



How our second global offer affects you

October 5, 2017

Dear colleague,

I am pleased to report progress in negotiations with the Public Service Alliance of Canada/Union of Postal Communications Employees (PSAC/UPCE).

Last week, PSAC/UPCE countered the global offer that the Corporation tabled on August 9, 2017.

Canada Post reviewed the counter proposal carefully and on September 29 tabled a second global offer. It addresses several aspects raised by the Union. Let me highlight three:

- ▶ **Wages:** We propose to increase wages to 1.25 per cent in the first year, 1.5 per cent in the second and third years, and 1.75 per cent for the fourth year of the agreement. The offer also includes a single rate of pay for volume counters.
- ▶ **Acting pay:** We have included a letter of understanding that addresses a concern raised by the Union related to the calculation of acting pay.
- ▶ **Domestic violence:** Employees will have access to their leave provisions in situations of domestic violence.

We also tabled revised proposals on staffing, the Short-term Disability Program and seniority, all in response to the Union's requests.

The offer maintains an additional lump sum payment of \$500, but only if a new collective agreement is reached by November 2, 2017.

Until this week, the pace of negotiations had been slow, but we now hope that we have the momentum we need to reach a negotiated settlement. We are next scheduled to meet with PSAC/UPCE's bargaining team on October 31.

The offer is designed to bring resolution to negotiations. I encourage you to read the full offer carefully.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott McDonald".

Scott McDonald
Chief Human Resources Officer

Highlights

- ✓ **Wage increases**
- ✓ **Lump sum payment**
- ✓ **Benefits coverage improvements**
- ✓ **Payout of 7 Personal Days instead of 5**
- ✓ **No changes to pension**

Wages

UPDATED

The second global offer includes a **wage increase** in every year of the four-year contract, with a 1.25 per cent increase in the first year, 1.5 per cent in the second and third years, and 1.75 per cent for the fourth year of the agreement. The offer also includes a single rate of pay for volume counters. As well, there is a **lump sum payment** of \$500, but only if a new collective agreement is reached by November 2, 2017.

Extended Health Care Plan (EHCP) benefits

You will receive your current level of benefits with the following improvements:

- Out-of-country coverage **increases** from \$100,000 to \$250,000.
- Hearing aid coverage **increases** from \$500 to a maximum \$1,000 per person per five years.

▶ Read the full offer, in the **Negotiations Hub** at Intrapost.

Dental

- Major services coverage **increases** from \$1,500 to \$2,000 per year.
- Reimbursement levels under the Dental Fee Guide will **increase** in every year of the agreement, based on a one-year lag.

Post-retirement health care benefits

The current level of contributions under the Extended Health Care Plan (the Corporation contributes 65 per cent, employees 35 per cent) **will remain unchanged** for eligible employees who retire within the three months following the signing of the new collective agreement. For employees who retire on or after that date, the Corporation will contribute 50% and the employee will also contribute 50% of the annual premium. This will help address rising benefit plan costs. The incremental increase represents a cost of approximately \$20 a month for individual coverage or \$34 for family coverage.

Pension

This offer makes **no changes** to your pension.

Job security

The requirements for attaining job security under Article 28 will remain unchanged.

However, our offer addresses how long an employee can hold a surplus status by providing three options when an employee is notified that his or her position will be declared surplus:

- **a transition support payment**, which is a lump sum cash payment, based on the employee's years of service, provided the employee resigns; or
- **a surplus status** that gives an affected employee priority for appointments or assignments; the status lasts up to two years, with the opportunity to relocate if desired; the status also includes provisions that encourage the employee to accept positions he or she is qualified for; at the end of the two-year surplus period, the employee must accept an available opportunity (if one exists and the employee is qualified for it) at a new classification and salary, or be laid off; or
- **an educational allowance and transition support payment**, which is a lump sum cash payment based on the employee's years of service, and an allowance of up to \$10,000 for receipted educational expenses; under this option, the employee may resign immediately or in two years following a leave without pay; the two-year leave without pay allows the employee to continue to have access to self-funded benefits while attending school.

Bereavement leave

Employees **will now be entitled** to bereavement leave for the grandparent of one's spouse.

Domestic violence

UPDATED

We recognize that domestic violence is an important issue that affects our workplace. Employees will have access to their leave provisions in situations of domestic violence. As well, the Corporation proposes to work with the Union on a joint communication to bring awareness to the issue.

Other

Acting pay

UPDATED

A Letter of Understanding provides a mechanism to ensure employees are appropriately compensated when in an acting assignment two or more levels above their current classification.

Pay calendar reset

As of the first pay period in 2019, the pay calendar for full-time regular employees will be reset to pay employees every two weeks, in arrears. This means employees are paid for active hours worked, **improving pay accuracy** and reducing the need for retroactive changes. A one-time advance will be provided to bridge the transition to pay in arrears, to ensure there will be no interruption in pay. Employees will continue to be paid bi-weekly, making the transition seamless.

Seniority

UPDATED

New language defines an objective process for breaking ties in seniority. We have also revised our proposal regarding an employee's seniority when working outside the bargaining unit.

Staffing

UPDATED

We have withdrawn our proposal to cap the maximum period for considering offers, at the Union's request. We maintain the right to post internally and externally at the same time, but would consider internal candidates before external ones.

The Corporation proposes to introduce new language to address position occupancy in certain circumstances of promotion or appointment to permanent vacancies.

Short-term Disability Program

- The offer gives PSAC/UPCE-represented employees 16 calendar days to provide medical information under the program.
- The definition of "hospitalization" has been amended to include day surgery.
- In response to a Union request, we will permit the Union to advise on and represent the employee on a final-level appeal.

Registration fees

The Corporation will **reimburse all** PSAC/UPCE-represented employees for registration fees when the payment of such fees is a requirement for the job.

Stay informed

The full offer presented to your union is posted in the Negotiations Hub at **intrapost**, or go to **canadapost.ca** and click on "I'm an employee."
