

## FEATURE **YOUNG WORKER PENSIONS**

# Three ways young workers can achieve retirement security

Canada's impending retirement security crisis for baby boomers is well-documented. Yet buried in these studies is a more troubling message: the very real retirement income challenges today's boomers are facing will be felt even harder by future generations. Today's young workers are facing bleak prospects of being able to retire with security and dignity.

Thankfully, young workers' future hardship is preventable, but we need to make some major changes today. Here are three areas where young workers can be active in achieving retirement security.

### **1. Reverse the cuts to Old Age Security**

In 2012, Harper unilaterally increased the age of eligibility for Old Age Security from 65 to 67. This will strip more than 13,000 (of today's) dollars from the retirement income of today's young worker. Harper didn't

campaign on this change and experts said it was unnecessary. Today's young and tomorrow's vulnerable will bear the burden of these cuts. The NDP has promised to reverse these cuts if they are elected to office.

### **2. Expand the Canada Pension Plan**

The CPP has many positive elements: it's mandatory, employers match employee contributions, virtually all workers participate, and the benefits it delivers are secure and keep pace with the increasing cost of living. The plan's only flaw is that it is too small: it now pays, on average, just over 600 dollars per month for new retirees. The labour movement has a fully-costed plan to double CPP benefits with a modest, phased-in increase in contributions. The public, the provinces, stakeholder groups and pension experts agree on the need for CPP expansion, but Harper has refused or only offered



distractions. The NDP is committed to expanding CPP if they form government.

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# Ten things to know about Harper's Old Age Security cuts

In 2012, Stephen Harper announced that beginning in 2023 the age of eligibility for Old Age Security (OAS) and the Guaranteed Income Supplement (GIS) will rise from 65 to 67. Canadians born after March 31, 1958 will have to wait up to two years longer to receive payments from these public pension plans. This is the biggest cut ever made to Canada's modest public pension system, making retirement more difficult for Canadians and potentially pushing thousands of seniors into poverty.

The OAS program is the foundation of Canada's retirement security system. Individuals qualify for OAS by simply living in Canada. Canadian seniors from age 65 onwards receive just over 500 dollars per month from the OAS program. GIS is a sub-program of OAS specifically designed to eliminate senior poverty.

Harper's cuts to OAS-GIS capture his real agenda: gutting effective social programs that middle class and vulnerable Canadians depend upon, in the interest of moving towards a fend-for-yourself society. The tax revenue saved through these cuts is passed on to wealthy Canadian individuals and corporations through tax breaks. The way the cuts were announced and enacted without

debate also perfectly captures the Harper method: secret agendas, fear-mongering, and contempt for the democratic process.

Here are 10 things to know about Harper's OAS-GIS cuts. Thankfully, these cuts can be reversed if an NDP government is elected this year.

## **1. OAS-GIS IS AN EFFECTIVE PUBLIC PENSION PROGRAM THAT SHOULD BE PRESERVED AND EXPANDED.**

Since its introduction in the 1950s, OAS has become a crucial part of Canadians' retirement security. One-fifth of all senior income in Canada comes from OAS-GIS. Since the introduction of GIS in the late 1960s poverty rates among seniors have declined significantly – an achievement frequently recognized as one of Canada's great social policy successes. In an age where job and pension security are eroding, effective public pension programs like the OAS-GIS are a model we should build upon, not tear down.

## **2. MIDDLE-CLASS CANADIANS WILL SEE 13,000 DOLLARS CUT FROM THEIR RETIREMENT FUNDS.**

Old Age Security pays about 6,500 dollars per year from age 65. Losing two years of these payments

will cost middle class Canadians (born after 1958) about 13,000 dollars (in today's dollars).

