

Tabletalk

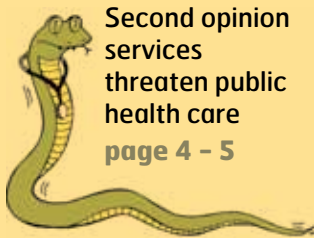
CUPE's
Bargaining
Resource

SUMMER/FALL 2011

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CUPE / Canadian Union of Public Employees

BENEFITS TRENDS / EXTENDED HEALTH

Ensuring benefits for active workers 65+

Older workers face discrimination in benefits

Mandatory retirement has all but disappeared in Canada, and many workers are now staying in the workforce beyond age 65. The recession and the loss of retirement savings during the financial crisis has also contributed to higher workforce participation rates for older workers.

When mandatory retirement was in place, most workers would leave the workforce at age 65. There were no real consequences if collective agreement language and master contracts ended benefits at age 65. Now that mandatory retirement is no longer a factor, locals should consider checking their master contracts and collective agreement to remove such language.

If the collective agreement says that benefits will end at age 65, it does not reflect the end of mandatory retirement. In a precedent-setting case in Ontario, Arbitrator Brandt found that where the collective agreement promised the benefits to "all employees," it meant all employees regardless of age.

Age discrimination is structural, and we can see it in industry patterns for health insurance and benefit plan age limits. Most carriers will not offer insurance past the ages set out on the right.

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Typical age limits on benefits set by the insurance industry:

Long-term disability (LTD):
terminates at age 65

Short-term disability (STD):
terminates at age 70

Extended health care (EHC):
terminates at age 70

Dental: terminates at age 70



CUPE AT THE TABLE

HIGHLIGHTS FROM RECENT CUPE NEGOTIATIONS AND SETTLEMENTS ACROSS THE COUNTRY

CONTRACTING IN NS highway workers bring work back in house

CUPE 1867—the Nova Scotia Highway Workers’ Union—welcomed the provincial government’s initiative to bring some asphalt and chip seal work in-house. For years, the local has been telling provincial governments that CUPE members can do quality work at a reasonable cost. We are glad to see the current NDP government is interested in thinking outside of the box, especially if it will mean cost savings for taxpayers.

SETTLEMENTS Real wage increases for St. John’s workers

CUPE 1289, representing the city of St. John’s employees, voted strongly in favor of the new collective agreement, containing the same financial package as CUPE 569, representing the city’s outside workers. It’s a four-year agreement, effective July 1, 2010, with wage increases of 4.5 per cent, 4.5 per cent, 3.5 per cent and 3 per cent.

PENSIONS Indexed pensions for Marystown workers

CUPE 1896, representing town of Marystown, N.L. employees, overwhelmingly ratified a new collective agreement that enhanced their pension coverage. Commencing in January 2011, the pension plan will provide for indexing of pension benefits, with the added bonus of allowing employees to retire at age 60 with no early retirement penalty.

BARGAINING Boucherville workers agree to 10-year contract

CUPE 306, representing city of Boucherville, QC employees, negotiated a 10-year contract providing total wage increases of 20.3 per cent and integrating them into the wage structure of the city’s inside workers. They also won the creation of three new permanent positions and their hours of work will not be reduced.

BENEFITS Pacific Blue Cross workers stave off flexible benefits

After eight months at the bargaining table, members of CUPE 1816 at Pacific Blue Cross have



Daniel Duval, local president for CUPE 306. Photo: Michel Chartrand

ratified a new four-year collective agreement. The local was able to beat back the employer’s proposal to move to a flexible benefit plan.

Pacific Blue Cross provides health, dental, life and disability coverage for more than two million individuals and union members, working primarily in education, municipal, health care and government sectors, and offers a flexible benefit plan to its customers.

(Source: Organizing & Regional Services Report to the National Executive Board, March meeting)

TABLETALK – YOUR BARGAINING RESOURCE

Tabletalk is published four times a year to provide CUPE local bargaining committees, elected officers and servicing representatives useful information for preparing – and negotiating – bargaining demands. Tabletalk’s three-hole-punch style makes it easy to keep in reference binders. Feel free to make copies or use the material to fit your members’ needs.

Find past issues of Tabletalk online at cupe.ca/tabletalk

An email edition of Tabletalk is available. Subscribe at cupe.ca/subscribe

Please email Susan Attenborough at research@cupe.ca with corrections, questions, suggestions, or contributions.

