

Tabletalk

A Bargaining
Resource from
CUPE National
SPRING 2011

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BETTER PENSIONS — A MORE SECURE FUTURE

ALL CANADIANS SHOULD HAVE THE RIGHT TO A SECURE FUTURE IN THEIR RETIREMENT THROUGH ACCESS TO WORKPLACE AND GOVERNMENT-SPONSORED PENSION PLANS.

CUPE



INNOVATIVE LANGUAGE

Securing EI Benefits for school board workers
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CUPE / Canadian Union of Public Employees

BENEFITS TRENDS / EXTENDED HEALTH

“Oh, my aching back!”

Joint union-employer study reduces costs, improves benefits plan

Letter carriers are vulnerable to back and shoulder injuries because of the nature of their work. Treatment is costly and their benefit plan proves it, with physiotherapy, chiropractic, and massage services accounting for 83 per cent of the total cost of their healthcare services.

Because of these high costs, the Canadian Union of Postal Workers and Canada Post agreed to a pilot project to see if there were cheaper and more effective ways to treat work-related disabilities.

The study recruited 75 workers with long-lasting lower back pain. The group was separated into two groups that received treatment for 12 weeks. One group received traditional physiotherapy that included education, stretching and encouragement. The second group received naturopathic therapy that included a combination of acupuncture, individualized lifestyle and dietary counselling, and the application of relaxation therapy.

At the end of the 12 weeks, the naturopathic treatment group was able to perform an average of 20 per cent more daily activities without pain. The naturopathic group also showed improved back flexibility, experienced less pain, and used less pain medication and chiropractic, physiotherapy, and massage treatments than the traditional physiotherapy group.



Cost savings were achieved because the naturopathic group had 30 per cent less pain than the physiotherapy group and used three times fewer prescription and over-the-counter pain medication than the physiotherapy group over the twelve weeks.

This is a great example of employers and unions working together to reduce benefit costs. You can use this example to propose more alternative therapies in your benefit plan as a way to save plan costs!

FOR MORE INFO check out Bargaining Benefits: Drug Costs: Can We Negotiate Savings? at cupe.ca/bargaining/bargaining-benefits-kit



CUPE AT THE TABLE

HIGHLIGHTS FROM RECENT CUPE NEGOTIATIONS AND SETTLEMENTS FROM ACROSS THE COUNTRY



SOLIDARITY NS nursing home workers stand strong!

In a drive to increase profits by reducing costs, private nursing home operator Shannex Corp. is seeking concessions from hard-working caregivers.

During the last round of bargaining in Nova Scotia, Shannex tried to introduce two-tier wages and benefits at two nursing homes: Bisset Court (CUPE 4970) and Glasgow Hall (CUPE 4940).

The locals fought back and successfully beat back the employer's demands! Thanks to their determination, all of the workers at these facilities enjoy the same wage and benefits package, including equal vacations, full shift and weekend premiums, full worker's compensation coverage and access to the Nova Scotia Association of Hospital Organizations (NSAHO) defined benefit pension plan.

The provincial bargaining committee found creative ways to bring more money into the settlement in order to ensure that parity was obtained. They were successful and, as a result, avoided a province-wide

Michèle Bordeleau, Sylvie Goyer and Claudine Pagé (L-R) presenting the pay equity program results to the Université de Montréal workers' union (SEUM-CUPE 1244).

strike, reached and will maintain parity with their counterparts in acute care.

Congratulations to members and staff for beating back concessions and standing together to make impressive gains!

PAY EQUITY Victory for women at Quebec universities

Persistence has finally paid off for CUPE women workers at eight Quebec universities. Systemic discrimination meant that they were underpaid compared to male workers.

After a very long, hard-fought battle, pay equity has finally been won and thousands of employees will see increases in their hourly rate ranging from a few cents to six dollars. The average increase is about two dollars an hour. Increases are retroactive to Nov. 21, 2001, which means some workers could receive settlements in the thousands of dollars.

"After years of hard work we can now close the chapter knowing that

our efforts have paid off for our members. We have managed to put an end to historic iniquities thanks to the determination and persistence of our union activists," stated Dominique Delorme, CUPE staff representative responsible for pay equity in the university sector in Quebec.

WAGE FREEZE CUPE battles back in Ontario

Last year, the Liberal government in Ontario imposed a wage freeze on non-union and management employees and tried to convince public sector unions to cooperate. CUPE leadership spent countless hours in the government's so-called consultation process. Meanwhile, at the bargaining table negotiated settlements continue to be in the range of two or three per cent despite the "chilling effect" of the government's message on employers.

