

Tabletalk –
your bargaining resource –
is published four times a year to provide CUPE Local bargaining committees, elected officers and servicing representatives useful information for preparing – and negotiating – bargaining demands. Tabletalk's three-hole-punch style makes it easy to keep in reference binders. Feel free to make copies or use the material to fit your members' needs.

Please email Susan Attenborough at research@cupe.ca with corrections, questions, suggestions, or contributions.

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Freezing wages

Almost all provincial governments in this country have now frozen wages for public employees. Picking on public employees to pay back government deficits seems to be popular, not only with governments, but with our families and neighbours as well! It's difficult to promote public sector growth these days. Yet, there are strong arguments for promoting rather than penalizing the public sector in a recession:

1. **History demonstrates that attacks on public employees don't achieve economic goals.** According to economists at the Canadian Centre for Policy Alternatives (CCPA): "The worst thing Canada's federal, provincial, territorial and municipal governments could do is repeat the mistakes of the 1990s. In the 1990s, a series of federal and provincial governments implemented massive cuts that reduced Canada's spending on public services to 1960s' levels. The act of cutting when governments should have been investing to create jobs meant Canada's economic recovery in the 1990s was a jobless one. It took Canada seven long years to gain back the full-time jobs that were lost in the 1990–91 recession." (Source: *Alternative Federal Budget 2010: Getting the Job Done Right*, Canadian Centre for Policy Alternatives, 2010)
2. **Investing in the public sector creates more jobs.** Investing \$1 million in child care would create 40 jobs, at least 43 per cent more jobs than any other industry and four times the number of jobs generated by investing \$1 million in construction. The study, funded by the Child Care Human Resources Sector Council, found that investing in child care provides the greatest economic benefit of all sectors of the Canadian economy. Instead of cutting back, federal, provincial, and local governments should increase their support for child care to meet existing immediate needs and plan for the future. It's a smart investment. (Source: *Early Learning Impact Analysis of Subsidy Removal*, The Centre for Spatial Economics, January 24, 2010)

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3. **Public services make a significant and unparalleled contribution to Canadians' standard of living.** A recent CCPA study found out just how much: Canadian families benefit from public services by an average of about \$41,000 or 63 per cent of their income. Even households that earn between \$80,000 and \$90,000 a year receive a benefit from public services that is equivalent to about half of their income. Cutting public services during a recession cuts services when people need them most.

Freezing public employee wages feeds the myth that public sector workers earn more than their private sector counterparts. The Canadian Federation of Independent Business (CFIB) has received a lot of publicity for their report, *Wage Watch: A Comparison of Public-sector and Private-sector Wages* (Canadian Federation of Independent Business, December 2008), which claims that wages of public-sector workers far exceed pay levels in the private sector for all levels of government and in all regions of Canada. Publishing data like this promotes their agenda for smaller government. But their report is flawed: What it really measures is the impact of unionization on wages!

Wages for unionized workers are an average of 10 per cent to 50 per cent higher than wages of non-unionized workers, with greater benefits for women and relatively lower-waged workers. Because labour unions represent 74 per cent of public sector workers and only 18 per cent of private sector workers, these greater benefits have a big impact on public and private sector averages. For more information, see "Distorted Lens" at cupe.ca.

Freezing wages has long-term effects

Inflation causes public employees' frozen wages to fall behind the cost of living. The federal government predicts inflation will be 1.7 per cent in 2010, rising to 2.2 per cent in 2011. Because future wage increases are based on frozen rates workers can never catch up!

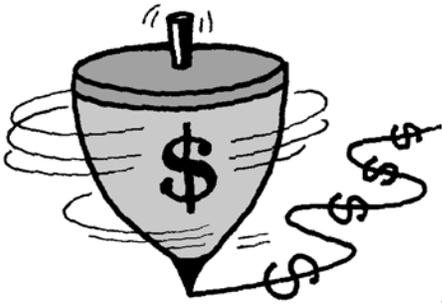
Here's an example:

- If you earned \$31,149 in 2009, under the wage freeze, in ten years you will earn \$311,490.
- With 3 per cent wage increases in 2009 and 2010, in ten years you will earn \$327,592.
- Over ten years, the wage freeze cost you (and saved your employer) \$16,102.