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CUPE / Canadian Union of Public Employees

COPE 491

BENEFITS TRENDS / EXTENDED HEALTH

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Why do insurers set age limits?

Because their actuarial tables have calculated that the cost of providing benefits outweighs the revenue from the premiums. That's why including retirees in the workplace group plan is one of the best options for retirees.

Insurers don't see individuals; they set their rates based on averages. In their eyes, older people fall ill more often, are more prone to accidents and are more expensive to treat. Plenty of 80 year-olds are just as fit as some 60 year-olds, but the insurance industry doesn't work in that way; it just looks at averages. Insurers win both ways: on one hand they won't offer you a discount for being fit, and on the other, they'll likely charge you

more if you already have an illness or a health condition. So they profit, whatever your condition!

Employers' resistance to providing benefits for older workers may be shortsighted given these facts:

- Senior workers have valuable "corporate memory," more practical knowledge, on-site experience and knowledge of how things get done, thus lowering recruitment and retention costs. These factors make these workers more productive and valuable to employers.
- In general, older workers today tend to be healthier than a couple of decades ago, especially those aged 65 to 69.
- Older workers usually don't have to miss days for sick kids

or school events.

- With so many health services delisted from public plans by provincial governments, private coverage tends to fill the gaps. The need for health protection does not diminish with age.
- Labour force participation rates among older workers (age 65-69) are currently not very high and initial industry views suggest they are not likely to surge, even with the abolition of mandatory retirement.

It makes sense for employers to provide benefits to older workers to attract and retain older workers in light of predicted labour shortages.

FOR MORE INFO check out the fact sheet *Drug costs: Can we negotiate cost savings?* at cupe.ca/bargaining/kit

POLITICAL ACTION / ELECTIONS

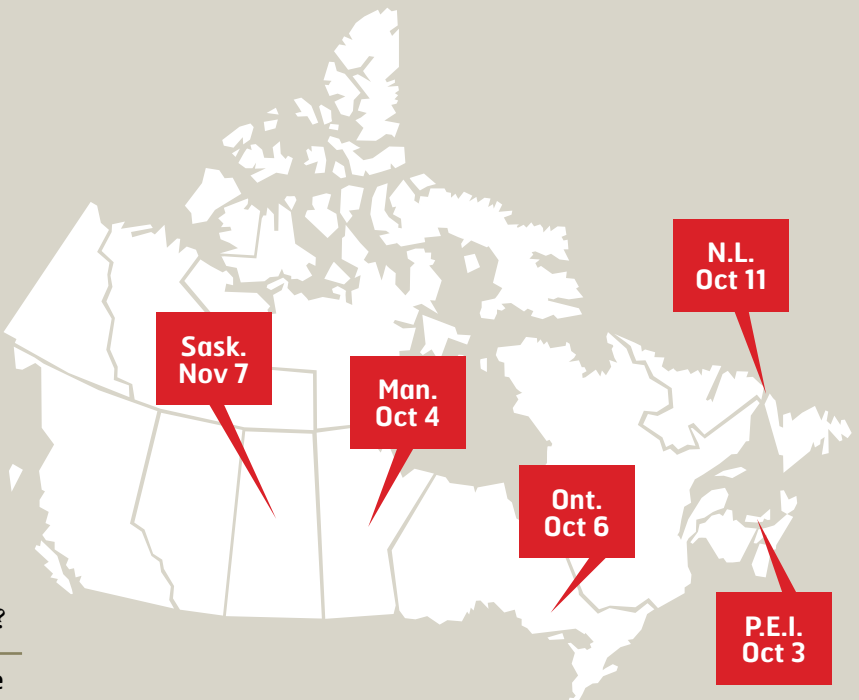
Upcoming provincial and territorial elections

Provincial legislators make decisions that affect the living wage, equality rights, job security and retirement security of our members.

In the current economic climate, governments and our employers are using the economic downturn as an excuse to demand concessions and cut services. To date we have been successful in pushing back, and upcoming provincial elections provide another opportunity to make this point.

Provincial elections provide a prime opportunity to promote CUPE's goals by educating, mobilizing and engaging our members, leaders and staff. Why not get active in your provincial election campaign?

CHECK OUT cupe.ca/politicalaction for more information.



Second opinion services threaten public health care

Insurance companies offer for-profit services

There's a new product on the market that threatens our public health care.

