

Memorandum/Note de service

December 21, 2008

TO: PSAC/UPCE Members employed by Canada Post Corporation

FROM: PSAC/UPCE Negotiating Team

RE: **Employer's Final Offer Vote**

The attached package represents the Employer's final offer to settle the current contract dispute between the PSAC and Canada Post Corporation. The package includes three improvements over the offer that was voted on just over a week ago. They are:

1. STDP and Family-Related Care
 - a. Carry over up to five days personal days per year or cash out up to five personal days. There is a 12 day cap on the carry over and current year personal leave.
 - b. Two (2) days of family leave that can be taken **after** the personal days (carried over and current) have been exhausted.
2. Appendix H (Child Care Fund) – renew with one-time additional funding of \$75,000.

Your negotiating team believes that the Corporation's mandate is firm and unwavering and that any further improvements will not be forthcoming regardless of the amount of time members are willing to remain on the picket line.

Your negotiating team is also aware that if the employer's final offer is rejected, statutory and Corporate Team Incentive payments are at risk. Any member who returns to work after Friday December 19, 2008 will not be eligible for the paid three (3) statutory holidays over the holiday season.

If the employer's final offer is accepted, the statutory holidays and Corporate Team Incentive will be applied as per the collective agreement. In other words, if the employer final offer is ratified, members will receive pay for the 3 statutory holidays and the corporate team incentives.

Signed Members of the Negotiating Team,

December 21, 2008

1

Changes to the Collective Agreement:

Short-Term Disability (STD) Program

- Elimination of sick leave and family-related leave
- Implementation of Short-Term Disability Program
- Manulife to decide if STD benefits can be accessed, not your physician
- Independent third-party appeal process if you are denied benefits
- 7 day waiting period to access STD benefits
- 70% of salary paid when on STD – can be topped up by accumulated sick leave
- 7 personal days per year –if not used, carry over up to five days personal days per year or cash out up to five personal days. **There is 12 day cap on the carry over and current year personal leave.**
- **2 additional days of leave with pay for family-related responsibilities. These two days can only be accessed once the seven personal days have been exhausted.**
- Indeterminate employees and terms over 6 months to be eligible for the program
- Any improvements to the STD Program negotiated with another bargaining unit will be included into the UPCE collective agreement

Benefits and Health Care

- Post-retirement benefits: 15 years of service now required to qualify
- New one-tiered formulary – based predominantly on generic drugs. Approved drugs to be reimbursed at 80%
- Improvements to vision and hearing plans.

New Maximums:

- Vision care \$620 every four years
- Hearing Care \$750

- Improvements to amounts for para-medical services.

New Maximums:

- massage therapist \$400
- osteopath \$500
- naturopath \$600
- podiatrist or chiropractist \$500
- Chiropractor \$600
- Speech therapist \$600
- Psychologist \$1,000

- Better control of how any pension fund surpluses will be handled
- Dental fee guide to continue one-year lag

Monetary

- Economic Increases of 2.5%, 2.5%, 2.75%, and 2.75%
- \$500 signing bonus
- Lump-sum payments for unused sick leave
- No increase to the Cost of Living Allowance
- 20 cent increases to shift premiums; 25 cent increase to weekend premiums
- Increases to Child care fund – **\$75,000** lump sum payment.

Job Security and Staffing

- Job Security: All members to benefit from job security as of date of signing
- Increases to funding under Appendix M: Service Expansion and Innovation and Change Committee
- Applications for transfer to remain on the transfer list for 2 years
- Employees screened out of competitions to receive written notice
- Introduction of a co-op program for students

Hours of Work

- Contact centers: Right to not take a call during first 5 minutes of a shift, and last 5 minutes of a shift
- New National Joint Committee to discuss operational issues, hours of work, and scheduling in contact centers

Leave

- Bereavement leave: one day of the four-day allotment can be taken separately for attending a ceremony related to the death
- Leave Without Pay for Child/Elder Care: Now can be taken in 2 week blocks
- Maternity/Parental leave: Changes to reflect the inclusion of Quebec Parental Insurance Plan
- Pre-retirement leave: leave can be taken in blocks of one day and now the leave is to be granted by vacation year, not fiscal year

Part-time Employees

- Part-time employees to receive overtime if their shift is changed less than 72 hours before it starts
- Pay on a holiday: part-time employees to receive greater of average hours of past week and hours that they would normally have been scheduled to work on the holiday

