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CENTRAL BARGAINING TABLE REPORT
SEPTEMBER 3, 2015

SALARY INCREASES: THE COMMON FRONT'S GOAL

- Put an end to impoverishment and the 7.6% disparity between the total remuneration paid to government employees and that of all other Quebec workers, as observed by the Institut de la statistique du Québec.

OUR DEMANDS

- 2% per year to rectify the salary disparity (and an increase at the end of the agreement to eliminate the remaining disparity);
- 2% per year to maintain salary parity and to protect ourselves against increases in the cost of living (and an additional increase, if inflation is greater than 2%);
- 0.5% as a fixed amount to enjoy the collective enrichment (and an additional increase, if real GDP growth is greater than 1%).

OUR DEMANDS

- A three-year collective agreement with the following salary increases:
- APRIL 1, 2015: 4.5%
- APRIL 1, 2016: 4.5%
- APRIL 1, 2017: 4.5%

MANAGEMENT'S OFFERS AS OF SEPTEMBER 3, 2015

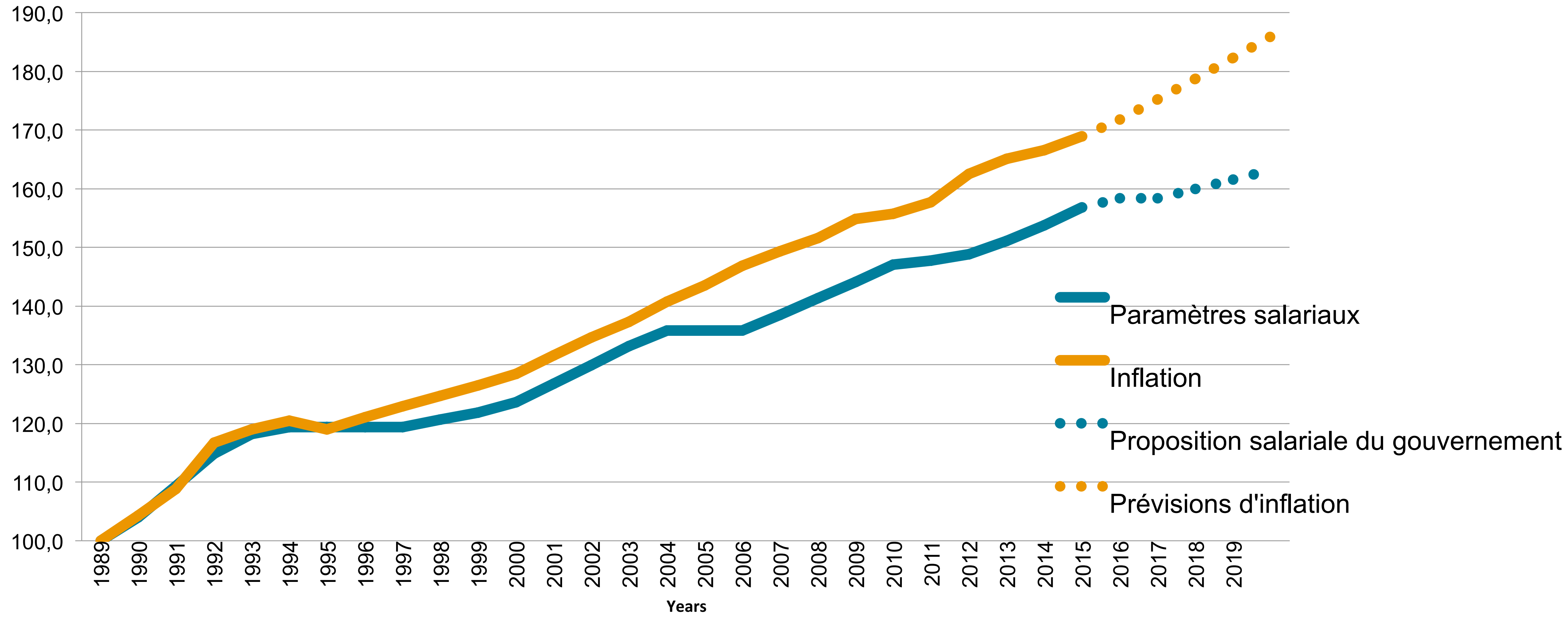
A five-year collective agreement with the following salary increases:

- April 1, 2015: 0.0%
- April 1, 2016: 0.0%
- April 1, 2017: 1.0%
- April 1, 2018: 1.0%
- April 1, 2019: 1.0%

Date for the salary increases to take effect:

The Treasury Board wishes to maintain the discrimination affecting CEGEP teachers.

