



FREQUENTLY ASKED QUESTIONS Dues Increase Proposal

Logistics

1. Why isn't this proposal coming up at the AGM?

The information for a proposed dues increase is for the upcoming AGM on November 10. This information was sent in advance to help you with questions ahead of the AGM and subsequent vote.

2. When and how do we vote?

After the November 10 AGM, members in good standing will be able to vote during the period of November 12 to 25, ending at 4 p.m. Eastern. On November 12, you will receive an email with materials and the questions to vote on with instructions on how to submit your votes.

It is not necessary to attend the AGM to be able to vote, but it is strongly recommended if you wish to receive more information that could help inform your vote.

The Elections and Resolutions Committee is responsible for overseeing the voting process. They will be managing and vetting the results.

3. Will members be able to verify that they are in good standing ahead of the vote?

Yes, members can email membership@acep-cape.ca to learn if they are in good standing ahead of the vote.

Members should register by November 19 to ensure time to process and vote by the deadline on November 25.

4. Why am I receiving information on a dues increase vote now? Is there normally months of notice for resolutions?

The National Executive Committee voted in favor of this dues increase on September 24. CAPE then urgently assembled the information needed to launch its dues increase information campaign, which we were able to launch October 26, including an email to members with details, a webpage and a video from the President explaining the need for the increase.

5. When would the proposed dues increase take effect if approved?

It would take effect in March 2022.

More details on proposed increase

6. How does the NEC determine the dues increase request?

Every year the [Finance Committee](#) presents the NEC with a budget proposal meant to reflect operational needs and priorities established by the NEC. This year's was presented in September 16-17, 2021 at a strategic workshop.

7. When was the last time dues were increased?

The last time the dues were increased was seven years ago, in 2014, when the members voted in favor of a \$13 increase.

8. What will the dues increase be used for?

The dues increase will be primarily used to increase staffing to support members. Out of 12 positions, 11 are in support of members. There would be an additional six Labour Relation Officers to lower the ratio of LROs to members and to allow LROs to be in a better position to support members. (CAPE has one Labour Relations Officer for every 1626 members, versus PIPSC who have one for every 1250 members.) We also need to increase our resources in legal services, language, administrative and HR capacities. The HR role is the only one that doesn't directly support members but is needed to support internally.

9. By what percentage have dues revenue increased since 2015?

Dues revenue are up 56% from 2015 to 2020 (from \$6,117,293 in 2014 to \$9,522,022 in 2020). It's important to note, that when a member is on unpaid leave, they do not pay dues. So, although the membership has grown by approximately 70%, the dues revenue has not see the same increase.

10. What will dues be for the EC category incremental increase?

The incremental increase will mirror exactly the percentage of salary increase negotiated for EC members. It is typically in the range of 1.25%-2.82%.

We chose the EC category because they represent, by far, the largest group. The salary increases for each group is very similar.

11. What is the connection of the proposed \$10/month increase to the EC increase?

There is no connection per se. The \$10 increase is a one-off increase that will help us immediately catch up with inflation and the cost of living since 2014. It will help us manage operational expenses tied to full digitization, the modernization and maintenance of our equipment, the creation of new education and training programs, improvements to support locals, and provide better services all around with more staff and professionals available to support our members.

The increase tied to the EC economic increase will then help ensure CAPE doesn't fall behind inflation again by keeping up with EC members salary increases negotiated in the collective agreement.

12. Can we vote for the \$10/month proposed increase separate from the EC inflation pay increase?

No, it's the same vote, as both are necessary to CAPE's ongoing financial security. The \$10/month is to catch up as explained, and the increase tied to the EC economic increase is for a gradual increase every year instead of a big one every so often.

13. What does the \$10/month proposed increase and the EC adjustment add up to every year?

The \$10/month one-off increase means that members will be paying an additional 120\$ per year. Assuming that the EC negotiated salary increase could be in the range of 1.25%-2.82%, on \$58 per month, it will translate to \$0.73 to \$1.64 per month, per year subsequently. Please keep in mind that union dues are tax deductible like RRSPs. So the final cost would depend on what your tax rate is.

14. What has been the increase in wages for ECs since the last dues increase?

The ECs have seen a 13.5% increase in their wages since 2014.

15. Why are those of us who are not in the EC group having an increase tied to the ECs? Wouldn't this not necessarily be in line with our salaries?

