

NOVEMBER 14, 2018

To our employees: A message about our new, limited-time offer to CUPW

Canada Post is making a significant new and time-limited offer to the Canadian Union of Postal Workers. We hope to achieve three goals:

- to demonstrate our respect for your contributions
- to respond in meaningful and effective ways to the serious concerns that CUPW raised around your workloads, health and safety and equity.
- to reach negotiated settlements and return our operations to normal so we can deliver the holidays to Canadians, retailers and charities. This season is absolutely critical to them. With Black Friday's and Cyber Monday's enormous volumes almost upon us, the backlogs in our network are creating irreparable harm for countless customers.

To achieve these goals, we are taking the extraordinary measure of adding to this extensive offer a signing bonus of up to \$1,000 for full-time employees and RSMC route holders with 30 or more scheduled hours, and pro-rated amounts for others, to ensure we can reach a deal and deliver the holidays. We are offering pay increases for all employees of 2 per cent per year for four years. For RSMCs, this 2 per cent pay increase would be on top of the approximately 25 per cent pay increase from the recently announced pay equity ruling. We also propose a new cost of living allowance for RSMCs.

The urgency created by the backlogs and rapidly oncoming holiday volumes are why we choose to bear the extraordinary financial cost of this offer. That urgency is also why this offer is time-limited. It will be open for acceptance until 11:59 p.m. on Saturday, November 17, 2018.

Your Union asked and we have responded

Health and safety: Your Union has raised serious health and safety concerns, linking them in part to concerns around your **workloads and overburdening**. We propose significant improvements in this offer.

For Urban employees, we propose to update volumes on routes each year, and to adjust the assessed workload of a route **only** if it results in a positive impact on the employee's route. We also propose to create a new dedicated temporary workforce during the peak season to give regular employees a more manageable workday. Longer term, we commit to working with CUPW to build **more predictable routes**, and to jointly study the items you deliver so you aren't carrying things that are too large and heavy.

continued...

We have also heard CUPW's concerns around **the two-bundle delivery method**, and propose to send this issue back to Arbitrator Burkett, who is one hearing day away from addressing any health and safety issues.

In order to reinforce our commitment regarding the health and safety of our employees, we are also proposing **a new \$10-million Health and Safety Fund**. It will pay for jointly identified initiatives that will accelerate our progress to improving our safety and reduce all incidents.

CUPW has advocated for **more manageable workloads**. For RSMCs, we propose restructuring routes to maximize them at 40 hours averaged over two weeks, where possible. CUPW has asked for protection when a route is restructured. For RSMC, we propose to offer a pay guarantee if a restructure has negative impact on an employee.

Recognizing that almost half of safety incidents are slips, trips and falls, we will work with CUPW in the hope that slip-resistant footwear will be adopted by employees. This is in addition to keeping the boot allowance paid to employees.

Overtime: With growing parcel volumes, CUPW has raised concerns around overtime and around RSMCs' pay when they work longer hours. We are addressing these concerns in this offer. For Urban employees, we propose to suspend the application of clause 15.14 (compulsory overtime) for the duration of the collective agreement. For RSMCs, we propose to pay overtime to those who work more than 40 hours a week, based on self-reporting verified by GPS, and to pay \$2 per parcel for weekend delivery.

Job security: CUPW has advocated job security for RSMCs and improvements for Urban. For RSMCs, this offer proposes **job security for route holders with 10 years of continuous service** as a route holder or permanent relief employee. For Urban, we are offering to **extend job security** to more than 5,500 employees who reached regular status, if we can confirm our ability to manage vacancies in Group 2 in a smarter way.

As you can see in the offer summary, this offer also maintains or improves important benefits such as physiotherapy and dental coverage, vacation and pre-retirement leave, and keeps your pension as is without any changes.

This offer contains significant improvements designed to conclude negotiations, keep you safe and recover from the backlogs so we can be ready for the looming volume growth from Black Friday and Cyber Monday shopping, then the holiday rush. It is all we can afford and represents the best opportunity to resolve negotiations. With each passing day of rotating strikes, the financial foundation of this offer further erodes. If the offer is not accepted within the time limit, unfortunately, it would have to be withdrawn and re-evaluated based on the real and lasting impact of continued disruptions at this time of year.

Offer Summary – CUPW-Urban

NOVEMBER 14, 2018

This offer shall be open for acceptance until 11:59 PM on November 17, 2018.