CUPE's policy of no concessions continues to frustrate efforts to pay for the recession on the backs of workers.

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.

Disponible en français

CUPE / Canadian Union of Public Employees

COPE 491

Bargaining in tough economic times

CUPE researchers discuss bargaining in the recession



CUPE's research team from across Canada met in Ottawa to talk about ways to support local bargaining committees during these tough economic times.

CUPE locals are bargaining in tough economic times every day at bargaining tables across the country, so it was high on the agenda for CUPE researchers gathering in Ottawa in January.

Wage freezes, benefit and pension concessions, layoff protections, and contracting out language all come to the forefront in tough econom-

ic times. Researchers discussed examples they've seen of the impact of the economic downturn on public sector employees, and analyzed where fight backs have been most successful and why.

Demographic trends and the casualization of work are also changing the workforce, our membership and their collective bar-

gaining priorities. More and more jobs are becoming less and less secure and that, combined with an aging workforce, impacts bargaining priorities. CLC Research Director Andrew Jackson and retired CUPE Research Director Jane Stinson presented their recent research on the topic at the meeting to provide context.

Researchers usually meet twice a year to discuss bargaining trends and breakthroughs, emerging issues, legislative highlights and to share skills and insights with each other.

You might say researchers are the jacks and jills of all trades, with expertise in a wide range of topics like pensions, benefits, employment rates, wage data, bargaining surveys, arbitrations, costing, trade, pay equity, employment insurance, Workers' Compensation Boards, taxes, funding, government programs and structures; the list goes on.

CUPE relies on its researchers to keep abreast of bargaining and social policy trends. They translate information into tools that assist staff and locals in bargaining, and support elected leadership in promoting progressive policies for workers.

TABLETALK HAS A BRAND NEW LOOK!

Our new design offers so much more

There are some big changes afoot here in the pages of *Tabletalk*. Perhaps you've noticed! CUPE's bargaining resource is getting a brand new look – in full colour!

The new layout is meant to help you, the reader, find your way to the stories that are most relevant to you. That's why we've included the snazzy table of contents on the front page, and new section headings to help you find what you're looking for.

"Wow!" you say. "Looks great! I can't wait to start reading!" Well, before you dig into this latest issue – with all the newest info on bargaining, benefits, and key negotiations – we should tell you that the new look is just the beginning.

That's right; you can now receive *Tabletalk* via email – delivered right to your inbox!

Just head to cupe.ca/subscribe and add your name to our growing list of subscribers. While you're at it, sub-

scribe to other email editions from CUPE's publications. Global Justice News, Privatization Watch, Economic Climate for Bargaining, Health and

Safety Update, CUPE Today, and of course, CUPE's flagship publication *Counterpoint*, are all available online.

You can also find all these publications and check out past issues at cupe.ca/publications.

Like what you see? Keep your eye out for more changes as we continue to improve our resources for members. Enjoy!

Check out the online edition at cupe.ca/tabletalk

Pensions in the spotlight!

Improvements to CPP still the best way to help Canadians save for retirement



Pensions and CPP improvement have been a top priority for CUPE for some time now. This postcard was used to launch a campaign on the issue in the fall of 2010.

contributions to their plans, and in the end, they're hardly gold-plated," said Moist. "An average pension for a 30-year employee would be around \$17,900 a year."

Effects of the economic crisis

The economic crisis hurt pension investments and created solvency issues for many plans.

Solvency refers to the financial health of the plan and whether it can pay the benefits promised to the plan members.

In response to the deficits in pension plans created by the economic crisis, the Ontario government has introduced a new, temporary measure for public sector plans designed to reduce the financial burden of payments required in the short term. This measure is conditional on the employer developing a plan for either cutting pension benefits or shifting pension cost to members. In order

to qualify for temporary pension solvency relief the plans must demonstrate that they have a strategy to

reach these cost-cutting goals.

The University of Guelph is one place where recent negotiations protected the plan from the concessions promoted by the new legislation.

More on page 5

Pensions have been the focus of a lot of public debate lately. You've likely heard discussion of them during the recent federal election. Prior to that, federal Finance Minister Jim Flaherty did an about-face on improvements to the CPP, opting for a private plan that would line bankers' pockets instead of helping seniors.

The proposed plan does not require any employer contributions and ignores the fact that, as reported in a recent CUPE/Enviro-nics poll, 74 per cent of Canadians don't make RRSP contributions because they can't afford to!