MANAGEMENT'S PROPOSALS: A 7% IMPOVERISHMENT FROM 2015 to 2020



THE PENSION PLAN (RREGOP)

The Common Front has not made any demands regarding the pension plan:

- Capitalized at 98.4%, the RREGOP is in excellent financial health: it is fully capable of fulfilling its current and future commitments;
- The costs of the plan are already shared 50/50 by the parties;
- Modifications were made in 2010, notably to stabilize the contribution rate.

As of September 3, the Common Front is still proposing to maintain the status quo.

THE PENSION PLAN (RREGOP)

The Treasury Board is asking to:

- postpone the age of retirement without any actuarial penalty from 60 to 62 years old
- increase the actuarial penalty applicable for early retirement from 4% to 7.2% per year;
- to calculate for annuity payment purposes one's 8 best years, rather than one's 5 best years.
- introduce a mechanism to automatically adjust the age for being eligible to retire upwards, based upon increases in peoples' life expectancy.

As of September 3, the Treasury Board has not withdrawn any of its demands.

EXAMPLE OF JOHANNE:

Johanne is an employee who retires at age 58. She has 28 years of service. She is thus not yet 60 years old and doesn't have 35 years of service either.

Annual salary before retiring

$43,254
$44,119
$45,002
$45,227
$45,566
$46,249
$47,059
$48,000

$46,420 x 28 years x 2% = $25,995 pension annuity when one retires.
One must then subtract a "penalty" of 4% per year of early retirement.
One thus takes away 8%, because there remains 2 years before reaching the 60 year-old retirement threshold.
$25,995 - 8% = $23,915 pension annuity

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EXAMPLE OF JOHANNE: (continued)

In the management demands, the age of retirement without any penalty would jump to 62 years old. The penalty would be 7.2% per year for an early retirement.

Annual salary
before retiring

$43,254
$44,119
$45,002
$45,227
$45,566
$46,249
$47,059
$48,000

$45,560 x 28 years x 2% = $25,514 pension annuity when one retires.
One must then subtract a “penalty” of 7.2% per year of early retirement.
One thus takes away 28.8%, because there remains 4 years before reaching the 62 year-old retirement threshold.
$25,514 - 28.8% = $18,166 pension annuity.
This is $5,749 less than what one would receive with the current calculation formula, namely, a 24% reduction in one’s pension annuity.

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RREGOP: TECHNICAL COMMITTEE ON FINANCIAL RISKS

According to the Treasury Board, the sustainability of the RREGOP must be ensured in the event that the latter would run into difficulty, such as a fall or instability in its financial returns, or an extension in life expectancies.

As a precautionary measure, the Common Front accepted to engage in discussions on the RREGOP's sustainability.

We still cannot grasp how the measures proposed by the Treasury Board would help improve the long-term sustainability of the RREGOP.

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PREMIUMS AND ALLOWANCES

Our proposals:

- That the salary parameters apply to premiums as a fixed amount;
- That the amounts set out in the letters of agreement regarding severe behavioural disorders (SBD), attraction and retention mechanisms in the Far North region and for employees working with CHSLD residents be integrated into the collective agreements.

For the Treasury Board, these subjects come under the aegis of the sector-based tables. We, the Common Front, maintain our proposals on these matters.

REGIONAL DISPARITIES

The Common Front's proposals:

- An increase of 6.5% per year (2015, 2016 and 2017) to the isolation and remoteness premium;
- For any employee who incurs a fiscal burden when receiving a payment or a reimbursement for outing expenses that they incur, that the impact of taxing such benefits related to working in remote areas be eliminated;
- That the localities of Kuujjuaq, Kuujjuarapik and Whapmagoostui be integrated into sector IV;
- That the City of Fermont be included in the localities covered by the dependant child clause pertaining to postsecondary education.

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REGIONAL DISPARITIES

Management's response:

- Any modifications to the map of the regional disparities sectors must be done at no cost. Hence, any upgrade that would be made to one locality would be done at the expense of a downgrade to another one.
- As of September 3, 2015, management was still asking to remove the attraction-retention premium affecting Sept-Îles and Port-Cartier.
- The Common Front has clearly indicated our support for the employees of Sept-Îles and Port-Cartier and the negative consequences that such cuts would have on the North Shore.