Equality and Other Changes

- Improved anti-harassment language – new language now offers protection against personal harassment and abuse of authority
- Improved grievance language, simplified and streamlined
- Improved language for Human Rights and Workplace Conflict: Appendix S
- Appendix E: Standby List to show only position numbers, not names

42.11 Leave With Pay for Family-Related Responsibilities

- (a) For the purpose of this clause, family is defined as spouse, (including common-law spouse resident with the employee), dependent children (including children of legal or common-law spouse), parents (including step-parents or foster-parents), grandparents, grandchildren, and any relative residing in the employee's household or with whom the employee permanently resides.
- (b) The Corporation shall grant leave with pay under the following circumstances:
 - (i) to take a dependent family member for medical or dental appointments, or for appointments with school authorities or adoption agencies;
 - (ii) for the temporary care of a sick member of the employee's family.
- (c) The total leave with pay which may be granted under 42.11 (b) above and 42.03 (a) and (b) shall not exceed five (5) days in a fiscal year.
- (d) **As of January 1, 2010, clause 42.11 (c) shall no longer apply. From that date on, employees shall be granted Personal Days with pay as set out below, and employees who have exhausted their Personal Days, may be granted under 42.11 (b) above and 42.03 (a) and (b) a maximum of two (2) days in any one fiscal year.**

Personal Days

- i) Each full-time employee will be allocated seven (7) Personal Days on the first day of each fiscal year.
- ii) Each part-time employee shall receive a pro-rated amount of Personal Days, to a maximum of seven (7), on the first day of each fiscal year, based on the percentage of full time hours that the employee is scheduled to work.
- iii) Each Term employee shall receive a pro-rated amount of Personal Days, to a maximum of seven (7), based on the length of their term of employment, and the percentage of full time hours that the employee is scheduled to work.
- iv) If any employee begins their employment with Canada Post part way through the fiscal year, their Personal Days, to a maximum of seven (7), shall be pro-rated based on the number of days remaining in the fiscal year.

- v) Any unused Personal Days or portion thereof remaining at the end of the fiscal year to a maximum of five (5) will be paid out to indeterminate employees during the third (3rd) pay period of the following fiscal year. The amount of the payment will be based on the employee's salary as of the last day of the fiscal year. Indeterminate **and term employees of greater than six (6) months** have the option, on written request prior to the fiscal year ending, instead of the pay out, to carry over any Personal Days (or portion thereof) remaining at the end of the fiscal year, to a maximum of five (5), for use in the following fiscal year.

An employee who has carried over Personal Days (or portion thereof) from the previous fiscal year may have those days paid out, if they remain unused at the end of the year, in addition to the maximum pay out of five (5) unused days as per the above paragraph.

For greater certainty, an employee may not have more than twelve Personal Days in any one fiscal year.

- vi) An indeterminate employee must be employed by Canada Post on the last day of the fiscal year in order to be paid out for any unused Personal Days.
- vii) For Term employees, any unused Personal Days remaining at the end of their term of employment will be paid out to the employee shortly after the end of their term of employment.
- viii) For any employee who ends her employment with Canada Post during the fiscal year, any unused Personal Days as of her last day of employment will be paid out on a pro-rated basis, based on the amount of days that the employee has been employed by Canada Post during the current fiscal year.
- ix) All Personal Days will be credited and paid out in hours.
- x) Any pay out for unused Personal Days will not be pensionable.
- xi) If an employee, who is in a position which is not eligible for the Short Term Disability Program transfers into the bargaining unit, their sick leave bank will be frozen as of the date of transfer, and their allocation of Personal Days will be pro-rated based on the number of days remaining in the fiscal year.
- xii)** When an employee transfers in and out of the bargaining unit (including for reasons of termination of employment), her used and remaining Personal Days will be reconciled as per the terms of the Short Term Disability Program.
- xiii) Personal Days can be used for leave with pay in situations such as casual sick days, medical appointments (for the employee or when accompanying family members), during the qualifying period under the Short Term Disability Program set out in Appendix U, or for other such personal needs.
- xiv) Other than in urgent situations (e.g. (accidents, unexpected illness), an employee wishing to use a personal day shall notify her team leader at least three (3) days in advance.
- xv) Request for non-urgent personal days shall be approved subject to operational requirements

42.12 Leave With or Without Pay For Other Reasons

The Corporation may grant:

- (a) leave with pay when circumstances not directly attributable to the employee prevent her reporting for duty. Such leave shall not be unreasonably withheld.
- (b) leave with or without pay for purposes other than those specified in this Agreement.