Public sector pensions are under attack

The attack on workers' pensions has been one of the most significant negative outcomes of the global economic crisis. Pension plans that were once thought to be secure are not, and many workers are at risk of losing much of their pension income – their deferred wages.

CUPE research staff are working

with locals and staff representatives who are facing employers stymied by the effects of the financial crisis and trying to shut down our members' plans.

Governments are targeting public employee plans, catering to the uninformed who foster the myth of gold-plated public employee pensions.

National President Paul Moist has addressed the issue frequently and made it a priority for CUPE. "Those who oppose decent pensions go out of their way to misrepresent public sector workers' pensions. But public sector workers make significant

"An average pension for a 30-year employee would be around \$17,900 a year."

Benefits protected at University of Guelph despite legislation

CUPE pension specialist Kevin Skerrett has put together this report.

In February, trades and maintenance workers at the University of Guelph represented by CUPE 1334 signed a tentative collective agreement that marked a key breakthrough for pension bargaining in the public sector.

The context for this now ratified agreement is important. Like many pension plans, the U of G's pension faces a significant deficit, in part because for many years the employer was not paying their proper share of the cost. The market downturn of 2008 worsened the plan's funding picture. As a result, the university now has to make large additional payments to the plan to pay off the deficit.

To try to cover the cost of the payments, the employer came to the bargaining table with a two-tier proposal to close down the defined benefit plan for new hires and provide them with an insecure defined contribution plan instead. At the same time they tabled cuts to retiree benefits and a zero wage proposal consistent with the Ontario government's two-year wage freeze for workers in the broader public sector.

The bargaining team for Local 1344 strongly rejected the employer's proposals and prepared for job action. In the end the local and the employer reached an agreement that involved no changes to promised plan benefit levels.

How did they do it?

The final agreement includes a modest increase in member contribution rates – one per cent in the second

and third year of the contract – but with two key conditions:

- First, a clause ensures that the member rates would be reduced if the employer's total contributions fell below 130 per cent of the member rates. In other words, the member rates would be reset downward to a level that ensured that a minimum employer-to-member contribution ratio of 130 per cent is restored.
- Second, a new letter of understanding prevents any changes to the pension plan benefit levels during the term of the agreement without the written consent of the Union.

Here's the language from the letter:

CUPE 1334 and The University of Guelph, expiry April 30, 2013

Letter of Understanding – Pension Plan Text amendments

For the term of this Agreement, pension plan text amendments (except those required by legislation) for the Retirement Plan or the Non-Professional Plan, which would modify the benefit levels of the plans for the members of CUPE 1334 shall require the written agreement of CUPE 1334.

Under the circumstances, this settlement represents a breakthrough. It shows that we do not have to accept cuts to our pension benefits even in cases where employers are facing significant increases in pension costs.

And it demonstrates that strong bargaining supported by an informed and mobilized membership can increase the security of pension benefits, even in today's challenging bargaining climate.

KNOW YOUR PENSION PLANS

Pension plans generally fall into two different categories:

Defined benefit pension

- Pension benefit is calculated using a formula based on earnings multiplied by years of service.
- The employer has an ongoing obligation to contribute and costs can be spread over time.
- All workers receive pension benefits that are roughly equitable and proportional to their earnings.

Defined contribution pension

- Pension benefit is based on how much is in the individual's account, which varies by contribution levels, investment returns, and the cost of purchasing an annuity or monthly pension income.
- The employer is not obligated to fund a preset amount, so the size of your pension is determined by the size of your account and the investment performance.

ONTARIO RESIDENTS:

When you go to the polls for the provincial election on Oct. 6, remember that the Liberal government placed the burden of pension shortfalls on plan members. They didn't share the cost or hold the employer accountable.

Securing EI benefits for school board workers

Contract language can improve access to EI during layoff

School board workers, like education or teaching assistants, instructors, and early childhood educators, have been denied Employment Insurance benefits because the EI Commission treats them as teachers for the purposes of determining eligibility. However, teachers are usually paid an annual salary.

Innumerable appeals have taught us that contract language can help ensure that ten-month school board workers are eligible to receive EI benefits when school is not in session.

Here are things to keep in mind for contract language.

Don't:

- Refer to annual salary.
- Use “annual employee” when referring to employees working ten months.
- Refer to workers taking their vacations over the course of the two-month summer layoff period.

Do:

- Use hourly rates in the Salary Schedule.
- Use “ten month hourly wage paid over ten months”
- Include language to ensure that the Employer must issue Records of Employment (ROE) for summer, spring and Christmas breaks.

