

## BARGAINING STRATEGIES **RETIREMENT SECURITY**

# What CPP expansion means for you



The changes will see all workers earning more CPP benefits on a go-forward basis, funded by a small increase in worker and employer contributions to the plan. The current CPP aims to replace 25 per cent of a worker's earnings up to the CPP ceiling (currently set at \$54,900).

The expanded CPP will see two main changes. First, the replacement rate will rise from 25 per cent to 33 per cent. Secondly, the CPP ceiling will increase by about 14 per cent. This means more earnings will be covered by CPP.

The increase in contributions will be phased in over seven years beginning in 2019. The total increase is estimated to be one per cent for employers and employees on earnings up to the current CPP ceiling and four per cent each side for newly-covered earnings above the current ceiling. (Currently, both employers and employees contribute about five per cent.) Most CUPE members will

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In June, Canada's federal and provincial finance ministers reached a historic agreement to expand the Canada Pension Plan (CPP). With pension plans under attack and private savings not delivering for most workers, this news is much needed and long overdue. Canadians are facing a real retirement crisis and CPP expansion is a step in the right direction.

Changes to the CPP do not come easy. The basic benefit structure of the plan has not changed since it was

created fifty years ago. It's easier to amend the Canadian Constitution than to change the CPP legislation.

But Canada's labour movement persisted, and has once again helped make lives better for all Canadian workers. Remember this the next time a right-wing interest group tries to target unionized workers with the misguided politics of "pension envy."

While the deal falls short of meeting our demand to double CPP benefits, it is still an important step forward.

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# Pay attention to drug costs



It is no surprise to anyone near a bargaining table recently that employer-sponsored extended health benefit plans are under pressure due to high prescription drug costs. The cost of treatments for conditions such as diabetes, cholesterol, hepatitis C, rheumatoid arthritis, and cancer – costs generally referred to

as “catastrophic” – put particular stress on benefit plan costs.

There are now effective pharmaceutical treatments for these conditions, but they are very expensive to produce and procure. Sofosbuvir (brand name: Solvadi), perhaps the most expensive drug on the market, is used to treat hepatitis C and has shown very high

rates of success. A full regimen, however, costs \$55,000 in Canada. It is the plan-wide effects of catastrophic costs like these that insurance providers hope to avoid by obtaining what is called “stop loss coverage.”

Stop loss coverage generally functions like an additional drug plan with a very high premium. For example,

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**CUPE** / Canadian Union  
of Public Employees



## Violence and harassment in health and social services

Violence is not “just part of the job,” in social services or anywhere else. Unfortunately, the social service and health care sectors have some of the highest rates of workplace violence.

That’s why it’s critical to report all incidents of violence – and to take action.

### **VIOLENCE AND HARASSMENT, DEFINED**

CUPE defines violence in the workplace as any incident(s) in which an employee is threatened, assaulted or abused during the course of their employment that may cause physical or psychological harm. This includes threats, attempted or actual assault, application of force, verbal abuse or harassment. Harassment is offensive behaviour that a reasonable person would consider unwelcome.

### **UNDERSTANDING THE PROBLEM**

Workers in sectors like health care and social services are at risk of violence because of the public nature of their work and the fact that they are disproportionately women and racialized workers. Often, they deal with individuals who are unable to control their behavior because of mental health conditions, emotional disorders or

head injuries. Sometimes, clients have a history of violence.

Government underfunding of both sectors has exacerbated this problem. Low staffing levels and overwork increases the likelihood of violence. That’s why systemic approaches to dealing with violence prevention must begin with adequate funding models and better staffing.

Violence exists despite every employer’s responsibility under health and safety legislation to provide a healthy and safe workplace that is free from violence in all its forms. Sadly, some employers even consider violence a normal part of the job. One CUPE member said, “Every time, these incidents are shrugged off as the nature of the job and we all have to deal with it.”

### **THE SCALE OF VIOLENCE**

Study after study has shown that violence is a serious issue in health care and social services. But, surprisingly, governments do not keep national statistics on the rates of violence faced by workers in these sectors.

#### **Here’s what we know:**

- 90 per cent of Canadian front-line residential care workers experienced physical violence from residents (or their relatives)

- 74 per cent of surveyed community social service workers in British Columbia said they had experienced at least one type of violence in the past year

- 75 per cent of child welfare staff in Ontario reported experiencing violence during their careers

- 73 per cent of respondents to a survey in Ontario’s developmental services sector reported that they had experienced an incident of violence at work

Workers also find themselves dealing with client-on-client violence. Sixty-four per cent of respondents to a survey in Ontario’s developmental services sector reported that they had witnessed violence by one supported individual against another supported individual.