PARENTAL RIGHTS

The Common Front did not have any demands regarding parental rights in this round of bargaining.

There are two types of management demands:

• First type: seeks to ensure that the person on maternity or parental leave receives the same salary as the person who remains on the job.

• Second type: roll back demands. For example, benefits to be calculated over the last 20 calendar weeks, whether the person received remuneration or not, and not on the last 20 weeks where remuneration was paid to the employee.

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PARENTAL RIGHTS

- For the first type: which corresponds to the spirit of the parental rights chapter, namely, that a leave does not lead to an employee on leave benefiting more than another employee who remains on the job. We're at the stage of trying to determine whether there indeed does exist situations of injustice in the public systems with regard to parental rights.
- For the second type: this is a demand for a rollback that would particularly penalize contingent, part-time and seasonal employees.

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WORK ORGANIZATION AND QUALITY OF LIFE AT WORK

Our proposals:

- Reduce job insecurity;
- Stop the privatization of public services and recourse to subcontracting and placement agencies;
- Practical solutions to the erosion of the professional autonomy of public sector employees;
- Improve the measures that would foster family-work-education balance.

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WORK ORGANIZATION AND QUALITY OF LIFE AT WORK

- The Treasury Board is arguing that these issues come under the aegis of the sector-based tables.

- The Common Front insists that the Treasury Board give the different management bargaining committees the mandate to settle these problems.

- We want the Treasury Board to ensure that the exchanges on these matters at the sector-based tables bear fruit and that it undertakes to allocate the resources necessary to put these solutions into practice.

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SKILLED WORKERS

The parties have had several exploratory bargaining sessions dealing with the problems pertaining to the attraction and retention of skilled workers;

The attraction and retention problem has primarily been examined from two perspectives:

- identify the job categories affected by the attraction/retention dilemma;
- identify measures to correct the problem.

For the very first time in this dossier, our vis-à-vis have affirmed that they're prepared to consider monetary-related approaches to try to correct the problem.

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SALARY RELATIVITY IN THE MIXED CATEGORIES

- In the course of our work on pay equity, categories that were neither predominantly-male, nor predominantly-female were not evaluated. Consequently, they were never assigned a value, a ranking.
- For nearly 15 years now, the employees in these jobs are waiting to be given a ranking.
- The Common Front decided to bring this initiative up to date in order to complete the evaluation, to agree with the Treasury Board on a ranking and to determine what positive pay adjustments should be applicable.

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SALARY RELATIVITY IN THE MIXED CATEGORIES

Resumption of the work on the 31 mixed categories that were never evaluated and have yet to be ranked.

As of today, an agreement exists on the ranking of 14 categories.

On the other hand, there is still no agreement on the value of several jobs, notably the categories whose numbers of incumbents are the greatest, such as:

- college teachers;
- field work technicians;
- community organizers;
- laundry workers.

SALARY STRUCTURE

- The Government is saying that this round of bargaining should be the occasion for correcting part of the “incoherent elements of the salary structures of its unionized personnel”.
- In short, management wants jobs that are judged of equal value (hence with the same ranking) to be paid at the same rate.
- At the present time, some employees are underpaid with regard to the value that has been determined for their job. Likewise, certain jobs include numerous levels before one can reach the maximum salary, while others have far fewer levels.

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WHAT KIND OF INCOHERENCE?

- More than 650 job classifications are classified in rankings that go from 1 to 28.
- In these 28 rankings, there exist 165 different salary scales.
- For example, in the jobs in rank 6, there are jobs that are paid at one single rate, while other jobs encompass scales with 3, 4, 5, 6, 7, 8, 10 and 12 different levels.
- For example, in rank 6, the binder-technician at the CSDM earns a salary that is 38% higher than a court clerk, even though both their jobs are deemed to have the same value. There is thus a difference of $7.22 per hour or more than $13,000 per year.