"Second opinion services" offer another opinion on your doctor's diagnosis, by a qualified physician, but for a fee. It is a product or service sold to consumers by insurance companies, just like critical health

insurance, life insurance, or long-term disability (LTD) insurance.

The idea emerged in the American private health care system and is now being marketed to Canadians. These services may be called Best Doctors Inc. or Health Service Navigator, depending on your insurance provider.

These services play on people's fears provoked by recent media reports of misdiagnoses, errors in testing, doctor shortages and long wait times. Insurance companies have figured out that there's a big "market" for these kinds of services.

There is no question that a second medical opinion can be comforting and in some cases, life saving. We've all heard stories about people who have survived their condition because they had a second medical opinion. However, for most Canadians, a second opinion is available under the public system.

How do second opinion services work?

Second opinion services assign you an "advocate" who will assist you in uploading your medical files and then send them to any one of their physicians—who could be anywhere in the world—who will assess

the diagnosis, recommend a treatment and, recommend the best care provider for the specific condition, wherever they may be.

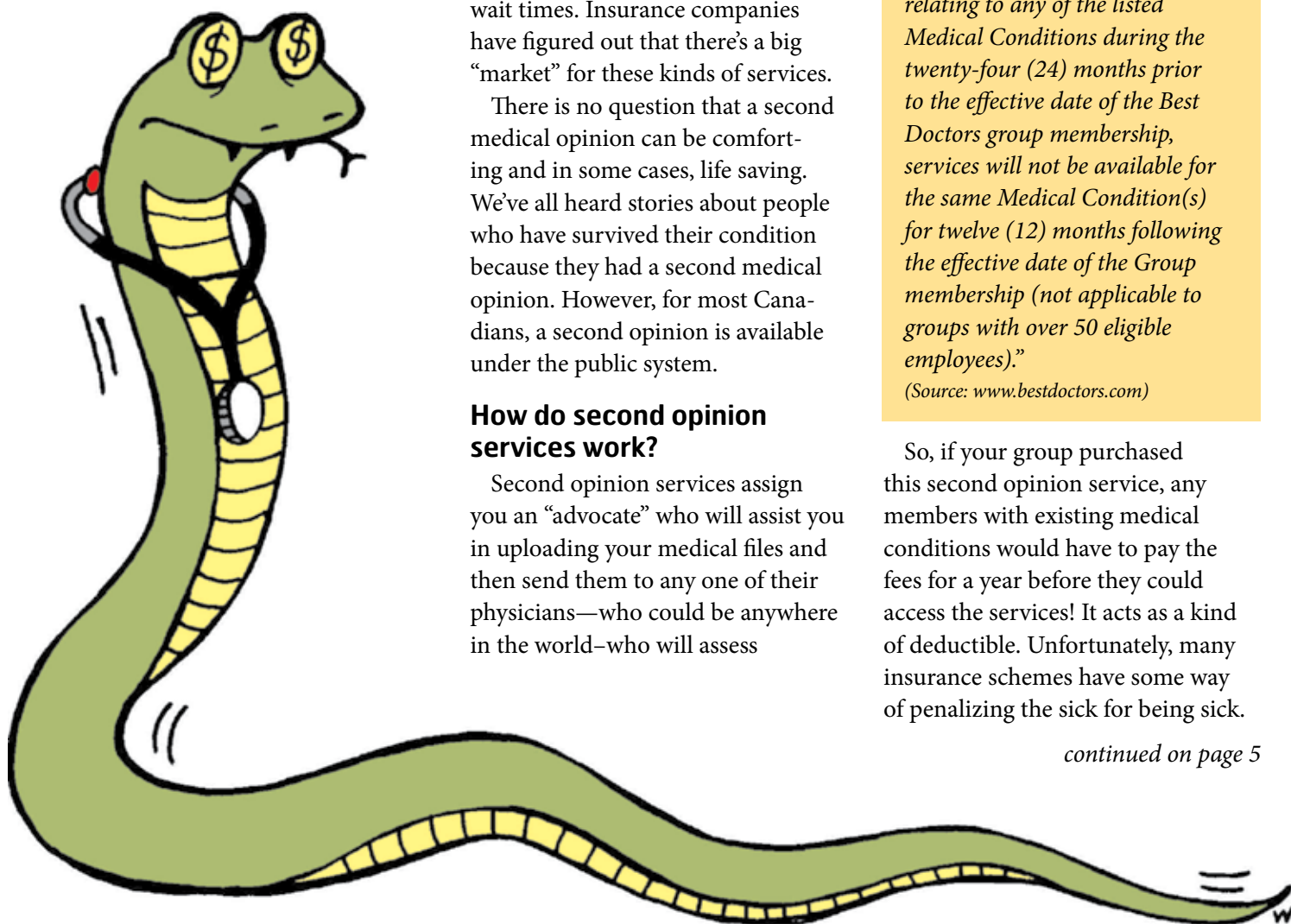
However, if you already have heart disease, diabetes or cancer, you may not be covered. For example, the fine print from one second opinion service says:

"If the Member was diagnosed or has received treatment relating to any of the listed Medical Conditions during the twenty-four (24) months prior to the effective date of the Best Doctors group membership, services will not be available for the same Medical Condition(s) for twelve (12) months following the effective date of the Group membership (not applicable to groups with over 50 eligible employees)."

(Source: www.bestdoctors.com)

So, if your group purchased this second opinion service, any members with existing medical conditions would have to pay the fees for a year before they could access the services! It acts as a kind of deductible. Unfortunately, many insurance schemes have some way of penalizing the sick for being sick.

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What does it cost?

One carrier—Sun Life—offers a second opinion service for \$90 a year for individuals or \$180 a year for families. In a plan with 5,000 members for example, that generates almost half a million dollars (\$90 x 5,000 = \$450,000) every year. No wonder insurance companies are marketing these plans! Just think what half million dollars a year could do to reduce shortages of health care services in the community.

But that's not all. If you have to travel to receive treatment, you're on your own for costs. Again, the fine print from bestdoctors.com says:

“While we strive to work within the Canadian healthcare system, Best Doctors FindBestCare will access hospital and doctor discounts if out of country care is necessary and will ensure vital information is sent to the medical specialists involved. If you travel away from home to receive treatment, Best Doctors can assist with reservations and accommodations. ...Expenses relating to FindBest-Doc and FindBestCare are the responsibility of the member.”

If the doctor who offers the second opinion recommends treatment only available in his/her hospital or clinic, then the cost of travel, accommodation and meals could be prohibitive. It means that access

to private health care services is determined by your wealth.

What are the risks?

These services offer a diagnosis without ever laying eyes on the patient. This practice reflects a growing trend to use technology to increase patient access to medical information. It also raises important policy and regulatory issues like cross-border licensing and professional liability.

These services send your medical files electronically over the internet, which raises privacy concerns as well. Privacy protection varies in Canada and the U.S. and patients may well be concerned about what cross-border protection exists for their personal medical information.

In a recent study funded by the Canadian Institute for Health Information (CIHI), Wendy Armstrong examined several forms of private health care insurance in Canada. She warned consumers to be cautious. There is little consumer protection or government regulation in the private health care insurance industry in Canada compared to other countries.

Armstrong cautions that Best Doctors may be helping to fuel a new “medical tourism” industry with its offer of a “free” second opinion, quotes and bookings for out-of-province or out-of-country care.

But it's profitable. Best Doctors reported annual revenues of

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\$78 million in 2010. Even during the recession Best Doctors did well, with seven consecutive years of double digit growth that prompted a new 54,000 square-

foot corporate office in Boston's financial district. They now provide services to more than 25 million people worldwide.

It's privatization!

Privatization means providing a service for profit that is available through the public system. That's exactly what second opinion services do. The more services that private companies provide, the more the public system is eroded. And the more the public system is eroded, the more people will look to private health providers to provide the services. It is a downward spiral towards private health care, draining the public system of both cash and skilled staff.

Medicare provides equal access to services for all Canadians regardless of financial circumstance. The fundamental principles of Medicare are threatened when some can access services more quickly than others simply because they can afford to pay for it.

CUPE opposes second opinion services because they offer what is available for free in the public system in order to make a profit, and they play on people's fears when they are most vulnerable—when they or a loved one is sick.

WANT TO KNOW MORE? Check out the fact sheet *Second Opinion Services*, in CUPE's Bargaining Benefits kit at cupe.ca/bargaining/kit

Protecting workers during emergency closures



We've seen many media reports of earthquakes, tornados, wildfires, floods and other natural disasters in recent months. Does it ever make you wonder how well prepared your

workplace is in the event of such emergencies? This issue's innovative language was negotiated by some CUPE members who thought ahead to provide protection in case of emergency closures.