## **3. HUNDREDS OF THOUSANDS OF FUTURE SENIORS COULD BE PUSHED INTO POVERTY.**

GIS is remarkably effective at keeping Canadian seniors out of poverty. The government's own numbers suggest that GIS alone keeps up to 1.7 million Canadian seniors out of poverty, roughly 1 in 3. If we cut these important poverty-preventing payments for two years many more future seniors will live in poverty. Government estimates show that nearly 250,000 Canadian seniors will lose their poverty-preventing GIS each year by 2030.

## **4. HARPER HAD A SECRET AGENDA TO CUT PENSIONS.**

The 2011 Conservative Party election platform unequivocally stated, "we will not cut transfer payments to individuals or to the provinces for essential things like health care, education, and pensions." Less than one year after his election victory Harper revealed his secret plan to cut OAS. Between the election and the announcement of the cuts, no new information on OAS came to light, so there is no reason Harper

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of Public Employees



could not have campaigned on this point honestly.

### **5. HARPER'S CLAIMS THAT THE OAS WAS "UNSUSTAINABLE" WERE MISLEADING.**

Harper has claimed that "the cost of [OAS] will grow from 38 billion dollars in 2011 to 108 billion dollars in 2030." While the numbers employed are indeed the latest projection, their presentation is misleading. In 2030, Canada's population and economy will be much larger and inflation will have eroded the value of the today's dollar significantly. Harper's 2011 to 2030 comparison compares apples (today's dollar) to oranges (tomorrow's dollar).

### **6. THE OAS IS SUSTAINABLE WITHOUT HARPER'S CUTS.**

For an appropriate comparison we can simply look at the program's costs over time as a per cent of GDP. Federal actuarial reports show that the cost of the OAS-GIS *before* Harper's cuts was projected to increase from 2.4 per cent in 2011 of GDP to 3.1 per cent in 2030, largely because of the temporary demographic bulge of the baby boomers. After 2030, the program's costs as

a per cent of GDP begin a long-term decline. Contrary to Harper's claims, the OAS actually becomes more affordable.

### **7. WE CAN AFFORD THE TEMPORARY INCREASE IN COSTS FOR OAS.**

Harper's position is that we can't afford this program, but he is perfectly happy with countless tax breaks. Corporate tax cuts, income splitting schemes, and plans to expand the Tax Free Savings Accounts primarily benefit wealthy and privileged Canadians and cost the public purse *much more* than his OAS-GIS cuts will save.

### **8. HARPER RAMMED THE OAS-GIS CUTS THROUGH PARLIAMENT IN AN ANTI-DEMOCRATIC OMNIBUS BILL.**

Harper buried the cuts to OAS-GIS in the 2012 "omnibus" budget bill. The cuts to OAS-GIS were a mere five pages of a 452-page bill. In just two months, this mammoth bill was introduced, passed three readings in the House, a Finance Committee study, Senate debate and numerous

votes. The NDP and the labour movement opposed the bill and called for it, at the very least, to be split up so elements like the OAS-GIS cuts could be examined and properly debated. In an affront to the democratic process, the huge bill made it through this process virtually unchanged.

### **9. MANY SENIORS SIMPLY CANNOT WORK LONGER.**

Some argue that the retirement age should increase along with life expectancy. However, longer lives do not necessarily mean longer work lives. Health concerns, disability, family care responsibilities and the inability to find a job prevent significant portions of seniors (primarily lower-income seniors) from working longer. Even worse, it's higher-income Canadians who are doing most of the "living longer" in the first place, and who continue to have much longer life expectancies than low-income Canadians.

### **10. WE CAN REVERSE THE CUTS.**

The cuts to OAS-GIS don't begin to be phased in for another eight years. The legislation can easily be changed between now and then so that the cuts don't ever come into effect. The federal NDP has a long-standing commitment to reversing these changes. Electing as many NDP MPs as possible is the best way to undo this damage.