IMPROVED – Pay increases: We are improving the offer on wages. Wage increases would be 2 per cent in year one; 2 per cent in year two; 2 per cent in year three; 2 per cent in year four. The 2018 increase will be retroactive to Feb. 1, 2018. In addition, there will be a lump-sum payment (non-pensionable) of \$1,000 for full-time, \$500 for part-time, and \$250 for temporary employees.

NEW – Suspending 15.14 overtime: To eliminate compulsory overtime (15.14), we propose to suspend the application of clause 15.14 for the duration of the collective agreement.

IMPROVED – Volume updates to reflect workloads: In updating volumes each year, we propose to adjust the assessed workload of a route **only if it results in a positive impact on the employee's route.**

IMPROVED – Predictable schedules and hours during peak: We propose to withdraw our proposal on suspending voluntary overtime (17.04). Instead, in locations where we implement a new dedicated temporary workforce from November to January, we may move work from route holders to the new workforce, giving regular employees a more manageable workday. Overtime opportunities on your own route and other routes will still exist.

NEW – Health and safety: In order to reinforce our commitment regarding the health and safety of our employees, we are also proposing a **new \$10-million Health and Safety Fund.** It will pay for jointly identified initiatives that will accelerate our progress to improving our safety and reduce all incidents.

IMPROVED – More full-time jobs: We will convert existing hours into approximately 500 full-time positions over three years of the agreement, giving temporary and part-time employees an opportunity to become full-time. Some of the 500 full-time positions in mail processing will have a flexible work schedule, based on 40 hours per week, and we propose to pay employees in flex schedules the same wage as a PO-5. In addition, some part-time positions may be scheduled up to 10 hours per day for weekend work. You will bid on the schedules, including weekend shifts.

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.

Maintaining physiotherapy coverage: With all the standing, walking, lifting and carrying you do, or for other reasons, physiotherapy can help you stay healthy. We are keeping 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 are updating dental care reimbursement every year.

Offer Summary – CUPW-Urban

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. We can confirm there are no changes to your pension.

Vacation/pre-retirement leave: There will be no change.

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.

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 have agreed 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.

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

NOVEMBER 14, 2018

This offer shall be open for acceptance until 11:59 PM on November 17, 2018.

IMPROVED – Pay increases: The pay equity ruling provides you with pay, benefits and leaves of equal value to letter carriers; a 25% increase in your compensation. This offer goes further by improving your activity values by an additional 2% in year one, 2% in year two, 2% in year three and 2% in year four. The 2018 increase to be paid retroactive to January 1, 2018. In addition, **a lump-sum payment (non-pensionable) of \$1,000** will be provided to route holders with 30 or more scheduled hours, **\$500** to permanent relief employees and route holders with less than 30 scheduled hours, and **\$250** to on-call relief employees.

NEW – Overtime pay above 40 hours worked in a week: As an interim measure, we offer to pay overtime for hours worked above 40 hours in a week. Payment will be based on a process yet to be developed that includes self-reporting but with an ability to verify using GPS, which we believe is technically feasible.

NEW – Restructuring: We propose to maximize routes to 40 hours a week averaged over two weeks, where possible.

NEW – Health and safety: In order to reinforce our commitment regarding the health and safety of our employees, we are also proposing a **new \$10-million Health and Safety Fund**. It will pay for jointly identified initiatives that will accelerate our progress to improving our safety and reduce all incidents.

IMPROVED – Job security: Route holders with 10 years of continuous service as a route holder or permanent relief employee 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, with relocation expenses matching Urban's.

IMPROVED – Measuring work content, workload and appropriate pay methods: We propose an improved joint committee structure with strict timelines to ensure work is defined and to enable a discussion on a new compensation model in the future.

IMPROVED – Weekend parcel delivery: We propose a standardized \$2 parcel payment for each parcel, payment for each kilometre driven and the appropriate vehicle expense payment.

IMPROVED – Information on restructures: We are providing your Union access to more information on restructures.

IMPROVED – Restructure notification and bidding: We are providing your Union with a longer notification period through an annual restructure schedule and 10 days' notice of any change. We will simplify bidding after a restructure and give employees more opportunity to exercise seniority.

NEW – Cost of living allowance: We propose to provide employees with protection against unforeseen inflation.

Offer Summary – CUPW-RSMC

Pay protection: Certainty and stability matter to you. For that reason, we've offered some guarantee to your pay if a restructure has negative impact on it.

Leave of absence due to illness or injury: We are providing 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 are updating dental care reimbursement every year and there will be no six-month wait 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. We can confirm there are no changes to your pension, except that we will count Personal Contact Items (PCI) and lock changes as pensionable time.

Maintaining physiotherapy coverage: We are keeping 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.

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.

Creation of new PRE positions: We are giving 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.