Violence hurts workers and it also hurts our clients and patients.

### **TAKE ACTION**

Violence is not part of the job. Here’s how we can tackle the issue:

- Encourage members to report ALL incidents of violence and harassment
- Make violence prevention a standing agenda item for your health and safety committee
- If the employer will not make the workplace safe from violence, work with your CUPE representative to contact the health and safety enforcement body in your province
- Engage members and leaders in training and discussion on violence and harassment in the workplace
- Bargain collective agreement language on violence and harassment

For more, check out CUPE’s Violence Prevention Kit. Find it at <https://cupe.ca/violence-prevention-kit>. CUPE’s Stop Harassment Guide can be found here: <http://cupe.ca/stop-harassment-guide-cupe-locals>

■ Sarah Ryan



once a plan member hits a certain amount for drug costs in a primary plan, the remaining costs are absorbed by the stop loss plan. Having these expensive outliers covered by another plan can help keep premium increases under control and avoid the possible claw-back of benefits.

For this reason, it is important that bargaining teams pay attention to how employer plans treat catastrophic claims. Stop loss coverage can play a useful role in keeping premium costs down for plan members, but it is important we understand how it works and that we be vigilant for proposals that will either increase member costs or download risk to our members.

For health benefit plans without stop loss coverage, plan members may find themselves responsible for their own high drug costs. While options to mitigate this possibility do exist – such as Ontario’s Trillium Drug Program – these individual options are no replacement for full coverage by an employer-sponsored plan or a publicly funded national drug plan.

We have seen a number of cases in just the past year where employers have attempted to download the costs of prescription drugs onto our members. In one case, a drug cap was introduced unilaterally by a change in stop loss policy at the provider’s end. In another case, an employer tabled language that introduced a drug cap, and would have required members whose costs exceeded the cap to join the Trillium program. While the union ultimately prevailed in both these cases, we are certain to see more proposals like this as the downward pressure on benefit plans increases.

■ Bobby Ramsay

## BARGAINING STRATEGIES WAGE OFFERS

# How to assess multiple employer offers and compare them to your demands.

Assessing multiple employer wage offers and comparing them to union demands is no small task. Fortunately, there is a method to help you make the right decision. It also lets you compare employer offers to union demands.

In order to fully understand how to do this, we will use a fictitious example in which the planned collective agreement would be in effect from 2017 to 2021, a five-year period over which the employer wants to allocate a wage increase of 12.5 per cent.

The first employer offer is 2.5 per cent per year. The second offer is 3.5 per cent the first year, 2.5 per cent the three following years and 1.5 per cent the last year. The third offer is 1.5 per cent the first year, 2.5 per cent the three following years and 3.5 per cent the last year. The last offer is 2.5 per cent for the first two years, plus a 2.5 per cent lump sum for each of the last three years.

To determine the best offer, you must first calculate the average wages of the bargaining unit workers. In our example, it is \$40,000. For each of the four offers, you must then multiply the average wages of the previous year by 1 plus the increase percentage offered. For example, for Offer 1, the equation to find the 2017 wages are:

### EX: OFFER 1

$$\begin{aligned} & \$40,000 \times (1 + 0.025) \\ & = \$41,000 \end{aligned}$$

Use the same calculation for the other years.

When lump sums are offered, multiply the percentage and the wages of the last year for which a wage increase has been allocated. In our example, since 2.5 per cent lump sums would be paid as of 2019, multiply the percentage and the wages for 2018, which is the last wage increase year.

To compare the offers, use the total amount paid throughout the collective agreement period and the final increase percentage, obtained by dividing the final wages by the initial wages, minus 1, and then multiplying by 100:

$$\text{PERCENTAGE \%} = \left( \frac{\text{FINAL WAGES}}{\text{INITIAL WAGES}} - 1 \right) \times 100$$

For the lump sum example, the final wages correspond to those of 2018 because this is the last year for which a wage increase was offered.

Once all calculations have been completed, you will observe that, in terms of the total amount paid to members over five years, the second offer is best. On the other hand, the first offer’s final wages are slightly higher than the other offers. See the table below for an overview of the various offers.

