by the parties that the only real issue was financial enhancements. And with the direction set, the parties signed a Memorandum of Agreement on September 12, 2017.

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CONTENT OF MEMORANDUM OF AGREEMENT

Duration

- The Collective Agreement has a term of three (3) years commencing on April 1, 2018 and ending on March 31, 2021.

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Wage Increases

- The Agreement provides the following pensionable wage increases;

April 1, 2018 of 1.8%

April 1, 2019 of 1.8%

April 1, 2020 of 1.9%

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Employee Benefits Plans

- Dental plan fee guide will be updated to reflect the practice of having the prior year's guide apply to the current year;
- Out of Country Coverage will be increased to \$250,000.00 for both current and retired employees;
- Major Dental Services will be increased to \$2,000.00; and
- Hearing Aids will be increased to \$1,000.00.

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Personal Days, Special Leave and Maternity Leave

- Articles 32 and 33 of the Collective Agreement will be updated to reflect the pending changes of Bill C-44 regarding the length of maternity and parental leave, the amount of EI to be paid, and the integration of the SUB Plan top-up; and
- The major change as found in Bill C-44 is the increase of parental leave from 12 months to 18 months, and having EI payments and SUB Plan top-ups prorated.

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Uniforms

- To be provided to Rural Suburban Officer (RSO), Delivery Services Officer (DSO) and Delivery Planning Officer (DPO); and
- Article 48 and Appendix K to be updated to ensure clarity of which positions within the bargaining unit are provided a uniform and which ones are not.

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Performance Appraisals for SL2 and SL6

- Confirmation that performance appraisals for SL2 and SL6 employees will not impact their quota based incentives.

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Electronic Bidding Pilot Project

- A pilot project was undertaken in Montreal to implement electronic bidding. The pilot has been successfully implemented in Montreal in mail processing at the Leo Blanchette Mail Processing Plant. It is being expanded to collection & delivery in Montreal. Should it be equally successful it may be implemented in other parts of the country.

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Pension Plan

- Corporation has not sought to amend, modify, change or adjust the defined benefit or defined contribution components of the pension plan.

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Discipline/Grievance/Arbitration

- Updated list of arbitrators.

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Additional Amendments

- In the future, prior to an employee commencing a leave without pay, employees will be notified of the cost of benefit premiums and they will be expected to keep current and pay all of their shares of the benefit premiums/contributions throughout their leave thereby lessening any burden of reimbursement upon their return to work; and
- Employees who are considered “temporary employees” in other bargaining units who accept temporary assignments in the Association’s bargaining unit shall be treated as “temporary employees” and not “term employees”.

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Question ?

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