EC's are our largest group, representing about 96% of our membership. Our dues are also the same for every person we represent — we do not have different dues for each occupational group we represent. Typically, government employees tend to get very similar pay raises, so the raises attributed to the EC group would be very close to the other groups.

The difference between a 1.5% increase for one group and a 2% increase for another (which would be seen as a large difference in pay if it did ever happen) only results in a \$0.29 difference if the dues are \$58. We considered tying the dues increase to inflation, but we wanted to create a community of interest. The amount of dues tied to what we are able to negotiate for members, seemed the fairest option. We also didn't want to get into the complexities of different occupational groups paying different amounts for the same services.

16. Does CAPE support the vaccine mandate? Why should we support a dues increase in relation to the mandate?

There is no specific relationship between the mandatory vaccination mandate and CAPE's dues increase. However, if approved, the dues increase would come at a time of exponential need for labour support and representation. Out of the 12 new positions proposed, six are to fill labour relations positions. CAPE is currently at maximum capacity.

That being said, in light of its duty of fair representation, CAPE is committed to defending all members impacted by any employer policy that negatively impacts them. To be able to continue to defend our members' human rights and workplace rights in all situations and on all matters, we need to be properly resourced.

17. Can you explain the 16% inflation referenced in why the dues increase is needed?

Inflation is measured with the consumer price index (CPI). The CPI represents changes in prices as experienced by Canadian consumers. It measures price change by comparing, through time, the cost of a fixed basket of goods and services.

The inflation is calculated from January 1, 2014 (CPI=123.1) to September 1, 2021 (CPI=142.9) — a 16.08% increase.

18. Is CAPE saying that current inflation caused by supply chain issues, that is temporary, is creating the increase in operating costs?

CAPE's budget and finances have not considered inflationary changes since 2014. The pandemic has certainly added more inflationary pressures which are more strongly felt today. But it is inflation of the last seven years that CAPE needs to catch up with.

19. Other than Collective Bargaining, I don't see what benefits the union provides? Why should I support a dues increase?

CAPE's [core competencies and services](#) include: collective bargaining, labour support and representation, advocacy and the protection of members' rights, and learning and development.

CAPE provides many benefits to its members beyond just collective bargaining. Our goal is to support, protect and advance your rights and interests — effectively, accountably and for the benefit of all those we represent in every way we can.

We protect your employee rights and provide expert guidance and professional representation. We ensure you have the resources to understand your rights, pursue redress, and resolve workplace challenges and conflicts. Although you might have complete confidence in your ability to do your work and do it well, often workplace issues can come up that are beyond your control. Workplace conflict, or a new supervisor who has unreasonable expectations, are two examples of situations that you might find yourself in, and if they do happen, you will likely want a strong union ready to come to your defence. Like an insurance policy, you hope you do not have to use it, but you want a good one if you do.

We invest in keeping members informed about issues related to public service collective agreements and workplace rights. We make sure you have the details and context to understand each matter and what it means for you — and serve as your advocate to bring balance to the employee-employer relationship.

We participate in working groups and technical committees with other unions and your employer to ensure your voice is heard and your benefits and privileges are protected or expanded. CAPE sits on 16 committees on issues that range from your healthcare plan to pay equity to artificial intelligence.

We invest in educational events and tools to empower our local leaders and our members. Our learning program is under development and aspires to help you be a better advocate for yourself, reach your professional development goals and keep up to date on labour relations, employee rights and workplace management. This is an area of services that needs more resources to really take off though.

20. No one pays a 50% tax rate – why was this chosen as an example?

It was just chosen as it was easier than talking about a 43.5% tax rate. It was just used for quick reference. There could be small discrepancies depending on your specific tax rate.

21. Why do you need in-house language experts when there are translation services available?

CAPE has received much feedback from its members, especially those in the TR group, about increasing the quality of our translations which have traditionally been done by external vendors to date and reviewed by non-experts in house. Having in-house expertise would ensure we improve our content translation processes for faster delivery and build the capacity to ensure quality control and consistency. While some of the translation would still be performed by vendors from time to time, the quick translation of urgent materials would be done in-house to reduce and hopefully eliminate publication delays for time sensitive documentation intended for members. CAPE is a proud champion of Canada's official languages and views the need to provide content of equal quality in both languages as critical.

22. When it comes to languages, what are CAPE's plans to comply with the spirit of the Indigenous Languages Act, UNDRIP and territorial legislation such as Nunavut's Official Languages Act?

