

February 20, 2020

## PAY INCREMENT UPDATE AND PAY OUTS

After numerous consultations with the employer on the issue of the pay increments (Article 35.08 - Promotions and Demotions, and Appendix A of the Urban agreement), Canada Post Corporation (CPC) has begun investigating as far back as February 1, 2013 to review and correct the pay issues for members. CPC will also include any previous grievances that may or may not have been properly resolved.

CPC will be notifying affected members and advising them that they will be completing a review of their pay. Once that review is completed, CPC will then send an explanation of their findings.

During their investigation, CPC discovered that some members have been underpaid while others have been overpaid. If you have been overpaid, CPC will then apply Article 35.06 - Recovery of Overpayment.

The Union became aware of problems with the introduction of the two-tier pay charts. While the original problems were raised on promotions and demotions, the parties identified other problems. Resolving these issues has taken time as we have received different arbitration decisions on the matters, and it has taken time for the parties to try to agree on the proper application of pay when it came to promotions, demotions, and transfers. It is also a very lengthy process, as we had to ensure that the directive and guidelines given to payroll and Access HR would resolve the problems.

Please be patient if you are affected, as this is an ongoing resolution and affects over 5,000 of our members who promoted, demoted, and/or transferred. All affected members will be made whole by approximately August of this year.

If there are any discrepancies on your review of your pay, please contact the undersigned. You can also contact Access HR at [accesshr@canadapost.ca](mailto:accesshr@canadapost.ca) or by calling 1-877-807-9090.

We will continue to meet and review this file with the employer. Please see the following pages for an explanation of Article 35.08 (a) and (b), Promotion and Demotion process, with thanks to Brother Gord Wilson (Thunder Bay Local, Central Region) for his input.

**Initial Hire Date**

This is the date when you first start as a temporary employee. This date will NEVER change.

**Indeterminate Hire Date**

This is the date you become a permanent employee, either part-time or full-time [Article 55.01 (b)]. This new date is created the day you become a permanent employee and is used for your incremental raises within the wage grid [Appendix A]. Regardless of how long you have been a temporary employee, when you become a permanent employee, you will begin at the minimum wage for your classification for the first year, unless you promote.

**Anniversary Date**

This is the same as the Indeterminate Hire Date. This can become a separate and independent date that is used for determining your position on the wage grid. For example, going from a regular letter carrier (route holder) to a relief letter carrier position is considered a promotion and will trigger the change of your original Anniversary Date. In this situation, each successive increment up the wage grid will happen on this date. For the purpose of movement on the wage grid, this will change the Indeterminate Hire Date [Article 35.08 (a)].

**Definition of Increments**

“Increments” are the difference between the wages on the pay scales in Appendix A for the same function.

**Example:**

**Letter Carrier Pay Scale (after Feb 1, 2013)**

|                |       |  |
|----------------|-------|--|
| <b>Minimum</b> | 19.86 | } There is a difference<br>of 96 cents per year. |
| <b>Year 1</b>  | 20.83 |  |
| <b>Year 2</b>  | 21.79 |  |

**Relief Letter Carrier**

|                |       |
|----------------|-------|
| <b>Minimum</b> | 20.40 |
| <b>Year 1</b>  | 21.37 |
| <b>Year 2</b>  | 22.33 |

\*Please note that CPC will use the lesser increment in the classifications. Discussions are ongoing between the parties on this subject to reach an agreement.

**Promotion Article 35.08 (a)**

A promotion requires a “bump” up in pay of one full increment. The problem first came to the attention of National Office because Canada Post did not calculate the increments between LC and Relief correctly. Each step up the wage grid is \$0.96, the difference between LC and Relief is only \$0.54. This is the root cause of people being incorrectly “promoted” from LC to Relief. CPC would move someone from a year 2 (level 2) LC to a year 2 (level 2) Relief. This however is only an increase of 54 cents and not the 96 cents which is what is required. That person will have to be promoted to year 3 (level 3) on the wage grid.



**Example Situation:**

- I started as a temp LC Nov. 15, 2013. This is my Initial Hire Date.
- I became a permanent employee June 9, 2015. This is my Indeterminate Hire Date (Anniversary Date).
- On June 9, 2016, I will receive my first raise to year 1 on the wage grid. June 9, 2017 will be year 2.
- I bid into a relief position May 3, 2018. This is my new Anniversary Date.

When I received my “promotion” to relief LC May 3, 2018, I would have been on year 2 on the wage grid. May 3<sup>rd</sup> now becomes my Anniversary Date and my next raise on the wage grid will not happen until May 3, 2019. At the time I became a RLC, Canada Post placed me on the year 2 level as a relief. This is incorrect as it is not one full pay increment so I will (should) be placed on year 3 of the wage grid.

One thing to keep in mind is that should you go back to being a route holder, you will go backwards on the wage grid that corresponds to your years of service as a PERMANENT employee [Article 35.08 - Demotion].

In the above example, on May 3, 2019, the member would be receiving level 4 pay on the wage grid. However, if the member becomes a route holder on May 27, 2019, they would drop to level 3 on the wage grid since at the time they would have been considered a permanent employee less than 4 years. They would also not receive another step up in pay until May 3, 2020. (The Anniversary Date does not change during a demotion).

\*\*Another thing to keep in mind is that when you have a lot of movement of promoting and demoting, when you promote you keep resetting your Anniversary Date for your pay raise.

Solidarity,



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