

A fair pay increase for the EC Group

It's a simple concept, fairness. And that is what the EC Bargaining Committee was looking for when we went to the bargaining table. Specifically on a pay increase, we proposed a reasonable pay increase in a two year agreement. We also noted specific problems in the pay scales that needed to be addressed, for example relativity problems with the PM and CR salaries. We knew we would have to compromise on our initial pay offer, and we expected some give and take. The Employer made one offer: a three year agreement with general increases of 1.75%, 1.25% and 1.25%. Clearly, Treasury Board was not interested in addressing problems specific to the EC Group, as this same offer was tabled at all other Bargaining Tables. We counter offered not once but twice, and still did not get any response – the Employer was not willing to modify its pay proposal.

Before we move further into the subject, some terminology:

For each classification and level (ES-04, SI-03 etc) there are a series of **increments**, or steps. Each year, unless there is an unsatisfactory performance, an employee advances one increment until the top step is reached. Promotions involve a move to a different classification level e.g. ES-04 to ES-05, and once at the new level the process is similar.

Our **salaries** are set either at the bargaining table or if a settlement cannot be reached at the bargaining table, by a neutral third party, in our [case arbitration](#). We negotiate general increases to all salaries, that is, all steps are increased by a negotiated percentage, usually on an annual basis. Other negotiated increases include the **restructuring** of pay scales– that is, addition of steps often at the maximum, deletion of bottom steps, or wage harmonization as was done in the last agreement due to the merger of the ES and SI scales.

In summary, in a typical year an employee will receive a general increase effective on the date negotiated for the increase, and an increment movement (if they are not at the top step of the scale) on the anniversary of appointment to the level. Employees at the top of the scale only get the general increase. For an example of how these effects work, look at the [current pay scale](#).

In addition to the wage harmonization of the ES and SI pay scales, our last agreement contained annual economic increases of 2.5%, 2.5% and 2.5% effective June 22, 2000, 2001 and 2002 respectively. These were arrived at through a negotiated agreement for the EC Group. Also last round, instead of adding a full new step at the maximum of each level, the maximum rate at each level of the EC Group was increased by 2.5%, making this a full 4.5% increment.

How to decide on a fair increase?

This time we argued at the table and will submit at arbitration that there is justification not only for reasonable economic increases but also for additional increments. The basis of some of our arguments follows.

[Table 1](#) below gives **recent federal public service settlements**. It is clear that 2003 and 2004 settlements are coming in at 2.5% for general increases and a significant number have additional

increments added. All of these are considerably more generous than the offer that was made to us.

In [Table 2](#) below is a summary of **recent** collective bargaining **settlements in the greater public sector** more than just federal public service – average annual percentage adjustment in base rates – last year and this year are 2.9% and 2.8%.

Similarly, we can consider **forecasts for salary increases of the unionized and non-unionized workforce** from major Canadian sources – [Table 3](#) – which suggest settlements in 2004 and 2005 will be in the 2.5% range.

These are all nominal increases, and it is necessary to consider inflation. Our general increases over the last contract were similar to the inflation rate, so we did not make any real progress on salaries except that the extra half-increment did help to catch-up for some earlier losses. And, in 2003 inflation was 2.8%, and the May 2004 figure was 2.5%. So, just to keep up with inflation we would expect increases of 2.8% and 2.5%, in order to get a real increase we would need more. This is why we are proposing an additional increment to all salary scales – this would mean that employees at the top of the scale – one-quarter to one-half depending on the level – would have an incentive to remain with the government.

And some additional information : Each year tax deductions are indexed to inflation, the [federal indexing factor for 2004 is 3.3%](#). And the Canada Pension plan is similarly adjusted each year, for [January 1, 2004 the increase was 3.2%](#).