**Do you want to lose 13,000 dollars so Harper can give tax breaks to rich individuals and profitable corporations? Share these facts with friends, family members and neighbours so they can see how Harper misled Canadians and how decent retirement security for everyone at 65 is something we can afford.**

■ **Mark Janson**

# Can work be safe, when home isn't?

In 2014, 8,429 workers answered the first ever Canadian survey on domestic violence in the workplace.

Just over a third (33.6 per cent) said they had experienced domestic violence and it affected them at work.

- 82 per cent of respondents who experienced domestic violence said it had a negative effect on their work performance, and over a third reported that co-workers were affected as well.
- Almost nine per cent lost a job because of domestic violence.
- Over half of respondents who experienced domestic violence said it occurred at or near their workplace, in the form of abusive calls and messages, stalking or the abuser contacting co-workers or the employer.

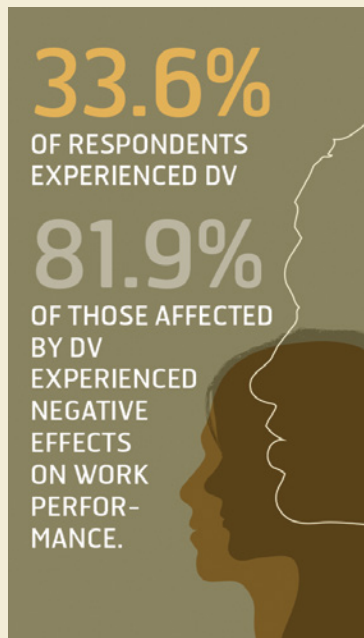
Women, Aboriginal workers, persons with disabilities and LGBTTI workers reported the highest rates.

Of the respondents who discussed the domestic violence with someone at work, only 13 per cent spoke to their union.

Respondents were as likely to receive information about domestic violence

from their employer as their union, though almost three-quarters had heard nothing. Only 10.6 per cent of respondents believe their employer is aware when domestic violence is affecting workers, and the assessment of union awareness is only slightly higher (11.3 per cent). However, more expect the union (87 per cent) than the employer (62 per cent) to help workers experiencing domestic violence.

CUPE was part of the multi-union group that helped the Canadian Labour Congress and Western University design and rollout the survey. Together with these organizations CUPE will use the survey findings to raise awareness internally and to fight for better laws, collective agreement language and workplace programs.



A few models exist for how unions can address domestic violence. Australian unions have bargained paid leave, protection from adverse action and flexible work arrangements for victims of domestic violence. In Canada, Unifor negotiated the Women's Advocate program, teachers in the Yukon got five days of special leave, and social stewards

in the Canadian Union of Postal Workers help peers in violent relationships.

If you know of collective agreement language or programs on domestic violence currently in place in CUPE workplaces, please contact

**equality@cupe.ca**

To learn more about the survey, see: <http://www.canadianlabour.ca/issues/domestic-violence-work>

■ Irene Jansen

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## 3. Defend fair workplace pension plans

Across the country, employers are attacking good workplace pension plans. The result of some of these attacks have been "two-tier" agreements that preserve a good pension only for active workers, while new hires (most often young workers) are placed into a much worse pension plan. Young workers also often face

barriers to participation in workplace plans: part-time workers (again, most often young workers) can be barred from membership. Young members should stand with their locals against pension concessions, but should also push to expand access to those pension plans, while strongly resisting any "two-tier" agreements.

A middle class life must include a decent and secure income in retirement. Powerful ideological forces in Canada are trying to convince us that this simple demand is too costly and not sustainable for future generations. Today's young workers need to stand up and demand the retirement security we all deserve.

■ Mark Janson



# Bargaining a new job evaluation process

It is important that every job is compensated fairly in relation to the work that is required. Rather than pursuing individual grievances or arbitration, a joint job evaluation (JJE) process is an effective way to determine the value of the work associated with every job. This method of measurement is used to recognize changes in job duties/ requirements and to determine appropriate wages for new jobs. It does not assess individual job performance, but rather the job itself. A successful JJE process will help identify and remove wage inequities and provide internal equity by creating a fair and objective wage structure.