APPENDIX "H"

LETTER OF UNDERSTANDING

BETWEEN

CANADA POST CORPORATION

AND

**THE PUBLIC SERVICE ALLIANCE OF CANADA / UNION OF POSTAL
COMMUNICATIONS EMPLOYEES**

Ms. Erna Post
Chief Negotiator
UPCE/PSAC
233 Gilmour Street
Ottawa ON K2P 0P1

RE: CHILD CARE FUND

1. The Corporation will make a one time payment of **\$75,000** into the trust fund within 90 days of signing the collective agreement.
2. The Corporation shall continue to pay into the trust fund an additional amount of one tenth (1/10) of the monies payable to the trust fund pursuant to the Corporation's agreement with CUPW on the Child Care Fund. These monies shall be paid to the Fund within fifteen (15) days after each quarter-end.
3. For further clarity, the Corporation agrees that the amount of monies paid into the Fund on behalf of PSAC shall be 10% of the formula identified in paragraphs 5, 6 and 7 of the Appendix on the Child Care Fund of the CPC and CUPW collective agreement.

4 Any document that is distributed by the UPCE/PSAC describing the Fund shall provide a recognition that the Fund is negotiated by the Union and financed by the Corporation.

Yours truly

Rob McCullagh
Director,
Labour Relations

****APPENDIX "U"**

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CANADA POST CORPORATION

AND

**THE PUBLIC SERVICE ALLIANCE OF CANADA / UNION OF POSTAL
COMMUNICATIONS EMPLOYEES**

CONCERNING A SHORT TERM DISABILITY PROGRAM

The following sets out the mutual understanding reached between the parties.

ARTICLE I – PERSONAL DAYS:

1. Personal Days shall be allocated and used as per Clause 42.11 of the collective Agreement

ARTICLE II - ELIGIBILITY

1. All indeterminate employees shall have access to short term disability benefits as of their date of hire.
2. Term employees of greater than six (6) months shall have access to short term disability benefits.
3. An employee will not be eligible for short term disability benefits in the following situation
 - (a) Any period when she is imprisoned;
 - (b) Any illness or injury due to the commission of, or an attempt to commit, an assault or other criminal offence (subject to conviction in a court of law);
 - (c) Any illness or injury related to substance abuse, unless the employee agrees to receive ongoing, active professional treatment deemed appropriate for the condition being treated;

ARTICLE III – SHORT TERM DISABILITY BENEFITS

1. An employee can receive short term disability benefits for up to a maximum of thirty (30) weeks after the date of illness or injury.
2. Eligibility for short term disability benefits will be determined by the Disability Management Provider. In order to be eligible for short term disability benefits, an employee must be under the care of a physician, and follow the treatment prescribed by that physician as deemed appropriate for the illness or injury by the Disability Management Provider. The employee is responsible for providing all medical information to the Disability Management Provider.
3. The qualifying period to be eligible for short term disability benefits is as follows:
 - a. Accident: 0 days
 - b. Hospitalization: 0 days
 - c. Illness: 7 calendar days
4. Should an employee become hospitalized prior to the end of the Qualifying Period, short term disability benefits are payable as of the date of hospitalization.
5. In the event of illness, an employee may use her Personal Days until the short term disability benefits commences on the eight (8th) day following the first day of missed work due to the illness. If or once an employee's Personal Days have been exhausted, and so long as the employee is ultimately approved by the Disability Management Provider for short term disability benefits, the employee may during the qualifying period use her sick leave credits accumulated up to December 31, 2009. As of January 1, 2010, all sick leave credits accumulated up to December 31, 2009, will be converted to "top up credits" on an hour for hour basis.,
6. Employees who are approved for short-term disability benefits, shall receive the following benefits:
 - a. During the first 15 weeks of their illness or injury (excluding 7 calendar day waiting period, if applicable), 70% of their salary. As well, employees can use their top up credits, to top-up short-term disability benefits to 100% of their salary.
 - b. For the remainder of the 30 week period of their illness or injury, they shall receive the difference between 70% of their salary and their Employment Insurance payment. As well, employees can use their top up credits accumulated up to of December 31, 2009, to top-up short-term disability benefits to 95% of their salary.
7. To top-up their short-term disability benefits, an employee's top up credits will be used at the rate of 1 hour of top up credits for every 1 hour required

to top up short term disability benefits from 70% of the employee's salary to 100% or 95%, as the case may be. For example, a full time employee would typically use 2.25 hours to top up at 100% of her salary,