This language ensures that workers receive their paycheck, even if the employer has to close their workplace due to an emergency. It sets out how overtime and time in lieu will be calculated, and ensures workers that the employer deems essential receive regular overtime rates.

CUPE Local 3338 and Simon Fraser University, expiry March 31, 2010

ARTICLE 33 - OFFICIAL UNIVERSITY CLOSURE

Should the University, or an area of the University, be officially closed temporarily due to environmental conditions, utility disruptions, road conditions, acts of God, or other reasons beyond the control of the employees covered by this Agreement, employees shall receive salary maintenance during the closure. These closures shall not be considered a University holiday as in Article 32.

Those employees required to remain on duty to provide essential services shall be given the equivalent time off with such time off to be taken within the following calendar month. Should these employees be required to remain beyond their normal hours of work, the usual provisions for overtime would apply.

Employees who are requested to report for work for an afternoon or night shift which commences during a closure shall receive equivalent time off for all hours worked on the shift, with such time off to be taken within the following calendar month. Should these employees be required to remain beyond their normal hours of work, the usual provisions for overtime would apply.

contract language example

Gas prices fuelling inflation



Gas prices continue to drive up the cost of living for Canadians, as they rose by an average of 26% across Canada in the last year and are now just 5% below the record high they reached in July 2008. Hardest hit are low and middle income Canadians who spend a greater proportion of their income on gas, and on products that increase in price when fuel costs rise, like food.

Consumers saw food prices rise 4.3 per cent since June 2010. No doubt you've noticed these prices go up--or the packages getting smaller! Prices for meat increased 5.9 per cent, while consumers paid 7.2 per cent more for bakery products – the cost of “our daily bread” jumped 10.1 per cent in the last year! Prices for fresh vegetables increased 8.4 per cent since last year, and restaurant food was up 3.3 percent.

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Remember the “good old days”?

Have expectations for real wage gains faded into the sunset?

Here is an item that appeared in the very first issue of *Tabletalk*, way back in 1991. It’s been a while since we’ve seen wage increases like that! It seems like wave after wave of economic pressures, wage controls, right wing rhetoric and the recession have blunted workers’ expectations for achieving real wage increases.

Current statistics don’t paint an optimistic picture:

- Wage increases for major settlements negotiated in 2010 averaged 1.8 per cent—the lowest since 2004. Wage increases trended down during the year—from an average increase of 2.1 per cent in the first quarter down to 1.4 per cent in the fourth quarter.
- The annual average 1.8 per cent increase just matched the national rate of consumer price inflation for 2010.
- Last year was the first time since 2004 that average wage settlements didn’t exceed the rate of inflation.

When wages keep up with inflation, workers will not lose vital purchasing power. But unless wage

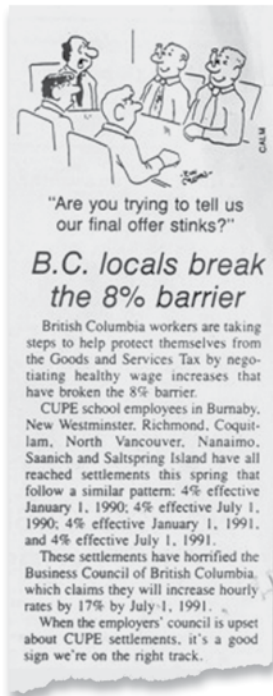
increases go beyond inflation, your wages aren’t growing at all.

While the overall average wage settlement was 1.8 per cent, public sector settlements averaged below that at only 1.6 per cent last year—the lowest since 2004. Private sector settlements averaged higher, at 2.1 per cent. Despite all the reports that claim public sector settlements are too high relative to the private sector, the reality is that wages for public and private sector workers follow similar trends over time.

Cross-country checkup

Wage adjustments for public sector workers ranged from a wage freeze in British Columbia to six per cent increases for school board workers just next door in Alberta, where the provincial government tied wage hikes to increases in the average weekly earnings. Public sector workers in Quebec received average increases of 1.2 per cent through a province-wide agreement while contracts for federal government employees provided average increases of 1.7 per cent.

In Ontario, despite the provincial government urging a compensation freeze, wage increases for major public settlements negotiated during the year averaged 1.9 per cent.



This was slightly below the 2.1 per cent average wage increase for private sector workers and also below Ontario’s 2.5 per cent inflation rate for the year. Many public sector contracts remain open in Ontario, with major negotiations underway in the hospital, nursing home, university, hydro, public transit and municipal sectors.