When you negotiate a JJE process, there is some basic language that can be used to get the process started.

1. The parties agree to jointly negotiate, implement and maintain a job evaluation program including a terms of reference document establishing the terms and conditions of this process. These terms of reference will form part of the collective agreement.
2. The parties shall establish a joint job evaluation committee within thirty (30) days following

the signing of this collective agreement.

3. The program shall be completed and implemented no later than [insert date here].
4. The cost of the job evaluation program will be borne by the Employer.

The next step is to jointly develop a job evaluation (JE) terms of reference, which is a detailed agreement for the JE procedures. It covers the size of the committee, how information is gathered, how jobs are rated, how disagreements within the committee are settled and what rights the incumbents and supervisors have if they disagree with the results.

While this sample language covers the basics, there are often other issues addressed in the collective agreement. Here are some common issues, and the challenges that come with them.

**MONEY:** Implementation of the results should be negotiated once all of the jobs are rated. However, it is difficult to implement the results if the collective agreement specifies the amount of money available.

In the example, the \$175,000 set aside for resulting costs was far too low. The language left no room to

Here is an example from a CUPE collective agreement which did not work out well for the local:

*“Implementation of the Job Evaluation Plan shall be subject to negotiation and agreement between the parties. The Employer commits to set aside funding totaling \$175,000.*

*The parties agree that this amount will represent the entire funding for the term of this agreement for negotiated bargaining unit salary adjustments that result from the implementation of the Plan.”*

negotiate and the local was very unsatisfied with the final results.

There needs to be flexibility to negotiate any unexpected implementation costs. There are creative ways to compromise, such as phasing in the results over a longer period of time. Just remember, there is no way to know what the costs are until all the jobs are rated.

**PAY EQUITY:** Pay equity legislation exists in some workplaces in Canada, but not all. The goal of pay equity legislation is the elimination of wage inequities resulting from gender discrimination. If your local is not covered by pay equity legislation and is trying to achieve gender equity through a negotiated job evaluation process then you need to define what that means. Will the results compare jobs within your bargaining unit or across the entire employer? Will they link your bargaining unit to another

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related employer? For example, linking library workers to the municipality that funds the library. Without legislation or an agreed upon definition, “pay equity” may lead to unintended confusion at implementation.

**RED-CIRCLING:** There is no guarantee that wages will increase after JE rating. In reality, some jobs will decrease in value. To protect the incumbents in these jobs from a decrease in pay, wage protection language must be negotiated. This can mean different things, from “red-circling” (freezing wages until the new lower wages catches up), to continuing wage increases for current incumbents until they leave the position (“present incumbent only” language). Whatever your choice, the most important thing is that you do not leave it up to the employer to decide on the best way to handle these cases.

**EFFECTIVE DATE FOR WAGE ADJUSTMENTS:**

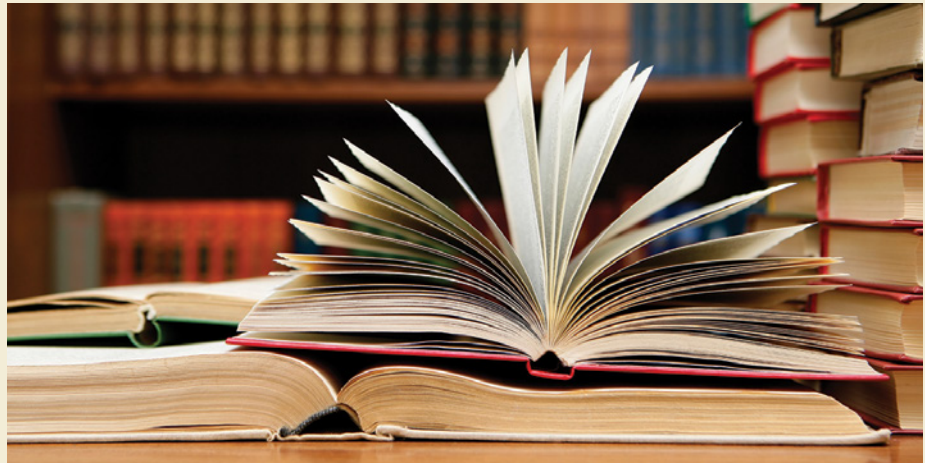
Despite the best efforts to complete the process on time, deadlines are often missed. Failure to meet deadlines may impact the date at which jobs set to increase in value actually see a wage increase.