8. Should the disability continue for a period exceeding 15 weeks, the employee shall apply for Employment Insurance benefits. If the employee is approved, she will receive benefits as per Part I of the Employment Insurance Act (currently 55% of an employee's salary, to a maximum of \$435.00 per week). This will be topped up as per paragraph 6b. above.
9. All short term disability benefits paid to an employee are income for income tax purposes.
10. An employee's short term disability benefits will be reduced by any income received by the employee from the following sources:
 - a. Earnings from other employment, unless the employee can show proof that this employment predated their injury or illness;
 - b. Benefits payable under any Workers' Compensation program, where such a reduction is permitted by law;
 - c. Benefits from no-fault government insurance or automobile insurance, where such a reduction is permitted by law
 - d. Any other disability or retirement benefits, severance payments, or salary continuation benefits resulting from employment.
11. Where permissible by law, all employees will be subject to Canada Post's right of subrogation, as per the terms of the Short Term Disability Plan Document.
12. Employees must comply with, and participate in any rehabilitation program recommended by the Disability Management Provider, in order to continue to receive short term disability benefits. A rehabilitation program may include modified hours and/or modified duties of the employee's job, or other reasonable alternatives proposed by the Disability Management Provider.
13. Any short term disability benefits payable to an employee will cease on the earliest of:
 - a. The date on which the employee ceases to be disabled;
 - b. The date on which the employee engaged in any gainful occupation other than an approved gainful occupation for the purpose of rehabilitation.
 - c. The date on which the employee fails to furnish satisfactory proof of continued disability.
 - d. The date on which the employee refuses to participate in a disability management program or to take up rehabilitative employment considered appropriate by the disability management provider.

14. All monies payable under this Short Term Disability Program shall be payable in Canadian dollars.

ARTICLE IV – RECURRENCE

1. All recurrences of illness or injuries will be dealt with as per the terms of the Short Term Disability Program.

ARTICLE V – TERMINATION OF BENEFITS

1. An employee's short term disability benefits will be terminated if she fails to comply with any requirements of the program, as set out in the Short Term Disability Plan Document.

ARTICLE VI – APPEAL PROCESS

- 1 An appeal is a written request from an Employee to revisit the decision on her file. The appeal process is designed to provide an objective review of the decision made and provide the Employee with the opportunity to provide additional medical information.

If an employee avails herself of her right to appeal, she will be entitled to short term disability benefits during the time it takes to come to a determination at first appeal (level 1 appeal). If the appeal is denied, the Corporation shall recover any overpayment from the employee's pay, but such recovery shall not exceed ten percent (10%) of the employee's pay in each pay period, until the entire amount is recovered. Notwithstanding the foregoing, in the event that employment ceases, any overpayment still outstanding may be recovered in full from the final pay.

2. Level 1 appeal:

The employee must submit a written intent to appeal to the Disability Management Provider within 7 calendar days of the original decision having been communicated to the employee.

The employee must provide to the Case Manager with any additional medical information that the employee wishes to submit or that has been requested by the Case Manager within 30 calendar days from the notice to appeal.

The Case Manager will review the additional medical information with the Disability Management Provider's Medical Consultant to clarify the diagnosis, prognosis and treatment plan.

The Case Manager will review the Employee's list of barriers and medical information with the Disability Management Provider's Claims Specialist.

The Disability Management Provider's Claims Specialist will provide a decision and recommendations.

3. Level 2 Appeal

If the employee disagrees with the decision of the Disability Management Provider's Claims Specialist and continues to present medical barriers or wishes to present further medical information, the following process will be followed:

The employee must submit a written intent to appeal to the decision of the Disability Management Provider's Claims Specialist within 7 calendar days of the decision having been communicated to the employee.

The Case Manager will follow the process outlined in 2. above, and review with the Case Manager Supervisor for further determination.

4. Independent final review

Once an employee has been advised in writing that their second appeal has been denied, the employee or her authorized representative has 10 working days to advise the case manager, in writing, of the intent to appeal. An independent occupational health specialist shall review the claim, including any further information provided. The claim documents will include a release that the employee may sign to authorize a union representative to represent the employee's interests during this final review.

The occupational health specialist shall have the authority to hold a hearing.

If the parties are unable to agree on an independent occupational health specialist within 15 working days from the notice to appeal, either party can make a request to the Minister of Labour for the appointment of an occupational health specialist to make a final review and determination.

The decision of the independent occupational health specialist shall be final and binding upon both parties, without creating a precedent, and shall not be subject to the grievance procedure under the collective agreement.

The fees and expenses of the independent occupational health specialist, including the costs of the hearing if any, shall be shared equally between the parties.