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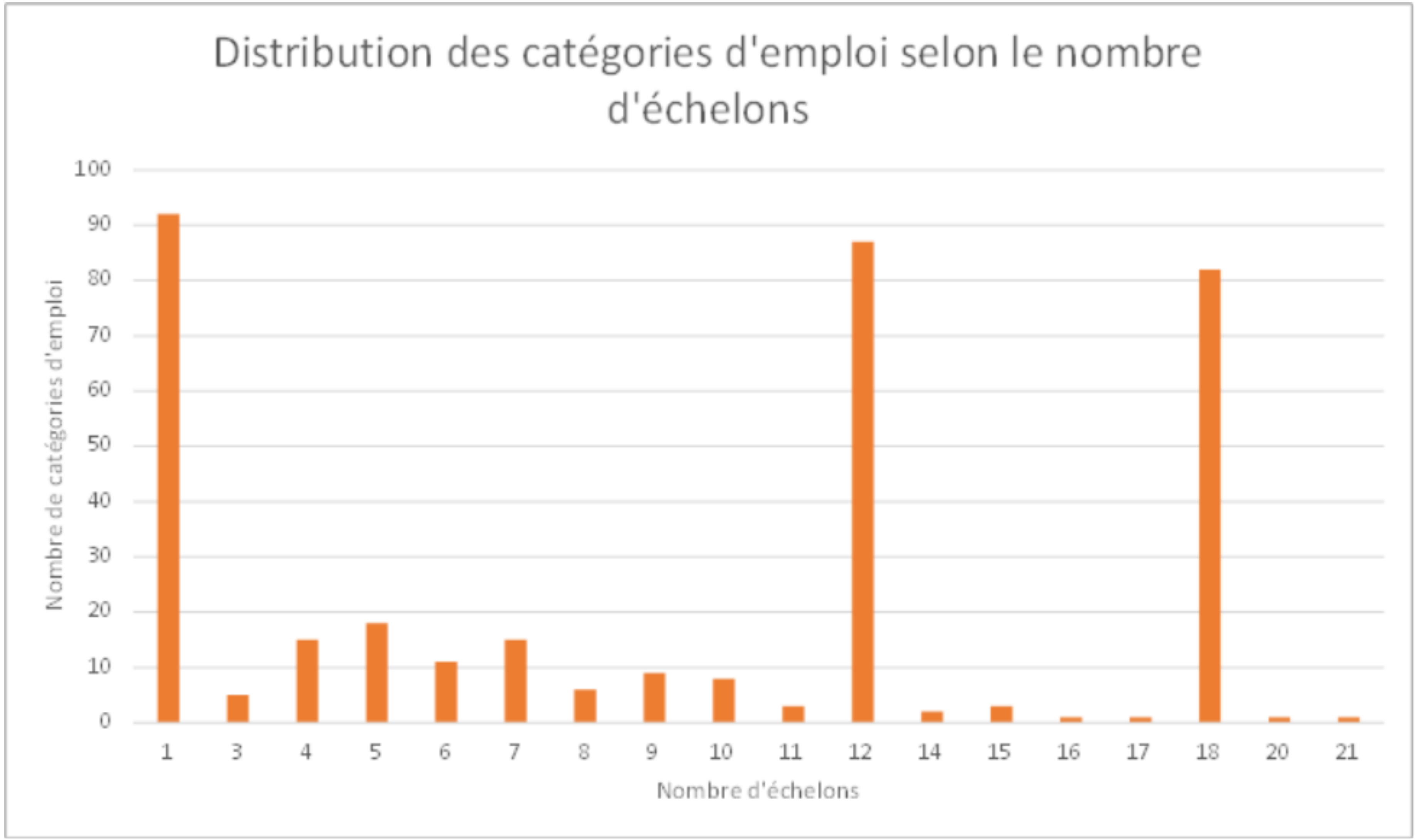
Distribution of the job categories according to the number of levels



Number of job categories

Number of levels

ELEMENTS THAT COULD BE “PROMISING”

We're beginning to explore this question within the following parameters:

- That the Government abandon the wage freeze as an approach to achieving a settlement.
- That the review of the salary structures not be confined to “zero cost”.
- That one job category could be upgraded, without it being done to the detriment of another job category.
- To use the same methodology as the one that was agreed upon for dealing with pay equity.
- That a progress report be done in September 2015 to assess whether the Government is serious in this project.

A PROGRESS REPORT TO COME

- The Treasury Board has admitted that this salary structure review would not be done at “zero cost”. A budget would be allocated for it.
- The Treasury Board has still not explained what would happen to job categories that are currently remunerated at a higher rate than what was stipulated in their evaluation.
- A progress report of the discussions will have to take place in September 2015 to verify whether a review of the salary structure could have a positive impact upon public sector employees.

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