Agreeing on the effective date at the beginning of the process encourages both parties to keep the process on track and avoid disagreements on the dates when the results of the JJE are implemented.

Every JE process has a unique set of challenges, but having clear language and set goals gives the best chance of achieving success. Contact your CUPE servicing representative and ask them about accessing assistance from CUPE job evaluation staff.

■ Brad Dale

## BARGAINING TOOLS **BENEFIT LANGUAGE**



# The language of benefits

Recently there has been a shift in the way that consultants and the insurance industry categorize employee benefits. The new language being employed closely mimics pension language and group benefit plans of different types are being broken down under new headings. Although this may have little effect on benefits bargaining it will have an effect on how employers are being “sold” benefit plans. There is a renewed effort on the part of insurance companies to increase employee responsibility for plan costs.

**Defined Benefits:** This language is used to categorize and sell benefit plans that guarantee certain provisions be met regardless of group/individual usage, cost increases or changes in legislation. These are generally considered to be traditional plans where everyone receives the same benefits. These plans can be entirely employer paid or a combination of employer and employee cost shared.

**Shared Risk Benefits:** This language is used to define plans that are blended between a traditional plan and cafeteria or flex plan. Generally plans like this offer low level core coverage that provides basic protections at reduced rates. Employees are able to buy extra coverage through a point or credit system to increase coverage to preferred levels. These plans make employees responsible for increased costs and can leave them without coverage if their situation changes.

**Defined Contribution Benefits:** This language is used in reference to plans that place the employee entirely on the hook for plan cost increases due to usage, legislation or general cost increases. These types of plans include health savings accounts and cafeteria or flex plans. For flex plans the value of the credits provided doesn’t generally increase in relation to increased costs so the capacity of the member to buy benefits will decrease over time. In the case of health savings accounts the employer provides a set amount of money in an account for an employee to use for health related costs. As costs increase the capacity to purchase even basic medical and dental is eroded.

Being aware of the changes in how plans are being marketed and sold to employers can help us to understand and resist pressures at the bargaining table.

■ Jordana Feist

# Precarious work in BC's university sector

A new CUPE research report shows that work in BC's university sector has become more precarious over time. The report, completed in January by Edward Kroc, a CUPE member contracted by the union to produce the report, draws on information from six CUPE locals at three universities – Simon Fraser University, University of British Columbia, and University of Victoria.

Precarious work, as opposed to secure work, is associated with unpredictable hours and schedules, and little guarantee of a stable income. Under these conditions individuals face the stress of having to plan their lives around this uncertainty.

Temporary and part-time work is common among teaching staff in the university sector, in part because teaching assistants are simultaneously students. However, temporary and part-time work is no longer confined solely to the teaching locals.

The report explains how that the proportion and absolute numbers of full-time appointments have decreased overtime, while at the same time part-time and casual appointments have increased.

## Overusing casual employment

According to CUPE university collective agreements casual work is intended to supplement regular continuing and sessional labour when necessary. Casual employment opportunities do not require job postings and have a duration of less than three months. In reality casual work is being used well beyond this limited scope. Overuse of casual work is concerning as casual workers are often unable to

accrue seniority, have limited access to benefits, and have little protection from arbitrary dismissal.