(Source: *Economic Climate for Bargaining*, March 2011)

FOR MORE INFORMATION on wages and economics, check out the latest issue of *Economic Climate for Bargaining* at cupe.ca/economicclimate.



CURRENT AND UPCOMING “KEY” NEGOTIATIONS

June 30, 2011 (covering 500 or more employees)

Employer	Union	Employees	Status	Expiry Month
Federal Jurisdiction				
PUBLIC SECTOR				
City of Ottawa - OC Transpo	ATU	2,350	M	Mar 11
Saskatchewan Telecommunications	CEP	3,460	C	Mar 10
Government of Canada	Various unions	69,000	B	Dec 09/Dec 11
Canada Post Corporation	CUPW	54,000	A/WS	Sep 09/Jan 11
PRIVATE SECTOR				
Air Canada	Various Unions	26,180	B/C/TS	Feb 11/Mar 11
Provincial and Territorial Jurisdictions				
PUBLIC SECTOR				
PEI Department of Health and Wellness	PEINU/CUPE	2,600	A/B	Mar 10/Mar 11/ Jun 11
Government of New Brunswick	NBUPPE/CUPE	11,650	B/C	Dec 09/Dec 10/ Apr 11/ Jun 11
Ville de Montréal	Various unions	13,800	B/A	Dec 09/Dec 10
Gouvernement du Québec	Various unions	5,320	B	Mar 10
Ville de Québec	Various unions	3,100	B/A	Dec 06/Dec 01
Universities	Various unions	24,335	B/C/ TS/U	Jun 10/Apr 11/ Jun 11/July 11/ Aug 11
Ontario Hospital Association	OPSEU	7,970	A	Mar 11
Council of Academic Hospitals of Ontario	PAIRO	3,300	U	Jun 11
City of Toronto	IAFF	3,000	B	Dec 09
Red Cross Community Health Services, Ontario Zone	SEIU	3,000	B	Mar 11
London Health Sciences Centre	CAW-Canada	1,190	B	Oct 10
Regional Health Authorities of Manitoba	MAHCP	3,300	B	Mar 10
City of Winnipeg	Various unions	2,490	B	Dec 10/Jan 11
Government of Saskatchewan	STF	12,000	C	Aug 10
Saskatchewan Association of Health Organizations	HSAS	3,000	RS	Mar 09
SaskPower	CEP/IBEW	2,080	B/TS	Dec 09
City of Saskatoon	CUPE	1,490	TS	Dec 09
Alberta Health Services	AUPE/HSAA	34,000	B	Mar 11
City of Edmonton	Various unions	9,640	B	Dec 10
City of Calgary	Various unions	8,210	B/M	Dec 10/Jan 11
PRIVATE SECTOR				
Central Care Corporation (Ontario)	Various unions	1,660	A	Mar 10/Apr 10

STATUS KEY: A – Arbitration, B – Bargaining, C – Conciliation, M – Mediation, TS – Tentative Settlement, U – Upcoming, WS – Work Stoppage

Notes: The oblique sign (/) indicates the expiry date for the different collective agreements involved.

Source: Strategic Policy, Analysis, and Workplace Information Directorate Labour Program—HRSDC, June 30, 2011.

Consumer price index

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In addition to paying more for gasoline, consumers paid 4.4 per cent more in passenger vehicle insurance premiums and 7.6 per cent more for air transportation. However, prices for the purchase of passenger vehicles were down in most provinces—from 5.2 per cent in Alberta to 1.4 per cent in Quebec.

Despite a strong start, Canada's economic growth is slowing because of high consumer debt loads, slow wage growth, higher interest rates, and public spending cuts.

Experts predict that consumer prices will rise by an average of 2.8 per cent in 2011, with some expecting it to increase by an average of 3.1 per cent over the year. Inflation is expected to be higher in Nova Scotia, Quebec and Ontario, because of their harmonized sales tax. The national rate of inflation is expected to decline to 2.1 per cent next year—but those forecasts also depend on the increasingly erratic price of oil.

CONSUMER PRICE INDEX

% increase June 2010 to June 2011

Canada	3.1
Newfoundland and Labrador	3.2
Prince Edward Island	3.4
Nova Scotia	4.4
New Brunswick	3.6
Quebec	3.0
Ontario	3.6
Manitoba	3.2
Saskatchewan	2.6
Alberta	2.1
British Columbia	2.7

Source: Statistics Canada, The Daily, July 22, 2011