CAPE currently has limited capacity and resources to produce content in various languages, but the NEC is empowered to explore compliance with those Acts. CAPE has also recently established a Diversity, Equity, and Inclusion committee which will be able to look into questions such as this.

23. How have CAPE staff levels increased over the years along with membership increases? Are all dues increases revenue going to CAPE's staffing?

Almost all of it is for increased staffing and related expenses (equipment, etc.). The member to LRO ratio has been increasing over the years. In 2013 it was one LRO for every 1400 members, and we are now at one for every 1650 members. Some of the additional revenue is however earmarked for an increase in the budget to train local leaders, stewards and members and in the budget for professional fees for member representation.

24. In relation to needing more LROs — how many active cases does CAPE have? Are they mostly related to Phoenix and thus declining? Why would you need more LROs just because there are more members — it doesn't necessarily mean more cases?

CAPE's Labour Relations Officers have faced a 135% increase in cases so far this year. After declining for the first time in 2020, Phoenix pay matters are once again on the rise — nearly doubling this year. The application of the Employer's policy on mandatory vaccination is emerging as one of top draws on resources in terms of volume alone, while also challenging LROs to advise on areas with little precedents and emerging case law. Q2 2021 saw the largest case volume since 2018. It was the second busiest period on record. Bill C-65 has also factored into the workload of our LRO staff. Prior to Bill C-65 employees only had a year to file a harassment complaint. Now employees do not have the same time restrictions, which means our LROs will not have only one year of evidence to review but potentially many years.

More members does mean more cases. When CAPE approved the last dues increase, we

had one LRO for every 1,400 members. That has climbed over the years and now CAPE has one Labour Relations Officer for every 1,626 members, versus, for example, PIPSC who have one for every 1250 members. Even if we add six more positions, CAPE will still have a bigger ratio of members per officer than the other federal public service unions.

25. Are there places to reduce costs that aren't providing direct services to members? Is CAPE using technology to help where it can reduce costs?

CAPE is constantly improving its processes to reduce costs and to improve the services offered to the membership. Our ongoing information management and technology projects continue to create new and better ways to serve our members. The modest dues increase allows us to further optimize our systems and maximize efficiency, which directly benefits the membership. Having said that, we also need to constantly catch up with technology to protect ourselves against malicious software from cryptovirology, which requires yearly investment.

In addition, as recommended by our auditors McCay Duff, and with assistance from Deloitte, we are strengthening our procurements and financial management policies to make them more stringent and make purchases pursuing best value for money, keeping in mind the need to keep expenses as low as possible. This can be demonstrated by the fact that out of 270,000 unionized Public Service employees, only 1,600 or 0.5% pay less dues than CAPE members. Even after the dues increases, this holds true. CAPE has excelled at keeping the costs at the minimum.

26. What improvements have been undertaken to secure CAPE's finances and fraudulent behaviour to ensure our union dues are protected?

Our Director of Finance is required to be a CPA. We have also been working on strengthening our internal controls: monthly procedures are in place, and more are to come. Some examples include segregating duties, requiring two approvals for all outgoing wire transfers, month-end checklists, monthly review of journal entries, monthly review of actual expenditures vs. budgeted amounts and explanations for any material variances as recommended by our auditors McCay Duff and Deloitte.

27. Is this proposed dues increase related to recouping money lost from the fraudulent money situation a few years ago? What happened to that money?

No, the dues increase has nothing to do with recouping the money that was taken a few years ago — but to note, CAPE won a court case against the person who took the money and has received a portion of the money back and continues to receive regular payments towards the outstanding funds.

28. Can we see stats on things like number of interactions with membership base (questions taken, files dealt with, grievances brought forward, won etc.?)

We should have a Case Management System in place by January 2022. For the time being, the information available is provided at the AGM and in the Annual Report. The new system will have functions that will help us provide better information and data. Our current system is outdated and rudimentary.

29. Are new membership group types more costly to serve with learning costs etc.? If so, why are all membership groups taking on the additional costs associated with one group?

CAPE does not segregate the cost of servicing its members by membership groups. The services provided are diverse – negotiations, representation, training, communications, etc. as this goes against basic union principles of solidarity.

30. Many of the cost pressures are historical (pandemic/Phoenix). Can't you continue as is to deal with those with just inflation indexing? If not, what metrics are you tracking that indicate this and what types of improvements are you expecting to achieve on those metrics?

