

From the desk of Jessica L. McDonald

Chair of the Board of Directors and Interim President and CEO



OCTOBER 3, 2018

Dear Employee,

As you know, bargaining has been under way since the beginning of this year to arrive at new Urban and RSMC agreements. This process has been long, and I know that it creates great uncertainty for you. Over the past couple of weeks, you have waited for a new offer to be presented to try to bring discussions to a close. This is now attached. I encourage you to read through it to see all the elements, some of which I have outlined below.

Fair pay, pension and other benefits, and job security are fundamental. As I indicated previously, we are proposing pay increases for all employees of 1.5% per year for the next four years and have improved some benefits such as dental. Your pension remains strong and there are no proposed changes to it, even for new hires. This is the same for your vacation entitlement. On job security, we propose to ensure that all Urban employees have job security within 40 km, by managing vacancies in a smarter way. We are also now able to confirm that RSMC employees will also have job security, with their equivalent population area being within 75 km.

I know that many of you are feeling the effects of the growing number of parcels in the system. This creates stress, puts pressure on your work-life balance and raises safety concerns. I appreciated the positive feedback from many of you this summer after we changed our approach to 15.08 overtime. I hope that reduced your stress. With this offer, we intend to do more. As short-term measures, we are committing to an annual update of volumes for every route that is not already on the restructure schedule. In improving routes, our priority will be to avoid placing too much burden on you. We will also try to keep you whole, that is, protect your current level of income to the extent possible. When it is not possible, we will guarantee RSMC employees three months' pay protection on route restructuring. We will give Urban employees additional pay for higher volumes until the route is adjusted or restructured. We will also work together with your Union, improving their access to information about restructures and finding better delivery solutions for the longer term.

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To improve relief at peak periods and also ensure that temporary jobs are more meaningful, we have proposed a new approach to give temporary employees better access to predictable hours. We will maintain the current full-time ratio in Retail and, at the same time, work to give more opportunity to gain full-time employment across the system. We are committing to create 500 full-time positions over the next three years. We are also proposing that temporary employees now move through the wage chart based on 1,000 hours worked in a year.

The recent pay equity ruling has resulted in 25% higher pay for RSMCs as well as an alignment of benefits. As I have said before, this was an important ruling and we are working quickly to implement the decision. More needs to be done to ensure we truly view all employees through the same lens. I have mentioned job security and pay protection above, as well as access to information on route restructures, and working together on new route design. Adding to this, a simple but long-overdue change will be made so that RSMC employees have rights to order from the same uniform catalogue as Urban employees with the same number of points.

I hope you will take the time to read through the attachment for the full details on this offer. On a closing note, I look forward to improving the way we work together so that important issues do not always have to wait for rounds of collective bargaining to find resolution in the future.

Thank you for the important work you do.



Jessica L. McDonald

Offer Summary – CUPW-Urban

Pay increases: You work hard and things cost more every year. We propose to increase your pay by 1.5% in every year of the agreement, with the 2018 increase to be paid retroactive to Feb. 1, 2018.

NEW – Better pay for temporary employees at 1,000 hours: Starting Jan. 1, 2019, we propose better pay (up to the next pay increment) for any temporary employees who reach 1,000 hours in a fiscal year.

ADJUSTED – Maintaining physiotherapy coverage: With all the standing, walking, lifting and carrying you do, or for other reasons, physiotherapy can help you stay healthy. We now propose to keep existing unlimited physiotherapy coverage for active employees, dependents and retirees, but you'll need a doctor's prescription once your physiotherapy benefits exceed \$5,000 per person per year.

More help paying for dental care: We will update dental care reimbursement every year.

Keeping your pension as is without any changes: We know how important your Canada Post pension is to you and your family and your future. I'm pleased to confirm there are no changes to your pension.

NEW – Vacation/pre-retirement leave (new hires): There will be no change for future regular employees.

Confirming and extending job security: Job security for Urban employees within 40 kilometres does not change. We're also offering to extend job security to more than 5,500 employees who reached regular status, but to do this, we need to confirm our ability to manage vacancies in Group 2 in a smarter way.