Teachers are usually NOT eligible for EI benefits because they are paid on an annual basis. Our members are usually paid on an hourly basis and laid off when school is not in session. So they are eligible for EI benefits during the periods they are not required to work.

Clear language in the collective agreement can help ensure our members receive the benefits they are entitled to. In the meantime, CUPE is currently working with the EI Workers' Commissioner and Service Canada to amend the EI application process to eliminate the unnecessary delays for ten-month employees and to reduce the time and costs spent on appeals when benefits are denied.

Check out the language in the next column from CUPE 4400's collective agreement, who have been at the forefront on this issue.

Also, consider using language that states that service is to be interrupted during breaks and re-credited upon recall. For example, check out the letter of agreement from CUPE 4682 in Nova Scotia.

Including language like this should help to ensure eligibility for ten-month employees in your local.

contract language examples

CUPE Local 4400 and the Toronto District School Board, expiry August 31, 2012

Y.6

“The employer will issue a Record of Employment within five (5) working days of the last day of work in accordance with the appropriate legislation.”

CUPE Local 4682 and the South Shore Regional School Board (Nova Scotia), expiry March 31, 2012

LETTER of AGREEMENT

Re: Bus Drivers

The Parties to this Letter of Agreement agree to the following:

- Bus Drivers are ten (10) month employees.
- For unpaid school breaks, Bus Drivers shall have their service interrupted. However, the service for the unpaid leave period will be re-credited once the Bus Driver is recalled.
- Benefits are maintained for Bus Drivers during all unpaid school breaks.
- Bus Drivers' pay is inclusive of all monies owing with respect to vacation pay and statutory holiday pay.
- Bus Drivers shall be deemed to be laid off during unpaid school breaks. Recall following the school break periods shall be automatic.

The future looks grim

Anyone watching the news will not be surprised that oil prices are on the rise. But it's not just the recent up-risings in the Middle East that have sparked fuel price increases. Oil prices were already climbing last fall as a result of strong demand in newly industrializing and developing countries.

We've just barely begun to see the impact of rising world oil prices on inflation. Canada's rising dollar and suppliers' chains have helped cushion and delay greater price hikes, but hikes are in the pipeline and will increase inflation later this year.

In the food aisle we've been relatively cushioned from the rise in world food prices because more of our food is processed. But the increases will come there as well. Weston Foods, owned by the same company that operates the Loblaws

CONSUMER PRICE INDEX

% increase Feb. 2010 to Feb. 2011

Canada	2.2
Newfoundland and Labrador	2.9
Prince Edward Island	1.9
Nova Scotia	3.4
New Brunswick	2.2
Québec	2.2
Ontario	2.5
Manitoba	2.1
Saskatchewan	2.2
Alberta	1.2
British Columbia	1.8

Source: Statistics Canada, The Daily, March 18, 2011

supermarket chain, recently announced it would be increasing its prices by an average of 5 per cent on April 1 in response to these commodity price increases.

Canada's changing economic landscape

The Canadian landscape is changing. There are higher rates of economic growth, especially in western Canada and Newfoundland, but there are also higher rates of inflation and generally slower rates of employment growth elsewhere.

Inflation rates will be higher in provinces where sales taxes were increased on consumers during the past year – Ontario, British Columbia, Nova Scotia and Quebec – and lower in most other provinces. Inflation is forecast to reach over 2.3 per cent in Ontario, B.C., Nova Scotia and Quebec this year, and closer to two per cent in the rest of the country.

Changes to CPI could affect wages, pensions

So what do some governments do when they've generated billions in debt that will be highly influenced by the Canadian Consumer Price Index

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ARE YOU BARGAINING BENEFITS? CUPE RESEARCH HAS THE TOOLS FOR YOU!

Want to find out why benefit costs are rising? Want to see how your benefit plan stacks up against industry norms? Puzzled by terms like "HSAs," "ASOs," "second opinion services," or "flexible benefits"?

Find out the facts in CUPE's Bargaining Benefits Kit!

CUPE Research has assembled a series of helpful fact sheets that explain all the mysteries of benefit plans, from a general overview of the latest trends, to tips for getting the best language in your contract. They're all part of our Bargaining Benefits Kit!



At bargaining tables across the country, benefits are under attack.

Employers are constantly developing shrewd ways to erode benefit plans, with full cooperation from insurance companies.

Find out how to push back and protect your benefits.

Check out CUPE's Bargaining Benefits Kit today!