A large proportion of CUPE members are in casual appointments, for example, 25 per cent outside workers at University of Victoria (CUPE 917). Of these casual employees a growing number are in 'excessive' casual appointments. For example, seventeen per cent of inside workers at University of British Columbia (CUPE 2950) have been employed for longer than three months and have worked more than 75 hours per month.

Casual employment is now routinely used as a way for part-time employees to pick up extra casual hours. This allows the employer to avoid increasing the number of continuing part-time appointments. Some departments, including the daycare and bookstore at University of Victoria, consistently employ casual workers year round. The frequency and duration of casual appointments suggests these positions could be replaced by

continuing part-time positions. However, the employers are opting for casual appointments as they have fewer obligations to the worker.

## Collecting and tracking data

Getting a complete picture of how often casual appointments are misused remains a challenge and requires diligent data collection and analysis. In an ideal situation CUPE locals would have collective agreement language allowing access from employers to triannual snapshots of their membership. This would include information on job classification (regular, sessional, temporary or casual), position, department of hire, and number of hours worked. Tools can be developed for CUPE locals who want to track and analyse the use of casual appointments. A better understanding of how casual appointments are used can help locals to enforce the collective agreement limits or develop collective agreement language to address the situation.

■ Sarah St John





# Mind the gap: Work toward closing the gender wage gap

It is a sad fact that for many people the size of their paycheque is affected by discrimination. In Ontario a government consultation on the gender wage gap was announced in 2015. CUPE is working to ensure that the voices of its members are heard throughout the consultation.

Ontario is not the only Canadian province with a gender pay gap; in fact, the numbers show that wage disparity exists across the country. Canada actually has the 7th highest gender pay gap of the 34 OECD countries, with the gap ranging from 16.1 per cent in Prince Edward Island to a whopping 42.5 per cent in Alberta.

The gender wage gap is a critical issue for CUPE members, 68 per cent of whom are women.

## Behind the gender pay gap

The persistence of the gender wage gap stems from deeply-rooted patterns of inequality in our society. Fields of work where women are highly represented are generally paid less than those where men form the majority. Women also face barriers to accessing higher paid jobs in fields where men predominate.

Many CUPE members are concentrated in female-dominated, 'caring' sectors such as health care, education, social services and child care. These sectors not only face a wage penalty because the majority of workers are women, but also because the 'care work' they do was traditionally done by women. According to a UNRISD study, this 'care penalty' in Canada was found to be almost 10 per cent.



## Closing the gap

There are various steps we can take to help close the gender wage gap.

In many provinces, pay equity legislation can be a great tool to help address the gender pay gap. If your workplace is covered by pay equity legislation, be sure to develop and regularly review your pay equity plan.

Unions are on the frontline of minimizing discriminatory pay practices through collective bargaining. Public sector workers experience reduced discriminatory pay gaps for women, Aboriginal and visible minority workers. A Canadian Centre for Policy Alternatives (CCPA) report on public sector wages links this reduction to unionization and collective bargaining, benefits such as paid parental leave, family leave and sick leave, and pay equity legislation.

CUPE's Strategic Directions goal of bringing all members up to a minimum of 18 dollars per hour is also an important step as more

women are concentrated at the bottom of salary scales. Broader policies on which CUPE advocates also help reduce the gap such as increasing the minimum wage, promoting access to unionization and collective bargaining and affordable and accessible child care.

To raise awareness of the effects of the gender pay gap in Canada CUPE's Social Services Workers' Coordinating Committee has developed a gender pay gap pop-up bake shop to set up at regional consultation meetings, community fairs and union events. Cookies cost 68.5 cents for women and 1 dollar for men to reflect the 31.5 per cent pay gap women face in Ontario. According to StatCan and the CCPA, a pay gap also exists for racialized workers, Aboriginal workers and workers with disabilities.

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For information on how to develop your own gender pay gap bake shop, please contact [info@cupe.on.ca](mailto:info@cupe.on.ca).

■ Sarah Ryan