

## BARGAINING TRENDS **EMPLOYMENT INSURANCE**

# Maximizing the benefit of your EI rebate

If your workplace has a cumulative sick leave or short-term disability plan, your employer could qualify for a rebate on the Employment Insurance (EI) premiums it pays to the federal government.

If that is the case, part of the rebate must be directed to the benefit of the employees.

### What is the EI rebate?

If an employer provides wage replacement through a workplace short term disability or sick leave program, then workers may not have to access EI benefits during their period of illness.

Therefore, employers with short term disability or sick leave plans can apply for a reduction in the EI premiums they pay. The employer must apply for the rebate, provide

documentation of its sick leave plan, and how the employees' portion of the rebate will be used.

### How can the rebate benefit employees?

When an employer applies for an EI premium reduction, it must provide evidence that its employees will benefit

“in an amount equal to at least 5/12 of the savings.” Service Canada states that acceptable methods include:

- Cash remittance;
- New employee benefits, such as a dental plan, group life insurance, free beverages or free social activities;
- Increased employee benefits or upgrading of existing benefits.

### Negotiating a Collective Benefit for the EI Rebate

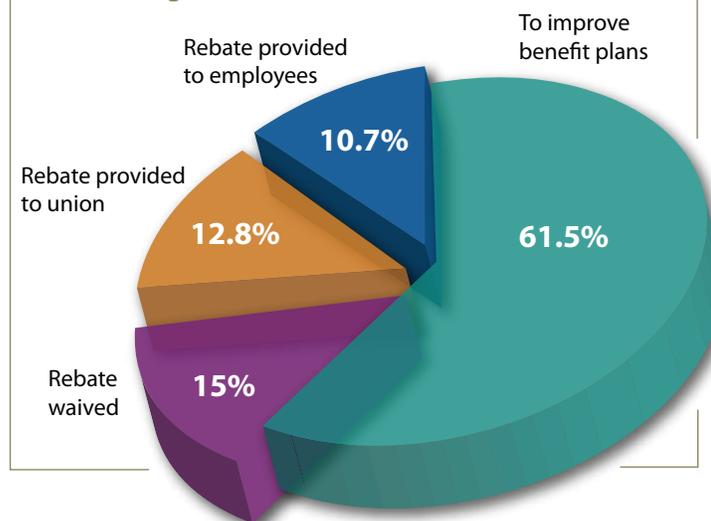
If your collective agreement is silent on the use of the EI rebate, your employer may still be receiving the premium reduction. Perhaps that

Christmas turkey dinner is being funded by the workers' portion of the EI rebate and not the generosity of the employer.

The enhancement of benefits, such as dental coverage or employee assistance plans, is the most commonly negotiated use of the employees' portion of the EI rebate.

Health care locals in Manitoba and Saskatchewan have negotiated a provincial education and training fund with their

### How EI rebates are returned to employees, in CUPE agreements



## INSIDE



### 2 FEDERAL ELECTION

Activist briefing note:  
What CUPE can expect from the new Liberal government

### 4 PRIVATIZATION

Lessons from the Charbonneau Commission:  
Privatizing public services can have dangerous consequences

# ACTIVIST BRIEFING NOTE:

## What CUPE can expect from the new Liberal government



Many Canadians rejoiced on October 19, when Stephen Harper’s Conservative government was washed away by a wave of Liberal support. On the positive side, the new government is positioning itself as considerably more socially progressive than its predecessors. However, their plan for the economy does not look much different from the Conservatives.

Now months removed from that election, we’re starting to get a clearer picture of what the new government has in store.

### Child care

The creation of a national child care program would be the most important new social program since Medicare. We have made the case that child care is good for the economy and good for families. The Liberals will work on a new national early learning and child care framework with some funding from their “social infrastructure” pot. But this is far from a national plan and could lead to more child care delivered by the private sector.