Overtime for training: When you're on training, we'll pay overtime for work above 8 hours.

NEW – Volume updates to reflect workloads: More parcels mean many routes are too demanding, which adds stress. In updating volumes each year, we will compensate you and adjust routes, as required.

In future, building more predictable routes: Longer term, we will work with your Union on workloads by creating a way to build a more predictable route – which should mean a better work-life balance.

Making sure you don't carry too much: We agree to the Union's good idea to jointly study the mix of items you deliver (including size and weight) so you aren't carrying items that are too large and heavy.

Predictable schedules and hours during peak: The holiday season is busy. We will create a dedicated temporary peak delivery workforce from November to January with predictable schedules and hours. Overtime opportunities on your own route and other routes will still exist.

More full-time jobs: We will convert existing hours into a minimum of 500 full-time positions over three years of the agreement, giving temporary and part-time employees an opportunity to become full-time.

Flexible schedules in mail processing: Some of the 500 full-time positions will have a flexible work schedule – as will all of the part-time positions. You will bid on the schedules, including weekend shifts.

NEW – Keeping full-time jobs in Retail: We intend to keep the current full-time staffing ratio in Retail.

Slip-resistant footwear: We and your Union have agreed to promote footwear with better traction.

We have proposed these and many other topics to your Union, including areas we agree are important – diversity, the environment, domestic violence and exploring a set of selected financial services.

Offer Summary – CUPW-RSMC

Pay increases: The pay equity ruling provides you with pay, benefits and leaves of equal value to letter carriers. This offer goes further by improving your activity values by an additional 1.5% in every year of the agreement, with the 2018 increase to be paid retroactive to January 1, 2018.

NEW – Pay protection: Certainty and stability matter to you. For that reason, we'll guarantee that your pay will not be reduced for three months if a restructure has negative impact on it.

NEW – Job security for eligible route holders: Eligible route holders will now have job security. Surplus employees will still be paid and get priority for vacancies within 75 kilometres, and then if no vacancy exists, they will be eligible for vacancies in the province. Relocation expenses will now match Urban's.

NEW – Leave of absence due to illness or injury: We will now provide a leave of absence without pay for up to five years due to illness or injury.

More help with the cost of dental care: We will update dental care reimbursement every year and there will be no six-month waiting period for new employees to have coverage.

Keeping your pension as is without any changes: We know how important your Canada Post pension is to you and your family and your future. I'm pleased to confirm there are no changes to your pension, except that we will count Personal Contact Items (PCI) and lock changes as pensionable time.

ADJUSTED – Maintaining physiotherapy coverage: With all the standing, walking and carrying you do, or for other reasons, physiotherapy can help you stay healthy. We now propose to keep unlimited physiotherapy coverage for active employees, dependents and retirees, but you'll need a doctor's prescription once your physiotherapy benefits exceed \$5,000 per person per year.

NEW – Uniforms and footwear: Eligible RSMCs will be able to choose and order the same uniform as Urban letter carriers. With boot allowances being paid directly to employees, we will also collaborate with your Union to promote the use of available slip-resistant footwear to employees.

NEW – Information on restructures: We will provide your Union access to information on restructures.

Restructure notification and bidding: We will provide your Union with a longer notification period through an annual restructure schedule and 10 days' notice, if change is required. We will also simplify bidding after a restructure and provide employees with more opportunity to exercise seniority.

ADJUSTED – Work content study: As a first step to discussing a new compensation model, we will work with your Union to determine RSMC workloads.

ADJUSTED – Peak solution payments: We propose a standardized \$2 parcel payment for each stop to the door or receptacle, payment for each kilometre driven and the appropriate vehicle expense payment.

ADJUSTED – Creation of new PRE positions: We will give installations with at least 12 RSMC routes Permanent Relief Employees, or PREs, to cover absences.

We have proposed these and many other topics to your Union, including areas we agree are important – diversity, the environment, domestic violence and exploring a set of selected financial services.