The additional costs incurred due to CAPE's need to manage the pandemic, Phoenix, and the mandatory vaccination are emerging issues that always expect to phase out over time, but historically, unions always deal with emerging issues or trends. Before 2018 it was not only Phoenix but also the Work Force Adjustment Directive exercise by the employer which created a serious increase in accommodation and human rights files – these are more complex and take longer to manage. The constant is having to managing unforeseeable challenges. CAPE is currently not set up to absorb the extra burden.

31. How does the proposed dues increase compare with inflation over the time horizon since the last increase?

From \$48 to \$58 it represents a 20.8% increase.

The average inflation increase is estimated at 2% per year, which aligns with the Bank of Canada's inflation-control rate of 1-3%. However, these forecasts may significantly understate the extent and duration of high inflation. In April 2021, the Consumer Price Index (CPI) breached the Bank of Canada's inflation-control limit (1% to 3% range) and has remained above the threshold ever since, reaching 4.1% in August 2021. As of September 2021, the year-over-year CPI each month has averaged 3.0%.

32. Will members be provided with a full, costed breakdown of the anticipated use of the additional funds or a costed breakdown of current deficits?

The budget is where the information is provided. More information can always be provided during the budget development process. Members will be able to scrutinize the 2022-2023 budget at the 2022 membership budget meeting.

33. In terms of total dollar value and in percentage terms, what is your budget shortfall and how much more revenue would you receive, your costs per member over time each year, how were the new positions identified etc.?

As of September 30th, we have a surplus of \$1.5M, but that reflects activity for the first 5 months of the fiscal year. We are budgeting a deficit of \$687K. Comments and requests made at the Local Leaders Council meetings, Presidents Council meetings and National Executive Committee September workshop and meetings were taken into consideration by the President and the Management Team which then made recommendations that were adopted by the National Executive Committee to identify new positions or places to increase resources to support members needs.

34. How did the NEC arrive at \$10 as an increase amount?

The Finance Committee costed the 12 positions to be staffed, added this to inflationary pressures of the last seven years and looked at future projections. The NEC had a workshop where we planned on what areas of the association were in critical need of improvement. The management team met and determined staffing requirements to meet the critical needs that the NEC highlighted, as well as considered the ongoing requests by Local Leaders and Local Presidents, our legal obligations, the difficult and time-consuming problems we are facing in the current sociopolitical environment, a review of current trends in members' workplace labour disputes, complaints and grievances, and comments from the membership on our representation services.

Economies of scale

35. Could economies of scale be found by joining with another union?

This hypothetical scenario is neither envisaged nor would it benefit you. In the end you would likely pay more dues. At \$48 today and possibly with your support \$58 as of March 2022 (we have to provide PSPC with a 90-day notice of a dues increase), CAPE is the third largest federal union but charges the lowest if you compare with PIPSC (\$73) and PSAC (\$130), the two most closely related labour unions. CAPE members currently pay less dues than approximately 99.5% of the public service. Only the RCEA pays lower dues. Out of 268,000 public servants, the RCEA represents approximately 1,600 employees. We have already maximized our cost savings measures, and any merger with another union would likely see a dues increase of the membership far beyond the increase in dues we are asking for.

36. Shouldn't we see decreased costs per member with economies of scale?

Not necessarily. It's a complicated question. Cost per member is driven by various factors. The level of services provided by CAPE will impact the cost per member. If we offer more services to our members, it will increase the costs significantly. And that doesn't always translate into tangible services. For example, having a larger research team may result in more opportunity for CAPE to participate in public consultations on several subject (employment equity review, mental health regulation, etc.). This is something that can benefit members in the long run, but it is difficult to measure.

We are also transitioning from a small union to a medium sized union. We do not have the current organizational structure and support team necessary to deal with all the internal issues required to manage a union of our size. For example, PIPSC is 3 times larger than CAPE and has approximately 5 Human Resource staff to deal with human resource activities, while at CAPE we do not have any staff position whose sole function is HR.

RCMP civilian members

37. Can civilian members of the RCMP vote?

Yes if they are signed up as CAPE members they can vote. If you are an RCMP member and want to ensure you are registered please email membership@acep-cape.ca to verify your standing.

38. How much of the growth in membership is attributed to the RCMP civilian members that are contributing to CAPE's ranks without representation? Can RCMP members dues be put on hold until we have appropriate representation?

The civilian members of the RCMP has remained relatively stable in the mid-400 range. The ESS civilian population at the RCMP has remained relatively stable and the current population remains in the mid 400s. CAPE represents some 21,000 members and has had grow of 8,000 members. So, approximately 5% of the growth has come from RCMP CMs.