Benefits based on wage rates are also affected. Pension benefits will be less because they are based on wages. So wage freezes will continue to penalize employees into retirement!

In the last recession, cuts to public services resulted in deterioration in the quality of the services Canadians depend on. For many Canadians, cuts to health care, child care, clean water, good roads, and public transit made the cure worse than the condition.

Public employees didn't create this mess and we will resist being the scapegoats. CUPE will continue to press for fair wages and benefits. (See CUPE's "Strategic Directions Program for 2009-2011" at cupe.ca). And by the way, we still want EI reform, pensions for all, and pay equity!■



Do you have a top-up?

When working parents give birth or adopt, they face reduced income and increased expenses. Publicly funded parental leave programs help to minimize income loss. Top-ups help to replace earnings at a time when parents need them most.

Statistics show that most mothers are employed before the birth or adoption. Most of them receive benefits from either the federal or Quebec maternity and parental leave programs.

The federal Employment Insurance (EI) and Quebec Parental Insurance Plan (QPIP)* provide maternity benefits of 15 weeks and allow parents to take an additional 35 weeks of leave that can be shared between them. Provincial and territorial labour codes guarantee employment with their previous employer when they return to work.

However, these programs replace only a proportion of earnings – up to 75 per cent in Quebec and 55 per cent outside Quebec – so most family income is reduced during parental

leave. That leaves families with less income when their expenses are rising. Help is available from the Supplementary Unemployment Benefits (SUB) plan under the federal EI program. The SUB plan was introduced in 1956 to pay (EI) benefits to employees while they were temporarily laid off for reasons like training, quarantine, illness, or injury. SUB plans can also supplement EI or QPIP maternity or parental benefits and EI compassionate care benefits.

SUB plans, also known as “top-ups,” cover some or all of the difference between what parents receive from EI/QPIP and their regular earnings. The earnings replacement rate, the duration of benefits, and eligibility of candidates (mothers, fathers and adoptive parents) vary. According to Statistics Canada, in 2008, only one in five employees (20 per cent) qualified for top-ups that lasted an average of 19 weeks with average payments of only \$300 per week.

Many CUPE locals have successfully negotiated top-ups for parental leave: About half of all CUPE collective agreements provide paid parental leave provisions. Of those, another half provide for top-ups. But when it comes to topping up wages during the two-week waiting period for EI benefits, only 8 per cent of CUPE agreements provide protection.

Top-ups work for employers (who collectively paid out more than \$290 million towards supplementary benefits for mothers in 2008)

Of all new mothers in 2008, 327,000 (85 per cent) were employed before giving birth. Of this group, 262,000 (80 per cent) reported receiving paid maternity and/or parental leave benefits (EI/QPIP), and 51,000 received an employer top-up to these benefits – representing one in five EI/QPIP beneficiaries.

If you work in the public sector you are more likely to collect EI/QPIP plus employer top-up than workers in the private sector: One in two mothers (48 per cent) working in the public sector received an employer-paid top-up to their EI/QPIP benefits compared to 8 per cent in the private sector – for an average of 22 weeks compared with 12 weeks for those in the private sector.

*QPIP was introduced in 2006 to replace the EI parental benefits for families in Quebec. QPIP offers superior benefits to EI: no waiting period, 18 weeks vs. 15 weeks of benefits; earnings replaced at 70 per cent vs. 55 per cent of income.

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because employees are encouraged to return, saving training and hiring costs. Employees win because they receive some income replacement.

But the reality remains that relatively few mothers receive full earnings replacement (EI/QPIP plus an employer top-up) for the duration of their leave. Statistics show that most new mothers eligible for EI/QPIP benefits are on leave for almost one year. However, about 80 per cent of mothers reported receiving payments for less than six months in

Quebec employees are 2.7 times more likely to receive a maternity or parental leave top-up from their employers than those living elsewhere. Research has shown that Quebec was one of the first provinces to include paid maternity leave in collective agreements. Also, the first major SUB plan for maternity leave was implemented in 1979 in Quebec by a group of public sector unions (including CUPE).

2008, so most top-ups end before the leave is over.

Another barrier is that only about half of all workers qualify for EI benefits. If workers don't qualify for EI benefits they aren't eligible for top ups. So, if workers don't have enough hours to qualify (600 insured hours in the last 52 weeks or since the last claim) or work part time, they are out of luck. CUPE has been calling for EI reform so more workers can qualify for benefits, but the Harper government isn't listening.■

(Source: Kathryn Marshall, "Employer top-ups," *Perspectives*, Statistics Canada, February 2010)

P3 schools – more bad news!

P3 schools are constructed under an arrangement with private companies that build schools and then lease them back to school boards. Private companies have always designed and built schools but what is unique about P3 schools is that the private sector essentially owns and, in many cases, operates the schools as well. At the end of the lease term, the board can extend the lease or buy back the school from the company. Nova Scotia was among the first to experiment with P3 schools, but P3 schools can also be found in BC, New Brunswick, and Ontario.

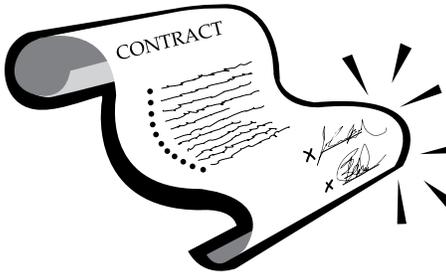
Private companies are motivated by profit and there is plenty to be made in P3 schools. Companies maximize profits by cutting corners on construction, preventive maintenance and cleaning, and by cutting jobs and reducing staff salaries and benefits. CUPE has shown that contracting out means less accountability and efficiency, fewer safety procedures, and less public control.

Nova Scotia's failed experiment with P3 schools began in 1994. According to the auditor general, they cost the province \$32 million more than if they had been built publicly. Likewise, New Brunswick's provincial auditor found that the P3 Evergreen Park School in that province cost \$900,000 more than it would have cost if built publicly. (Source: CUPE, "P3 Fact Sheet," March 2009)

And now more problems have come to light. The Nova Scotia Auditor General's recently released report on P3 schools paints a very disturbing picture of developers not completing requirements for protocols for the child abuse registry, criminal record checks, fire safety inspections, and emergency first aid and CPR training as required under the service contracts.

The bottom line? P3s are bad news for schools!■





Innovative Language

SUB plans (also called Supplemental Employment Insurance Benefits (SEIB) plans) can help to reduce the financial cost of bearing/adopting children. Since Employment Insurance benefits only replace 55 per cent of earnings, SUB plans can bring that up to as high as 93 per cent.

Here's an example of SUB plan language negotiated by a CUPE local:

CUPE Local 15, Parks and Recreation and the City of Vancouver, expiry December 31, 2011

(f) Supplementary Employment Insurance Benefits (SEIB)

(1) Birth mothers who are entitled to maternity leave as provided for in Clause 10.9 of the Collective Agreement and who have applied for and are in receipt of Employment Insurance benefits are eligible to receive SEIB Plan payments.

(2) Subject to the approval of the Employment Insurance Commission, birth fathers who, due to the death or total disability of the birth mother, have applied for and are in receipt of Employment Insurance maternity benefits are eligible to receive SEIB Plan payments.

(3) The SEIB Plan is intended to supplement the Employment Insurance benefits received by employees while they are temporarily unable to work as a result of giving birth, or as provided for in Paragraph 2 above.

(4) The SEIB Plan payment is based on the difference between the Employment Insurance benefit plus any other earnings received by an employee and ninety-five percent (95 per cent) of their gross weekly earnings and is paid as follows:

(a) For the first six (6) weeks, which includes the two week Employment Insurance waiting period; and

(b) Up to an additional eleven (11) weeks will be payable if an employee continues to receive Employment Insurance benefits and is unable to work due to a valid health reason related to the birth and provides the Employer with satisfactory medical evidence.

(5) The Plan meets the requirements of Section 38 of the Employment Insurance Regulations, specifically that, when combined with an employee's weekly Employment Insurance benefit, the payment will not exceed the claimant's normal weekly earnings from employment and an Employee's accumulated leave credits will not be reduced.

