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COMMON FRONT REACHES AN AGREEMENT IN PRINCIPLE

Last Thursday, the Common Front and the Treasury Board reached an agreement in principle. This agreement will now have to be debated in the decision-making bodies responsible for bargaining in the member organizations of the Common Front. It will then be presented to the Union general meetings, where the members will have to render their verdict on this agreement. To that effect, booklets describing the foregoing and various other instruments will be provided to you to clearly illustrate all the details contained in this agreement. While waiting for these instruments, here is an outline of what was agreed to last Thursday.

SALARY INCREASES

The Treasury Board's initial proposal was 3% over five years, of which the first two years involved a wage freeze. Since then, a lot of terrain has been covered. The new salary proposal reads as follows:

2015 – A lump sum payment equal to 1% of the average salary (per full-time equivalent employee] in the public sector (about \$500)

2016 – 1,5%

2017 – 1,75%

2018 – 2%

2019 – A lump sum payment equal to 0.5% of the average salary (about \$250), to which will be added the modulated increases related to salary relativity (2.4% on average)

SALARY RELATIVITY

Several years ago, the Government elaborated a grid that was designed to attribute a value to all the different types of jobs that exist in the public sector. The latter contained 28 levels, which go by the name of rankings. However, over time, several jobs of equal value (thus in the same ranking) were being paid different salaries, with the result that today there are over 150 salary scales for these 28 rankings. The Treasury Board wanted to rectify this situation during this round of bargaining. The Common Front accepted to engage in this exercise, on the following conditions:

- it would not be done on a zero cost basis;
- salary adjustments for some people could not be made at the expense of other people;
- this exercise does not dispose of the salary parameters issue; the Government thus had to abandon its wage freeze notion, in order that the salary relativity exercise could be completed.

This aspect of the agreement was thus intimately linked to the whole salary question and to what the Government was prepared to propose in this area.

The new grid that is being put forward would include only one salary scale per ranking, namely 28 scales, and employees who are currently paid at a single rate would continue to be paid like before. This grid would come into effect on April 2, 2019. With regard to our conditions – and in contrast to the Government's proposal made last November 6 – no one would sustain a reduction in salary with this new grid. The average increase would

As a result of the salary relativity exercise, 90% of the jobs will be granted a salary increase greater than 2% in 2019 – in addition to the 0.5% lump sum payment.

be 2.4% and the salary increase would be a minimum of 2% for over 90% of the jobs.

RETIREMENT

Since the very beginning of these negotiations, the Government expressed its clear intention to make several major changes in the area of retirement and pensions, notably by increasing the age of retirement to 62 years, by boosting the actuarial penalty of 4% to 7.2%, by lengthening the number of years to be used for calculating our pension benefits from 5 to 8 and by introducing a mechanism to modify the age of retirement, based upon the evolution of life expectancies.

Since then, the Common Front worked relentlessly to prevent the Government from making such cutbacks a reality. The Government first retreated on the question regarding the number of years used for calculating one's pension benefit, restoring it to 5 years. Then, the Government indicated it was open to postponing when the age of retirement without any actuarial penalty would come into effect.

In this agreement, the age of retirement will be increased to 61 years old, as of July 2019. However, people who have accumulated 30 years of service could leave their jobs, as

of 60 years old, without any actuarial penalty. These terms and conditions would also be taken into account for calculating the number of years of actuarial penalty that would apply, should one take an early retirement. For example, an employee who retires at 58 years old, with 30 years of service, would only sustain an actuarial penalty of 2 years, instead of 3, since he or she would be eligible to retire at 60 years old.

It should be recalled that anybody who accumulates 35 years of service, regardless of his or her age, could retire without any penalty at all.

The actuarial penalty would be increased from 4% to 6% in 2020. It should be recalled that it was to 6% prior to 1996. That year, it was reduced by the Bouchard Government

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in order to encourage thousands of Government employees to take an early retirement. However, a certain imbalance crept into the situation after that: early retirements were in a certain sense being "financed" by the employees who were retiring after 60 years old.

The 6% rate represents a kind of balancing measure for all the plan's contributors, as was demonstrated by figures provided by the CARRA, at the request of the two parties during negotiations.

Finally, for the purposes of promoting workforce retention, a voluntary measure was added at the Unions' request, in order to raise the maximum number of years that one can make contributions from 38 to 40 years. Those people who so wish could thus work for 40 years and see their pension benefits rise to 80% of the salary they earned during their best five years.

SKILLED WORKERS

The agreement stipulates that a 10% attraction and retention premium will be paid to skilled workers who occupy the following job classifications:

- Electrician
- Machinist (millwright) / Millwright / Machinist
- Master electrician / Senior electrician / Head electrician
- Stationary engineer
- Carpenter / Shop carpenter / Framing carpenter
- Painter
- Plumber / Pipefitter / Pipefitter – heating

In addition, general handymen and certified general handymen will enjoy the premium, if they have the certificate of qualification related to the tasks that they perform associated with the trades indicated above.

REGIONAL DISPARITIES

Responding positively to the Common Front's request, the Government reclassified the municipalities of Kuujjuaq, Whapmagoostui and Kuujjarapik from sector III into sector IV. In addition, the city of Fermont has been added to the list of localities where the article on dependent children attending high school will apply. Finally, the 8% retention premium applying to the North Shore has been maintained, without any conditions.

PSYCHOLOGISTS

In this agreement, the administrative measure used to retain psychologists has been renewed and integrated into the collective agreements in the form of a letter of agreement. A parity committee will be charged with monitoring the premium, notably to evaluate its effect. It is important to underline that in addition to adding it into the agreements, the Government has accepted to extend the application of this premium to the psychologists working in the education system.

SBD, CHSLD AND FAR NORTH

On this subject, the Government has accepted the Common Front's demand which sought to integrate into the collective agreements the amounts paid to certain employees, in accordance with the spirit of the letters of agreement agreed to in the health and social services systems related to severe behavioural disorders (SBD), attraction and retention mechanisms in the Far North region and for employees working with CHSLD residents.

IT'S NOW UP TO YOU TO DECIDE

Over the next few weeks, you will be called upon to make up your mind on this agreement in principle in the course of your Union's general meeting. This process is at the very foundation of our trade union democracy. Be on the lookout for messages that will be communicated to you by your Union regarding the dates and times of these meetings, as well as their locations.