RCMP civilian members are represented by CAPE just like any other membership group. CAPE is currently providing advice and representation to several ESS civilians at the RCMP who have filed informal and formal complaints-grievances with the recourses that are available to the ESS civilians at the RCMP.

ESS civilians are also entitled to the monetary increases that are negotiated by CAPE during the renewal of the EC Collective during the collective bargaining process. The last agreement that was ratified by the ECs in the Federal Public Service was also ratified by the ESS civilians.

CAPE clearly communicated to the civilian ESSs in a bulletin dated March 10, 2018, that the implementation of the dues could start before deeming and the National Executive Committee at CAPE approved to commence monthly dues of \$48.00 effective September 2018, which could be executed pursuant to the MOU that was signed between CAPE and the Treasury Board Secretariat in March 2017.

Compared to past

39. How have CAPE staffing and executive compensation changed since 2014?

CAPE has tried to become more competitive to attract and retain high performing staff since 2014. As for all federal public sector unions, CAPE has to offer its staff competitive wages and benefits as it is having to compete with other unions to hire and retain qualified staff. We are presently working with Mercer to implement a new classification plan as required by Ontario equal pay legislation (CAPE, based in Ottawa, is subject to provincial legislation).

In relation to other unions, membership

40. What is the financial relationship between CAPE and the CLC?

Members voted for CAPE to become an affiliate in 2020. The CLC charges \$0.77/month/member.

41. Was there a dues increase with agreeing to join the Canadian Labour Congress (CLC)?

No there was not.

42. What are the benefits to joining the CLC if we are paying fees based on our number of members – are we getting value there?

Membership benefits of the CLC include: social and economic policy research that we can access for our labour positions, education and training courses that are accessible by members on topics ranging from health and safety to fighting discrimination, political action

campaigns supporting worker's rights and human rights and women's rights issues address through workshops, conferences, and courses available to members to help move these issues forward.

43. How do CAPE's union dues compare to other unions?

CAPE charges the second lowest dues out of the 12 federal unions. Please see [slide 8 on this PPT](#) uploaded on our website for more details. With approximately 270,000 federal government employees, there are only 1,600 who pay lower dues than CAPE members.

44. Are you trying to be more like a PSAC or PIPSC?

CAPE is unique, and its union model, approach and culture reflects its membership base and the needs and expectations of four distinct occupational groups which are EC, TR, LoP, and OPBO. Members represented by PSAC and PIPSC have different realities and different needs, but similar struggles. We are not trying to be like any other union, but rather one that better reflects our membership. CAPE is the third-largest federal union representing 21,500 members now, which puts CAPE in a favourable position of leverage and influence as a mid-sized union. However, we now need the resources required to support a membership of this size and deliver all of the services expected at this level of growth.

Future of dues

45. Why didn't we just have smaller increases every year or two?

It would be an ideal scenario. Unfortunately, the dues have not been increased since 2014 and today there is an urgent need to close the financial gap to make up for years of not applying steady smaller increases. The \$10 monthly increase will help us make up for those lost years immediately and the EC increment will ensure a small increase is always pre-planned to avoid a future similar situation.

Additionally, over the last number of years, CAPE members have been struggling with the Phoenix fiasco, and we did not feel it was prudent to have changes made to our members pay cheques and risk Phoenix implications. But other unions have all processed recent dues increases without Phoenix-related difficulties.

46. Does this proposed increase mean there will no longer be periodic significant increases? Will we move to annual/shorter timeframes with smaller increases?

That's the goal. It would at least take care of most of the inflationary pressures we have been experiencing. Members have told us that they do not want to see large increases every few years and barring unforeseen circumstances, this should take care of that problem. None of us have a crystal ball to predict the future, however this would be a step in the right direction.

47. Shouldn't the increase in union dues be proportional to the increase in salary of members? Our top line has not been increased, so neither should the union's.

In 2014 an EC 5 at Step 5 was making \$88,764 a year, in 2021 an EC 5 at Step 5 is making \$101,999. In 2014 a TR 2 at Step 8 was making \$75,474 a year, while in 2021 a TR 2 at Step 8 is making \$85,871. Dues remained unchanged during the same time period. So members incomes have increased, yet the dues have remained unchanged.

Inflation is not the only factor affecting our costs. Other factors deal with increased involvement in and complexity of the issues we are facing. