



CEP LOCAL CULR-1 BARGAINING REPORT #6

Tuesday, April 28th, 2009

Sisters and Brothers,

On April 21st, CULR-1 and COPE Union Representatives met with the employer to discuss the pension plan. The parties discussed the recent correction in the market over the past weeks, but overall they recognized that the poor return on equities and lower long-term interest rates have impaired the health of the plan.

At the meeting, the employer provided documentation from their actuary arguing that the unions' proposal to increase the income tax cap, which has been frozen at \$86,100, is too costly and that the future payments the Congress must make to maintain the plan may increase if the market continues on a downward trend. This argument, however, is based on a combination of incorrect variables; e.g. it included a higher interest rate of return on current assets than the market currently provides, they allotted for a 3.5% annual wage increase, which the employer is no where near, and their calculations were based on members earnings of a \$120,000, which is the allowable income cap limit under the *Income Tax Act*, and this is not reflective of the members' earnings in either bargaining unit.

The unions' actuary believes the cost to increase the income tax cap, which would allow members to contribute on their earnings above \$86,100, is modest, and both unions are prepared to offset the cost by increasing their contributions to the plan.

The parties did agree that the health of the plan was of utmost concern. Therefore, after a lengthy discussion, it was agreed that a joint review meeting would be scheduled, including both actuaries to develop an action plan that would work toward securing pensions for current and future retirees. This review would include a proper assessment of the unions' proposal, the plan text and all other necessary documents in order to discuss a means of addressing the inequity of the current practice of freezing contributions at \$86,100.

The employer then reviewed the outstanding bargaining issues for both CULR-1 and COPE. The Congress made amendments to their last proposal, with the exception of wages. The Unions reviewed the document via conference call with the rest of the bargaining committee members, and prepared a counter proposal that we believed the employer and our members could accept.

But...

Before we could complete our presentation, the employer refused to continue talks unless the unions agreed to rescind benefit/pension entitlements currently enjoyed by **one** member and the member's partner. The employer was adamant that these benefits be revoked, "...it is a deal breaker..." and before the unions could discuss the matter further the Congress President walked out of what was a fairly collegial and productive meeting.

A little bit of context to this issue: prior to the member's retirement, the member offered the Congress compensation to offset the costs of benefits, which the current Congress leadership refused. The Congress then tried to rescind the benefits, a grievance was filed and the Congress was advised that they would likely lose this case before an arbitrator.

The unions' position: "an injury to one is an injury to all". This is a vindictive and immoral attack on this member. It is also an attack on the very idea of earned benefits, the rights to which we as trade unionists have fought and sacrificed for, so that workers can retire with dignity. The union's legal advice is that accepting such a provision puts both the employer and the bargaining unit (not to mention the members of the bargaining committee) in a very precarious legal position.

The abrupt termination of the meeting meant that the employer's concessions under Article 19, Health and Welfare in the areas of Long-Term Disability and retiree benefit/pension remain, as well as the concession proposed in Article 21 Workers Compensation, to reduce these current benefits, remain on the table.

As well, the employer's wage offer is far below cost of living (especially in Ottawa, Vancouver and Toronto), as well as negotiated settlements experienced to date among other labour organizations. The employer stated that their current wage proposal was "...*already more than they should offer...*", and "...*they were reluctant to maintain the offer...*" out of concern for a 'possible' loss in future per capita.

Meanwhile, staff jobs remain unfilled. By the autumn of this year, there will be seven in total, resulting in a significant savings in wages and benefits to the employer, not to mention an additional work load for our members. But, the Congress recently created and filled two new, full-time and well-paid Human Resources jobs outside of either the CULR-1 or COPE bargaining units.

The Congress' mandate is to advocate for fair wages, benefits and a fair society. They publicly call into question and challenge repugnant corporate behaviour, and yet, at their own bargaining table they seek concessions, claiming financial hardship. The Congress is not experiencing financial hardship; they are taking advantage of a poor economy likeable to the very corporations they denounce.

We are back at the bargaining table May 4th, with a strike/lockout mandate of May 5th. Both CULR-1 and COPE are committed to reach a deal with the Congress. Together with our Sisters and Brothers in COPE on May 4th, we will continue to bring your message of 'no' concessions, as well as your priorities back to the employer at the bargaining table, and if necessary, from the street.

Both unions have been working together in preparation for a strike or lockout. A detailed briefing document will be released to the field Wednesday April 29th, 2009 outlining what to expect and what you need to do in the event of a strike/lockout. We will identify the support committees, discuss assigned tasks and recommendations, with the assistance of your Bargaining Committee Representative and the unit volunteers. **This briefing will be reviewed and discussed on a CULR-1 conference call scheduled for Friday, May 1st, 2009 from 12:00 to 1:00 p.m.**

**Conference call numbers will be released Wednesday in the briefing document.

We would like to thank you for your continued support, solidarity and encouragement.

In solidarity,

Your CULR-1 Bargaining Committee:

Eddie Ste - Marie
Mary Shortall
Orion Irvine
Jeff Atkinson
Kelly Hayes
Kim L. Beemer, CEP National Representative

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