



Flexibility to fight for our future

CUPW Negotiations
Urban 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 Urban and RSMC bargaining units.

This enhanced offer for the Urban 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. 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 Urban 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 February 1, 2024.

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.

Short-term Disability Program (STDP)

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

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 now have a total of 13 multi-use personal days per year, **protected and built into the collective agreement.**

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.

Current temporary employees

Current temporary 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.

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 that includes the same wage grid as current employees.
- 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.**

Merging the Urban and RSMC bargaining units

Canada Post has agreed to support CUPW's proposal for a future merger of the Urban and RSMC 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.

Creating flexible and affordable delivery

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

Flexible delivery with new weekend and part-time employee positions

- We propose two new employee classifications to support delivery flexibility and better offerings for our customers:
 - **Part-time flex** employees will be guaranteed 20 hours per week and must be available for up to 30 hours per week. They can voluntarily work up to 40 hours per week.
 - **Parcel delivery part-time** employees will be primarily used for weekend parcel delivery and will be guaranteed a minimum of 8 hours per week. On a voluntary basis, they can work up to 40 hours per week.
- All hours worked are to be paid at straight time, up to a daily maximum of 8 hours and a weekly maximum of 40 hours.
- These new classifications will create regular permanent jobs with schedules, **providing greater opportunities for temporary employees to become permanent**, with guaranteed hours and eligibility for health and pension benefits.
- We'll also increase the normal work week for Group 2 part-time employees to a 15-hour minimum schedule.

Separate Sort from Delivery (SSD)

- CUPW has raised several concerns related to SSD, a model Canada Post has been implementing to help optimize floor space and asset utilization, while increasing capacity for parcel volumes.
- We propose to work with CUPW to address various specified issues and make changes to improve the employee experience with SSD.

Load-levelling the work

- Canada Post recognizes that employees value predictability and consistency in the work they perform. 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.
- Full-time routes will continue to be designed for 8 hours of work and delivery employees will continue to have a predictable workload every day.
- Routes will still be structured according to the Letter Carrier Route Measurement System (LCRMS). Employees will still have a route and schedule.
- Load-levelling provides an opportunity to adjust volumes and part-time staffing according to what's needed on each route. When volumes are low, work is allocated to optimize scheduled hours. When volumes are high, part-time and part-time flex employees are scheduled to absorb extra work from full-time routes.

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 RSMC unit of CUPW.**
- **Watch for more mailings to your home.**