



Flexibility to fight for our future

**CUPW Negotiations
RSMC unit**
September 2024

Canada Post global offer

Our goal throughout this round of negotiations with the Canadian Union of Postal Workers (CUPW) is to reach negotiated agreements. As you know, these negotiations come at a critical juncture for Canada Post. The company is grappling with the significant financial and operational challenges of delivering in today's highly competitive market.

Canada Post has presented global offers to CUPW for both the RSMC and Urban bargaining units, which lay out all our proposals. We're seeking fair agreements that recognize the important work you do, while balancing your needs with the changes that are necessary to secure the future of the postal service. These offers follow almost 11 months of constructive discussions with CUPW, where we've heard their concerns and worked together to find solutions.

We've committed to keeping you informed about the negotiations and any developments that could impact you and your family. We are providing CUPW-represented employees with this summary of our offer.

Our guiding principles

Throughout these negotiations, these principles have continued to guide us:

- Strengthen our position as Canada's delivery company
- Secure our financial future
- Create flexibility to win and keep customers
- Remain an employer of choice

Key highlights of the RSMC unit offer include:

- ✓ **Annual increases in your wages**
- ✓ **Moving you to an hourly rate of pay**
An hourly rate of pay at the same rates as delivery employees in the Urban agreement, with access to daily overtime, after your route is transitioned to a new RSMC delivery model.
- ✓ **No changes to your defined benefit pension plan**
Recognition of straight-time hours as pensionable service (with schedules of 12 or more hours per week).
- ✓ **Maintaining your current job security provisions**
- ✓ **Improved leave entitlements**
- ✓ **Optional enhanced benefits, tailored to your individual needs**
- ✓ **Agree to merge CUPW-Urban and CUPW-RSMC into one bargaining unit**
- ✓ **Creating flexible, affordable delivery to better serve Canadians and businesses**



Protecting and enhancing what's most important to you

Higher wages and inflation protection

- We're offering annual wage increases that recognize your important work, within the constraints of our financial reality: 3.5% in Year 1; 2.5% in Year 2; 2% in Year 3; and 2% in Year 4.
- Our proposed wage increases amount to 10% over four years (10.4% compounded), higher than the Bank of Canada inflation projections for this period.
- All employees move to a seven-year wage grid; current employees will not lose ground.
- We'll renew the cost-of-living allowance (COLA), protecting regular employees' wages against the effects of unforeseen inflation.
- Adjustments to the Canada Revenue Agency automobile allowance rates will be retroactive to the effective date of the rate change.

Renewing your job security and securing your pension (for current eligible employees)

- Your job security provisions will remain unchanged.
- Your defined benefit pension is secure and will be maintained.
- For employees with work schedules of 12 or more hours per week, all straight-time hours will be counted as pensionable service.

Income predictability

- We commit to building routes that maximize a 40-hour weekly schedule for RSMC employees, where practical.
- Once routes are restructured under a new RSMC delivery model, RSMC employees would move to an hourly rate-of-pay system, offering pay stability and predictability.
- The system includes an hourly rate of pay (at the same rates as delivery employees in the Urban agreement), with access to daily overtime, and scheduled hours of work with paid breaks and lunches.
- Canada Post will no longer recover overpayments related to the annualized total of personal contact items (PCIs).
- We'll increase the minimum guaranteed hours for Permanent Relief Employees (PREs).

Change to health benefit cost sharing in retirement

- We've proposed a change to health benefit cost sharing in retirement.
- Employees who retire before January 1, 2026, would continue to share costs according to their current plan.
- Those who stay in the current benefits plan or move to the new personalized benefits plan and retire after January 1, 2026, would move to 50-50 cost-sharing in retirement.

Improving benefits and leave (for current eligible employees)

- We'll give employees the option to stay in the current health benefits plan, or move to a new personalized benefits plan, which is adaptable to specific individual and family needs. The proposed personalized benefits plan would provide employees with the flexibility to sign up for different levels of coverage.
- Reimbursement levels under the Dental Plan will increase in each year of the agreement, based on the previous year's Fee Guide.
- Your vacation entitlements will not change, and employees will have access to new types of leave.
- We'll enhance the Short-term Disability Program with better income replacement (minimum of 80% for up to 28 weeks, and potentially 100% during a two-week waiting period).
- We propose to include 13 multi-use personal days per year in the collective agreement, with the ability to carry-over up to 10 and get paid out for up to 5.

Other proposed changes

- We've proposed a solution in response to a CUPW demand to establish a new process to cover temporary absences. Depending on the duration of the absence, both route holders and PREs will be given the opportunity to exercise their seniority to cover absences on routes of higher value.
- We'll provide uniform entitlements to employees after they've completed their probation period.
- For current and future employees, we'll increase the maternity wear allowance for pregnant employees.

Creating flexible and affordable delivery

We're committed to protecting what matters most to our employees. To do that, we must make changes to secure the future of the business. We need a more flexible and affordable delivery model that allows us to better serve today's customers and deliver seven days a week.

Weekend delivery

- We're streamlining our staffing model to support seven-day delivery.

Route restructuring and load levelling

- To transition to an hourly rate of pay, we've proposed a system to evaluate and restructure routes for RSMC employees.
- While Canada Post requires the flexibility to manage workloads, route holders will continue to have a predictable route and scheduled hours of work.

Changes for future employees

- Future employees would be enrolled in the defined contribution component of the pension plan as well as the new personalized health benefits plan, after 1,000 hours worked as a regular employee.
- The timing of vacation entitlements would change, building up to six weeks of vacation.
- The pre-retirement leave entitlement would be removed.

Canada Post supports CUPW's proposal for a future merger of the RSMC and Urban bargaining units. The parties will work together to begin the process of creating one bargaining unit and one collective agreement for both employee groups.

The importance of reaching an agreement without a strike

We're focused on negotiating an agreement with CUPW without a strike, as the financial impact of a labour disruption on Canada Post would be significant and long-lasting. With more companies delivering parcels than ever before, it's easy for our customers to move their parcel volumes. If they believe their shipments will be disrupted, they'll quickly leave, with no guarantee they'll return.

We need to work with CUPW to reach a negotiated agreement that not only avoids a disruption, but puts us in a strong position to win business, invest in our people and our future. We've put forward offers that protect and enhance what's most important to you, while addressing the broader challenges we face.

Negotiations Hub

Read and comment on important negotiations news and information. Go to canadapost.ca and select **"I'm an employee"** at the bottom of the page. You'll find a link to the Negotiations Hub. Your privacy is protected and no sign-in is required to view information or comment.

Stay informed

- Visit the Negotiations Hub and sign up for email updates, directly to your inbox.
- On the Negotiations Hub you can also read the highlights of Canada Post's global offer to the Urban unit of CUPW.
- Watch for more mailings to your home.