(6) Income tax rules or regulations may require a payback of Employment Insurance earnings, depending upon the tax rules in effect at the time an employee is receiving benefits. Under the SEIB Plan, the Employer does not guarantee any specific level of earnings but rather are liable only for the payment of the benefit as described above. The Employer, under no circumstance, will be responsible for any paybacks arising from changes to or the application of the tax regulations.



Thumbs up in Nova Scotia!

Nova Scotia hospital and school board workers have

settled a difficult round of bargaining. This was a tough test for the newly elected NDP government. It pays to work to elect our employers!

Acute care workers representing 4,100 members voted 98 per cent in favour of accepting the three-year deal.

Highlights of that deal include:

- 2.9 per cent economic adjustment (wage parity) for all employees, effective and retroactive to April 1, 2009.
- Licensed Practical Nurses (LPNs) saw increases of about 6 per cent; all other classifications paid equal to and above the rate of Lab Technician and Radiology Technician got increases of 2.1 per cent; all effective and retroactive to September 1, 2009.
- 1 per cent adjustment to all rates, effective and retroactive to November 1, 2009.
- 1 per cent adjustment to all rates, effective

November 1, 2010.

- Wage Parity (reclassifications and any bargained classification adjustments) will now be maintained under our Collective Agreement.

(Source: "N.S. hospital and school board workers ratify." February 1, 2010, cupe.ca)

The school board workers' agreement covering about 4,000 workers resolves the contentious issue of achieving the same wage increases in 2009 as teachers and other workers in the sector. They campaigned on fairness and their ratification vote in the 90 per cent range shows they got it!

Their five-year contract includes wage increases of:

- 0.9 per cent, retroactive to April 1, 2007
- 2.9 per cent, retroactive to April 1, 2008
- 2.9 per cent, retroactive to April 1, 2009
- 1 per cent, April 1, 2010
- 1 per cent wage, April 1, 2011

Congratulations to these Nova Scotia workers for fighting smart and winning!■

Breakthrough for nursing home workers

Nursing home workers care for our elderly who can no longer care for themselves. The work is physically and mentally demanding, but now it is better paid! In late January, the 4,000 members of the New Brunswick Council of Nursing Home Unions ratified a new four-year agreement that gives them wage parity with the hospital workers who provide similar services in the province. The average wage increase over the life of the agreement is 22 per cent and, in some classifications, is as high as 30 per cent! The new contract also provides better job security provisions, especially for the licensed practical nurses, as well as weekend shift premiums and holiday pay.■





Prices at the pump in February 2009 were considerably lower than they were in late 2009 and early 2010. However, gasoline prices have been relatively stable since July 2009.

Consumers paid 7.9 per cent more for car insurance premiums than in February last year. At the same time, the cost of buying a vehicle rose 3.5 per cent, following a 3.1 per cent increase in January. Car manufacturers continued to offer rebates to consumers, but to a lesser extent than they did at the same period a year earlier.

Food prices advanced 1.2 per cent in February following a 1.4 per cent increase in January, mainly due to increased restaurant prices. On the other hand, prices fell for fresh vegetables, fresh fruit, and meat.

Growth in consumer prices slowed in all provinces except British Columbia between February 2009 and February 2010. In British Columbia, consumer prices rose 1.2 per cent, compared with the 12-month increase of 0.7 per cent in January.

The largest year-over-year increases occurred in New Brunswick, Prince Edward Island, Newfoundland and Labrador, and Nova Scotia, partly because much of their dependence on oil for home heating. Most of the rest of the country relies largely on electricity and natural gas to heat their homes.

Prices in British Columbia increased mainly as a result of higher prices for traveller accommodation (+64.1 per cent) and gasoline (+12.8 per cent). Canadians who travelled to Vancouver for the Olympics in February paid more for their hotel

Consumer Price Index by Province, February 2009 to February 2010

	% change
Canada	1.6
Newfoundland and Labrador	2.6
Prince Edward Island	2.7
Nova Scotia	2.3
New Brunswick	3.2
Quebec	1.7
Ontario	1.8
Manitoba	1.3
Saskatchewan	1.0
Alberta	1.0
British Columbia	1.2

Source: Statistics Canada, *The Daily*, March 19, 2010

rooms compared with the same month a year earlier.