We've got information on:

- What to watch for at the table
- Why drug costs are escalating
- Negotiating cost savings
- Health Spending Accounts (HSAs)
- Collective agreement language
- Flexible benefits (just say no!)
- Second opinion services
- And checklists to help you bargain better!

We'll help you fine tune the fine print on your benefit plan!

CHECK OUT the Bargaining Benefits Kit at cupe.ca/bargaining/bargaining-benefits-kit

CURRENT AND UPCOMING “KEY” NEGOTIATIONS

March 15, 2011 (covering 500 or more employees)

Employer	Union	Employees	Status	Expiry Month
Federal Jurisdiction				
PUBLIC SECTOR				
City of Ottawa - OC Transpo	ATU	2,350	B	Mar 11
Saskatchewan Telecommunications	CEP	3,460	B	Mar 10
Government of Canada	Various unions	70,780	B	Dec 09/Dec 11
Canada Post Corporation	CUPW	54,000	A/ C	Sep 09/Jan 11
PRIVATE SECTOR				
Air Canada	Various Unions	26,180	B/ U	Feb 11/Mar 11
TELUS Corporation	TWU	13,700	B	Nov 10
*Air Transat	CUPE	1,400	C	Oct 10
Provincial and Territorial Jurisdictions				
PUBLIC SECTOR				
Government of Nova Scotia	NSTU/CUPE	11,650	B/ C	Oct 09/Jul 10
Capital District Health Authority	NSGEU	8,350	C	Oct 10
Health Association Nova Scotia	NSNU	4,610	B	Oct 09
Cape Breton-Victoria Regional School Board	CUPE	1,400	U	Apr 11
Government of New Brunswick	NBUPPE/CUPE	5,860	B/ C	Feb 09 - Dec 09
Government of New Brunswick	NBNU	5,800	U	Dec 10
Ville de Montréal	Various unions	15,700	B/ A	Dec 06/Dec 10
Gouvernement du Québec	Various unions	8,260	B/ M	Mar 10
Ville de Québec	Various unions	3,100	A	Dec 06/Dec 10
Ontario Hospital Association	ONA/OPSEU	57,970	B	Mar 11
Ontario Universities	Various unions	16,460	B/ C	Jun/Aug 10/ Apr 11
Toronto Transit Commission	ATU	8,970	U	Mar 11
Caesars Windsor, operated by Windsor Casino Limited	CAW-Canada	3,000	U	Apr 11
Government of Manitoba	MGEU	13,500	TS	Mar 10
Government of Saskatchewan	STF	12,000	C	Aug 10
SaskPower	CEP/IBEW	2,080	B	Dec 09
City of Saskatoon	CUPE	1,490	B	Dec 09
Alberta Health Services	AUPE/HSAA	34,000	B	Mar 11
Government of Alberta	AUPE	22,000	B	Aug 10
Community Social Services Employers Association	BCGEU	15,000	B	Mar 10
PRIVATE SECTOR				
Hamilton Steel GP Inc.	USW	2,400	WS	Jul 10
Ontario Central Care Corporation	Various unions	1,660	A	Mar/Apr 10

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

Source: Strategic Policy Analysis and Workplace Information Directorate Labour Program – HRSDC, March 15, 2011, except *Air Transat, updated by CUPE

Consumer price index

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(CPI)? The answer, of course, is to change the way we calculate the CPI!

The federal government has made small changes during their term. But, pending the election outcome, there's a chance they may make a significant change to the way the CPI is calculated. The change would – not surprisingly – be good for government and employers, but bad for workers and taxpayers!

One of the proposals under discussion would result in measured inflation rates decreasing by about 0.6 per cent per year. It wouldn't affect real prices or the real cost of living, but it would impact wages, incomes, transfer payments and taxes that are linked to CPI. Workers would end up paying more of their income in taxes because the tax brackets and credits would rise at a lower rate. The basic personal income tax credit would also end up being six per cent lower in 10 years' time – and taxes would be commensurately higher.

While a 0.6 per cent annual reduction might not seem like a lot, it really adds up over time – and would mean major gains for federal and provincial governments paid for by workers, pensioners and other income earners. After 10 years, a 0.6 per cent annual decline would result in six per cent lower wages, pensions or transfer incomes – and they will keep declining! The cumulative loss over those 10 years works out to over 30 per cent of \$50,000 annual income. That's over \$18,000!

It's just another pro-business, anti-worker initiative brought to you by the Harper Conservatives.

FOR MORE information and analysis check out CUPE's March 2011 edition of *Economic Climate for Bargaining* at cupe.ca/economicclimate.