Conclusion

We are in a situation where the employer would like to create a workplace of choice – and time and again members will tell us that pay is an important factor, if not the most important factor. Our real, inflation adjusted pay rates are stagnant and have been for some time. It is time for a fair salary wage increase. We know that other groups are getting increases of 2.5% for 2003 and 2004. And they are getting increments in some cases. We expect similar treatment from our employer. They have offered us 1.75%, 1.25% and 1.25%. This is not enough, and we will make the argument in arbitration for at least comparable increases to other groups, including an increment.

Table 1

PIPSC and Treasury Board – Law Group (Expiry February 2004)

Economic Increases 3.2% (2001) 2.8% (2002) 2.5% (2003)
Additional Increases Additional step added to the maximum (2001)

PIPSC and Treasury Board – Law Group (Expiry February 2006)

Economic Increase 2.5% (2004) 2.0% (2005)

**PIPSC and Canada Revenue Agency – Audit, Financial and Scientific Group
(amalgamation of eight previous collective agreements including former ES members of
SSEA) (Expiry December 2003)**

Economic Increases 2.8% pro-rated depending on expiry date (2001) 3.6% (2002)
Additional Increases Additional step added to the maximum (2003)

**Graphic Communications International Union and Treasury Board – Non-Supervisory
Printing Services (Expiry September 2005)**

Economic Increases 2.5% (2002) 2.5% (2003) 2.5% (2004)

**PSAC and Treasury Board – Statistical Survey Operations – Field Interviewers and
Regional Office Interviewers (Expiry November 2004)**

Economic Increases 3.2% (2000) 2.8% (2001) 2.5% (2002) 2.5% (2003)
Additional Increases Bottom step deleted and additional step added to the maximum (2002);
bottom step deleted and additional step added to the maximum (2003)

**PIPSC and Treasury Board - Computer Systems Administration Group (Expiry December
2004)**

Economic Increases .4% (May 2002) 3.6% (Jun. 2002) 2.5 % (Dec.2003)
Additional Increases Bottom 7 steps of the CS-01 deleted (2003); additional step added to the
maximum of all levels (2003); terminable allowance renewed

**PIPSC and Treasury Board – Applied Science and Engineering Group (11 Groups) (Expiry
December 2005) Note: Arbitral Award**

Economic Increases 2.75% (2002) 2.5% (2003) 2.5% (2004)
Additional Increases Wage harmonization of AG, BI and CH pay scales (2002); bottom step
deleted and additional step added to the maximum of all levels (2002); additional step added to
the maximum of SG-SRE7 and 2 additional steps added to the maximum of SG-SRE8 (2002)

CAPE and Treasury Board – Translation Group (Expiry April 2005)

Economic Increases 2.5% (2003) 2.5% (2004)
Additional Increases [Pay Equity Settlement](#)

Table 2

Major Wage Settlements

(Source: Wage Settlement Bulletin, Human Resources and Skills Development Canada)

	2002	2003	2004 (1 st Quarter)
Public Sector	2.9%	2.9%	2.8%

Table 3**Collective Bargaining Forecast****(Source: Workplace Gazette, Human Resources and Skills Development Canada)**

		2004
Forecast Overall Wage Adjustment	Private Sector	2.5 %
	Public Sector	2.4 %
Forecast Wage Adjustment	Public Administration	2.4 %
Forecast Average Increases:		
Conference Board of Canada	unionized	2.6 %
Groupe Conseil Aon	hourly unionized	3.0 %
	hourly non-unionized	3.0 %
Hay Group	unionized	2.2-3.6 %
	non-unionized	2.4-3.5 %
Hewitt and Gestion-conseil Loran	unionized	2.9 %
	hourly	3.2 %
Morneau Sobeco	hourly unionized	2.7 %
	hourly non-unionized	3.0 %
Société Conseil Mercer	hourly	3.0 %
Saucier Conseil	unionized	2.6-2.9 %
	non-unionized	3.0-3.4 %
Towers Perrin	non-unionized	3.0 %
Watson Wyatt	hourly	3.2 %
	office	3.2 %
Institut de la statistique du Québec	unionized	2.3 %
	unionized public admin.	2.0 %