**NOTE: CUPE urges local unions to be cautious when agreeing to long-term deals. Consideration needs to be given to inflation projections, job security provisions and employer plans to restructure over the term of the agreement.**

■ Pierre-Guy Sylvestre

## BARGAINING STRATEGIES **WAGE OFFERS**

### OFFER 1

2016	2017	2018	2019	2020	2021	TOTAL
\$40,000.00	\$41,000.00	\$42,025.00	\$43,075.63	\$44,152.52	\$45,256.33	\$215,509.47
	2.5%	2.5%	2.5%	2.5%	2.5%	13.1%

### OFFER 2

2016	2017	2018	2019	2020	2021	TOTAL
\$40,000.00	\$41,400.00	\$42,435.00	\$43,495.88	\$44,583.37	\$45,252.02	\$217,166.17
	3.5%	2.5%	2.5%	2.5%	1.5%	13.1%

### OFFER 3

2016	2017	2018	2019	2020	2021	TOTAL
\$40,000.00	\$40,600.00	\$41,615.00	\$42,655.38	\$43,721.76	\$45,252.02	\$213,844.16
	1.5%	2.5%	2.5%	2.5%	3.5%	13.1%

### OFFER 4

2016	2017	2018	2019	2020	2021	TOTAL
\$40,000.00	\$41,000.00	\$42,025.00	\$43,075.63	\$43,075.63	\$43,075.63	\$212,251.88
	2.5%	2.5%	2.5%(f)	2.5%(f)	2.5%(f)	5.1%

Check out the Summer 2016 edition of Table Talk for some tips on negotiating wage increases.

# Fighting precarity in post-secondary education

Most people think of post-secondary education as a way to ensure a bright future with a good job. We don't necessarily think of our university and college campuses as a battleground in the fight against precarious work.

Yet precarity is on the rise in Canada's post-secondary sector.

Precarious work is work that is short-term or temporary in nature, with low pay, few to no benefits, and no job stability. A growing number of the people who work in post-secondary education – those who teach our students, serve them food, clean and maintain university and college campuses, and deliver clerical and other support services – are now in precarious positions.

Universities, perhaps realizing this trend does not reflect well on them, have been reluctant to release data. However, a recent report on hiring in Ontario universities found that use of contract faculty (commonly known as sessionals) increased by a whopping 68.5 per cent between 2001-02 and 2009-10. By contrast, the number of tenure track positions increased by only 30.4 per cent over this same period.

In fact, we've reached the tipping point on precarity for academic jobs. In 2001-02, there were 637 more people hired in tenure track positions than in contract positions. But by 2009-10, the number of sessionals hired exceeded the number of tenure track appointments.

Universities and colleges are also increasingly relying on contract and casual status for non-academic staff, eliminating full-time positions and replacing them with part-time or temporary positions. At some institutions, entire sectors, such as food



services and custodial services, have been contracted out to companies who pay workers low wages and don't provide good benefits or pensions. A full 25 per cent of outside workers at the University of Victoria (CUPE 917) are casual employees. Casual contracts are supposed to be three months or less at the University of British Columbia (CUPE 2950), but 17 per cent of inside workers on casual contracts were employed for longer.

## **TOUGH ON WORKERS**

Academic contract workers often earn only a fraction of what those working in permanent positions are paid. For instance, full-time, tenure track faculty earn on average between \$80,000 to \$150,000 per year, but contract faculty with the same teaching load will earn only \$28,000 annually. Contract faculty also don't get research funding, sabbaticals, or sometimes even access to basic resources such as an office on campus.

Similarly, workers in areas that have been contracted out find themselves

delivering essential services like every other member of the institution, but unable to access the institution's pension plan or benefits.

Job insecurity remains the element of precarious work that has the biggest effect on workers who never know whether or not their job will continue to exist. Many sessionals are hired on semester-by-semester contracts, with no guarantees of being hired to teach the same course again in the future. In response to a survey of sessionals in Ontario, two-thirds said they experienced "considerable personal strain" due to the short-term nature of their employment. Most also did not feel comfortable making large financial commitments such as buying a car or a house.

## **TOUGH ON STUDENTS**

Precarious work is not just a concern for workers. After all, the working conditions for faculty and staff also affect the learning conditions for students. Studies have shown that students do better when they're



able to build relationships with their professors, but it's much harder to get one-on-one time with faculty who split their time between multiple schools, who share an office with limited hours, or who perhaps have no office at all.

## **ENDING PRECARIETY ON CAMPUS**

It's no coincidence that precarity has been rising over the past two decades. Persistent government underfunding of post-secondary education means that universities and colleges are trying to stretch budgets further. In 1982, government funding made up 83 per cent of university operating revenue. Today, it accounts for only 55 per cent.

The past few decades have also seen increasing corporatization of colleges and universities. Whereas at one time these institutions were led mostly by senior academics and experienced public servants, leadership is now increasingly coming from the private sector on a mission to transform the institutions themselves.

Unions are an important factor in the battle against precarity. Unionized workers receive higher wages and better benefits. They are also more likely to have greater protections for job security. Talk to your servicing representative about options for specific language in your contract to increase job security.

We need to call on governments to end the shameful underfunding of post-secondary education in Canada and to restore the vision of education as a public good.