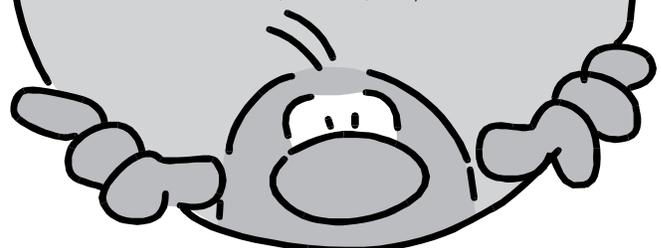
Forecasters are predicting inflation rates to rise over the next two years with the Bank of Canada predicting about 2 per cent; economists at the big banks forecasting an average 2.0 per cent in 2011; and, the federal government's 2010 budget forecasting 1.7 per cent in 2010, rising to 2.2 per cent in 2011.

FACTOID

The number of municipalities that have lived up to the Federation of Canadian Municipalities' pledge to phase out the sale and purchase of bottled water at their facilities: **70**

The number of municipalities in Canada: **5,600**

(Source: Bruce Deachman, "Citizen Index," *The Ottawa Citizen*, March 13, 2010)



Current and Upcoming “Key” Negotiations – covering 500 or more employees, March 15, 2010

Federal Jurisdiction

Employer	Union	Employees	Status	Expiry Month
Private Sector				
Groupe TVA Inc.	CUPE	1,000	bargaining	Dec 09
Maritime Employers Association (Que.)	CUPE	950	conciliation	Dec 08

Provincial and Territorial Jurisdictions

Employer	Union	Employees	Status	Expiry Month
Public Sector				
Comité patronal de négociation du secteur de la santé et des services sociaux	Various unions	174,820	bargaining	Mar 10
Gouvernement du Québec	Various unions	68,990	bargaining	Mar 10
Health Employers Association of British Columbia	Various unions	60,000	bargaining/ tentative agreement	Mar 10
Government of British Columbia	BCGEU	29,000	bargaining	Mar 10
Saskatchewan Association of Health Organizations	CUPE/HSAS/SEIU/SGEU	27,500	conciliation	Mar 08/Mar 09
Alberta Health Services	UNA	23,500	bargaining	Mar 10
Ontario Hospital Association	SEIU	15,000	mediation	Oct 09
City of Montréal	Various unions	14,030	arbitration/ bargaining/ work stoppage/tentative agreement	Dec 06/Aug 08
Government of Saskatchewan	CUPE/SGEU	13,690	tentative agreement	Sep 09
Government of Manitoba	MGEU	13,500	bargaining	Mar 10
Government of New Brunswick	NBUPPE/ CUPE	12,160	bargaining	Dec 08-Mar 10
Regional Health Authorities of Manitoba	MNU	11,000	bargaining	Sep 09
Government of Nova Scotia	NSGEU/ CUPE	7,690	bargaining	Oct 09/Mar 10
Nova Scotia Association of Health Organizations	NSNU	3,580	bargaining	Oct 09
Emergency Health Services Commission (BC)	CUPE	3,500	bargaining	Mar 10
University of Regina and University of Saskatchewan	CUPE	2,080	bargaining	Dec 09
SaskPower	CEP/IBEW	1,650	bargaining	Oct 09
Government of Prince Edward Island	UPSE	1,950	bargaining	Mar 10
Halifax Regional Municipality	CUPE	770	bargaining	Jul 09
Private Sector				
Vale Inco (Ont.)	USW	3,450	work stoppage	May 09

Upcoming Key Negotiations

Employer	Union	Employees	Expiry Month
Provincial and Territorial Jurisdictions, Public Sector			
Universities (Ont.)	Various unions	6,870	May/June 10
British Columbia Hydro and Power Authority	Various unions	3,140	Mar 10
City of Regina	CUPE	1,200	Dec 09
Provincial and Territorial Jurisdictions, Private Sector			
Extendicare (Canada) Inc., Nursing Homes	SEIU	2,870	Apr 10

Source: Strategic Policy, Analysis, and Workplace Information Directorate Labour Program, HRSDC, March 15, 2010