### Health care

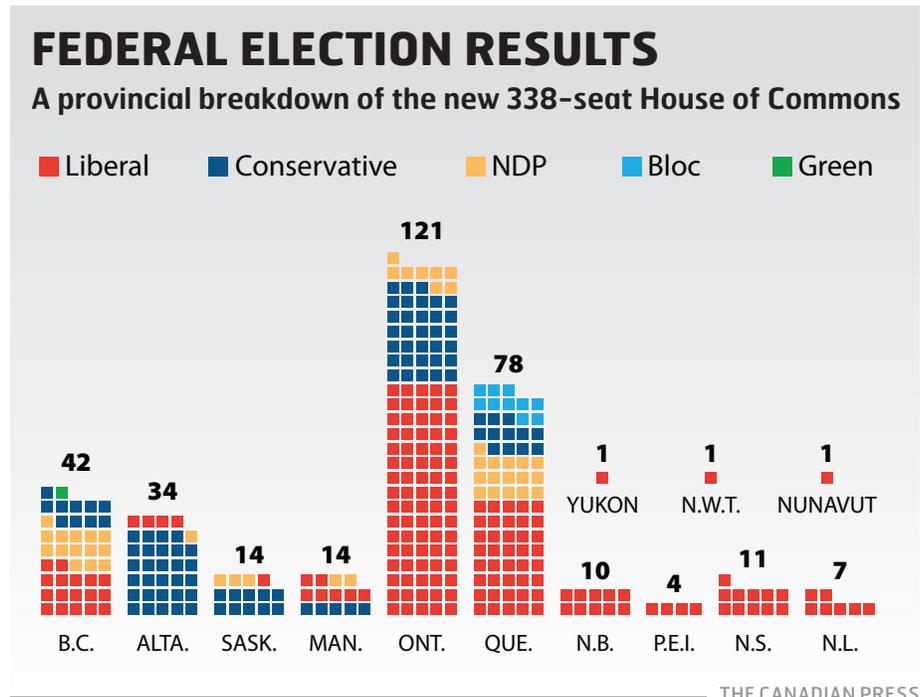
The Liberals promised to “immediately convene” a meeting of first ministers to negotiate a new Health Accord, but made no commitment to reverse Harper’s \$36 billion cut.

Federal health policy may well parallel Ontario’s: attempting to deal with inadequate acute and long-term care by increasing private care. On Pharmacare, the Liberals support bulk buying and perhaps a catastrophic drug plan that kicks in when drug costs exceed some percentage of household income.

### Pensions

When Liberal Finance Minister Bill Morneau met with provincial finance ministers in December 2015,

they shelved Canada Pension Plan expansion until future meetings. Morneau is not personally supportive of CPP expansion, so there is real cause for concern. The Liberals may also attempt to use CPP/QPP funds as vehicles for infrastructure privatization. Finally, they have been silent on the proposal to allow retroactive conversions of defined benefit plans into target benefit plans in areas of federal jurisdiction.



Tabletalk is published four times a year to provide CUPE bargaining committees and servicing representatives useful information for preparing and negotiating bargaining demands.

Find past issues of Tabletalk online at [cupe.ca/tabletalk](http://cupe.ca/tabletalk)

An email edition of Tabletalk is available. Subscribe at [cupe.ca/subscribe](http://cupe.ca/subscribe)

Please email Margot Young at [research@cupe.ca](mailto:research@cupe.ca) with corrections, questions, suggestions, or contributions.



**CUPE** / Canadian Union of Public Employees

pooled employee EI rebate.

Below are a few guidelines to consider when negotiating or reviewing the use of the EI Rebate:

- Ensure that your sick leave plan provides a minimum of 75 accumulated days sick leave for personal use (not family illness).
- Require your employer to annually provide information on the amount generated by the EI rebate and how it was applied. The union should be able to negotiate the allocation of any unused portion of the rebate.
- Require that no changes can be made to the disposition of the employees' portion of the rebate without mutual agreement.

For sample language, find this article at [cupe.ca/tabletalk](http://cupe.ca/tabletalk)

■ Cheryl Stadnichuk

## Infrastructure

The big election promise from the Liberals was to increase infrastructure spending by \$60 billion in 10 years. A total of \$125 billion will be spent in three key areas: social, transit, and green projects. Transit funding will prioritize investments in roads, bridges, transportation corridors, ports, and border gateways. Social funding will prioritize investment in affordable housing and

seniors' facilities, early learning and child care, and cultural or recreational infrastructure. Green funding will prioritize local water and wastewater facilities, climate resilient infrastructure, clean energy, and clean-up of contaminated sites to facilitate new construction.

Good news: the new government quickly removed the mandatory P3 screen, a requirement to consider P3s for any project over \$100 million. Bad news: the Liberals are committed to "alternative financing and procurement" so expect to see more privatization and contracting-out.

## Labour law

With the introduction of Bill C-4, The Liberals are moving on their commitment to repeal Bill C-377 (mandatory union disclosure) and C-525 (makes organizing harder in the federal jurisdiction).

## Post-secondary education

During the election the Liberals promised to increase federal student grants by \$3.3 billion. Additional commitments to Canada's students included plans to expand the Repayment Assistance Program to ensure no graduate with student loans is required to make repayments until they are earning an income of at least \$25,000 per year, and to delay interest charges on tuition fees.

