



Flexibility to fight  
for our future

CUPW Negotiations  
RSMC unit  
October 2024

## Canada Post presents new global offers

Canada Post has presented new global offers to the Canadian Union of Postal Workers (CUPW), for both the RSMC and Urban bargaining units.

**This enhanced offer for the RSMC unit proposes higher wage increases and demonstrates that we are serious about reaching a negotiated agreement, without any labour disruption.**

The offer continues to protect and enhance what's most important to you, including your **defined benefit pension, job security provisions, cost of living allowance, leave entitlements and health benefits.** It continues to propose moving RSMC employees to an **hourly rate of pay.** Like the previous offer, it also proposes changes that would only affect future employees hired after the signing of the new collective agreement.

**Please read this information package about our new global offer.** We've provided more detail about our proposals to help clarify important items for you and your family.

Both parties must urgently focus their energies on resolving outstanding issues to reach negotiated agreements. Nobody wins if there's a strike. A labour disruption would have significant consequences for employees and the millions of Canadians who rely on Canada Post. A strike would affect Canada Post's ability to invest in its employees. It would deepen the company's already serious financial situation as customers move their holiday shipments to other carriers – which has already started happening due to the uncertainty surrounding a labour disruption.

For this reason, the offers are conditional on reaching negotiated agreements, without a labour disruption. We'll continue to keep you informed as the negotiations process unfolds.

### New global offer

In a best effort to reach an agreement and avoid a labour disruption, Canada Post has presented a new global offer for the RSMC bargaining unit, with the following modifications:

- ✓ **Higher wage increases.** We'll increase wages by **5.0%** in Year One; **2.5%** in Year Two; **2.0%** in Year Three; and **2.0%** in Year Four. This represents a total wage increase of **11.97% compounded over four years.**
- ✓ **Submitting select items to arbitration.** We've offered to submit a number of items to binding interest arbitration. This signals our willingness to have a neutral third party decide a reasonable path forward on specific items that are important to both parties.



# Protecting and enhancing what's most important to you

## Canada Post's new global offer – provisions for current employees

### Wage increases

- Current employees will receive wage increases of 5.0% in Year One; 2.5% in Year Two; 2.0% in Year Three; and 2.0% in Year Four.
- The total over four years is 11.97% compounded.
- Wage increases would be retroactive to January 1, 2024.

### Moving you to an hourly rate of pay

- Once routes are restructured under the new RSMC model, employees would move to an hourly rate-of-pay system (at the same rates as delivery employees in the Urban agreement), increasing pay stability and predictability.
- We'll build routes that maximize a 40-hour weekly schedule, as much as possible. Scheduled hours of work will include paid breaks and lunches, as applicable.
- You will have access to daily overtime.
- All employees will move to a seven-year wage grid; current employees will not lose ground.
- We'll increase the minimum guaranteed hours for Permanent Relief Employees (PREs).

### Cost of living allowance (COLA)

- We'll continue to protect your wages against the effects of unforeseen inflation.

### Job security

- Your job security provisions will be maintained.

### Pension

- 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.

### Vacation and pre-retirement leaves

- There's no change to your vacation leave entitlements. You'll continue to have up to seven weeks of vacation.
- There's no change to your pre-retirement leave entitlements.

### Personal days

- Regular employees received six additional personal days per year as a result of changes to the *Canada Labour Code* in 2022.
- While these six additional personal days were not protected in your collective agreement, we're now proposing to include them.
- You'll have a total of 13 multi-use personal days per year, protected and built into the collective agreement.

### Short-term Disability Program (STDP)

- Leave under the STDP will be enhanced with better income replacement (minimum of 80% for up to 28 weeks, and up to 100% during a two-week waiting period).

### CRA auto allowance rates

- Adjustments to the Canada Revenue Agency automobile allowance rates will be retroactive to the effective date of the rate change.

### PCI-related overpayments

- Canada Post will no longer recover overpayments related to the annualized total of personal contact items (PCIs).

## Current on-call relief employees

Current on-call relief employees who become regular employees after the signing of the new collective agreement will be entitled to the same provisions as current regular employees.

This includes the defined benefit pension, health and post-retirement benefits, COLA, job security, 13 personal days, up to seven weeks of vacation and pre-retirement leave.

### Covering temporary absences

- We've proposed to establish a 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.

### Post-retirement benefits

- Employees who retire before January 1, 2026, will continue to share costs according to their current plan.
- Those who retire after January 1, 2026, will move to 50-50 cost-sharing in retirement.

### Changes for future employees

- We are proposing to change some terms and conditions for new employees who are hired after the signing of the new collective agreement.
- These future employees will be offered a competitive package.
- They will be enrolled in the defined contribution component of the pension plan and eligible for health benefits, after 1,000 hours worked or 12 months of employment as a regular employee (whichever is reached sooner).
- The timing of vacation entitlements would change for future employees (building up to six weeks of vacation) and the pre-retirement leave entitlement would be removed.
- These changes are necessary to help ensure the long-term sustainability of the company. **The changes would not impact any current employees.**

# Creating flexible and affordable delivery

To secure the future of the business, we need flexible and affordable delivery that allows us to deliver seven days a week and better serve customers in today's highly competitive parcel delivery market.

## Weekend delivery

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

## Route restructuring

- To transition to an hourly rate of pay, we've proposed a system to restructure RSMC routes. Where the work is the same, time values will match those used to build Urban routes. Where the work is different, the same approach is used to develop RSMC-specific time values.
- We'll build routes that maximize a 40-hour weekly schedule for RSMC employees, as much as possible.

## Load-levelling the work

- Canada Post recognizes that employees value predictability and consistency in the work they perform. Route holders will still have a route and schedule.
- We remain committed to maintaining fair scheduling practices. At the same time, Canada Post requires flexibility to manage workloads and create more efficiency in its delivery operations.

## Merging the RSMC and Urban bargaining units

Canada Post has agreed to support 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.

This proposal is conditional on achieving the Corporation's transformational items through a negotiated agreement.

## 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 for the Urban unit of CUPW.
- Watch for more mailings to your home.