In 2015, CUPE's members called for a national campaign against precarity in the post-secondary sector. CUPE's National Post-Secondary Task Force is hard at work planning the campaign – stay tuned for more details!

■ **Chandra Pasma**

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see their contributions rise by only one per cent.

However, the fight for retirement security is not over.

We expect that the increase in employer CPP contributions will shape employer wage and pension demands in our next rounds of bargaining. Many employers will try to pass the costs of their new CPP contributions onto workers. This, however, would defeat the clear guiding principle of the CPP – that it is funded equally by workers and employers.

Employers might try to accomplish this goal in different ways. The most likely way is directly through wage bargaining. Expect employers to bring up their new CPP costs as a rationale to drive wage increases down (or even seek wage rollbacks). Before the CPP deal was even finalized, employers were proposing agreed-up-front wage reductions in case employer CPP costs grew.

Our response? Workers should not be directly or indirectly paying for the employers' new CPP contributions. These new costs are modest and affordable.

We are already seeing employers using CPP expansion as a rationale for continuing, or escalating, their attacks on workplace pension plans. They may say that since the public system has grown, we no longer need a workplace pension plan, or that workplace plans can be scaled back proportionally.

Here's an example. If an employer currently contributes four per cent to a defined contribution workplace plan, they may argue that this contribution should be cut back to three per cent considering the extra one per cent they are now putting into CPP. Employers

may also target defined benefit plans in a similar way and push for go-forward contribution and benefit rollbacks in recognition of the expanded CPP. Or, they could pursue a more extreme agenda of trying to close or convert defined benefit plans to less-secure models.

Despite the right's drumbeat about “gold-plated public sector pensions,” the reality is that many CUPE members do not have a pension plan, and many who do lack the security of a good defined benefit plan. Even those members in such plans earn their modest benefits slowly.

Consider a “best case scenario” for a CUPE member: as a member of a defined benefit plan, at an average CUPE salary, after a full career of work with one employer (which few members accomplish), a pension would be in the neighbourhood of \$20,000 per year, which may or may not keep up with inflation.

CPP expansion will be important for CUPE members' retirements. Employers must not take this away.

The bottom line: decisions about how much current compensation to defer to retirement should be made by workers and employers at bargaining tables.

The deal to expand the CPP is historic and is a major win for all Canadian workers. However, every social advance brings new challenges. We must be on the watch for any employer effort to use CPP expansion as a rationale to pursue pension concessions or further attacks on members' wages.

We must be ready to push back.

■ **Mark Janson**

# Bargaining health and safety: then and now



In the past, efforts to improve workplace health and safety have focused on achieving legislation to improve working conditions. Occupational health and safety acts across the country were reviewed and strengthened. Tripartite committees that included input from workers functioned extremely well. We were building a health and safety system that would keep us safer at work.

Unfortunately, governments across the country have made concerted and determined attacks against workers' rights.

## **GOVERNMENTS ARE UNDERMINING WORKERS' RIGHTS**

The two most significant attacks have been against federally regulated employees (including changes to the definition of danger and to the right to refuse unsafe work) and against workers in Saskatchewan, with the introduction of the Saskatchewan Employment Act, both occurring in 2013.

Governments have also reduced the number of inspectors who enforce legislation, leading to fewer proactive inspections and a drop in compliance orders for employers.

## **NEW CHALLENGES, NEW STRATEGIES**

In addition, health and safety has become far more complicated in the past 20 years. Laws have become more complex and litigation has increased. New challenges, including mental health and harassment, are being recognized as health and safety issues. And some employers have tried to limit the internal responsibility system which promotes the idea that health and safety is a partnership shared across an organization, even though it's the principle underlying health and safety laws across the country.

In response to these pressures, unions need to bargain fundamental health and safety protections into our collective agreements – while we keep pressing for better legislation. Some CUPE locals have already bargained language that goes beyond minimum requirements contained in legislation. Others have gained specific language on topics that do not currently exist in law.

It's important to remember that bargaining language that goes beyond existing law must be done responsibly

and strategically. We must continue lobbying to improve health and safety legislation. The role of government needs to be maintained so that the responsibility to police the health and safety system does not fall onto workers alone.

## **NEGOTIATE HEALTH AND SAFETY PROTECTIONS RIGHT INTO YOUR CONTRACT**

The most basic protections we can bargain into our contract should include measures to:

- Protect and enhance the structure and function of workplace health and safety committees, and
- Affirm the right to organize union-led health and safety orientations or annual training on workers' rights and workplace hazards.

Almost any aspect of health and safety in the workplace can be included in your collective agreement. For more information, contact your CUPE national representative.

■ **Troy Winters**