## Democratic reform

Trudeau pledged that this election was the last first-past-the-post election. He's committed to establishing an all-party committee to look at electoral reform (including

proportional representation and ranked ballots) with legislation on electoral reform coming within 18 months of forming government.

## First Nations

An inquiry into murdered and missing aboriginal women has been announced. The Liberals made a campaign pledge to end all boil water advisories on First Nations' reserves within five years. They also promised to increase spending on education and to implement all 94 recommendations from the Truth and Reconciliation Commission.

## Trade

The Liberals generally support free trade, and support the CETA and the TPP trade deals in particular. They are also indicating that they want to pursue trade agreements with China and India. So far they've been silent on TiSA, which will put public services at risk.

## Analysis

Voter turnout increased significantly: from 61.1 per cent in 2011 to 68.5 per cent in 2015. 2.7 million more Canadians cast ballots in 2015 than in 2011.

The Conservative vote total did not change much compared to 2011. The NDP lost one-quarter of their vote, but the main story is the increased turnout, with that turnout going almost entirely to the Liberals.

■ Archana Rampure

Party	Seats won in 2015	Change in seats won vs 2011	% of total vote 2015	Total votes in 2015	Change in total votes vs 2011	% increase / decrease in total votes vs 2011 result
<b>Liberal</b>	184	+150	39.5%	6,930,136	+4,146,961	+149%
<b>Conservative</b>	99	-67	31.9%	5,600,496	-231,905	-4%
<b>NDP</b>	44	-59	19.7%	3,461,262	-1,047,212	-23%
<b>Bloc</b>	10	+6	4.7%	818,652	-71,136	-8%
<b>Green</b>	1	0	3.4%	605,864	29,643	+5%

# LESSONS FROM THE CHARBONNEAU COMMISSION

## Privatizing public services can have dangerous consequences

Most people will remember the explosive allegations exposed by Quebec's public inquiry into corruption and collusion within Quebec's construction industry. The Charbonneau Commission found that for years, supposedly reputable companies were awarded public road, wastewater, and other building contracts at highly inflated prices. These companies would then kick back a portion of the profits to the mafia, as well as to government officials and political parties that helped secure the contracts.

design phase. The ministry was also unable to properly assess cost overruns and other invoices during the building phase.

Similarly, outsourced municipal work created conditions which were ripe for corrupt companies to abuse the system. In Montreal alone, outside municipal workers from CUPE 301 were reduced from 12,000 in the 1970s to about 5,000 in the 2000s. Consequently, in some privatized areas like sidewalks, wastewater and paving, the lack of competition allowed mafia-linked companies to form car-

managers were able to choose the members of the selection committees that oversaw the bidding, and both the managers and committee members were offered bribes to favor one bidder.

All of this could have been avoided if the province had decided to go the traditional route by financing the project publically. And if that wasn't enough, Quebec think-tank IRIS

### Internal expertise is an effective defense against collusion. \*

released a paper in 2014 demonstrating that the province could save nearly \$2 billion dollars by buying back the contract and bringing the hospital back into public hands.

What can we do about these problems with the system? The commission's 1700-page final report, tabled in November of 2015, sets out 60 recommendations to help fight corruption and collusion, including hiring more internal expertise at both the provincial and municipal levels, more oversight and transparency in the public tendering process, and strengthening protections for whistleblowers.

■ Mathieu Vick

An often-suggested approach (...) to preventing collusion between stakeholders in the private sector and improving the estimation of construction costs is to strengthen the internal expertise of public sector offerors, particularly by allowing them to perform certain tasks themselves, using internal staff. \*

But what allowed these private companies to establish the intricate corruption schemes and highly inflated prices in the first place? Let's take a look at some of the causes.

### Austerity and outsourcing

Many of the witnesses agreed: years of austerity and cuts within the Transport Ministry created a situation where there was not sufficient internal expertise to properly monitor and inspect public tendering processes, especially in identifying a project's needs in the

tels which then rigged the bidding processes and inflated prices by up to 30 per cent.

### Public-private partnerships (P3s): a risky lack of transparency

The Commission focused much attention on the corruption scheme at the McGill University Health Centre (MUHC) P3 that implicated then-CEO Arthur Porter and SNC Lavalin. The report shows how the veil of secrecy surrounding P3s opened the door to corruption. MUHC

\*Source: Commission of Inquiry on the Awarding and Management of Public Contracts in the Construction Industry (Volume 3, pp. 134, 135)

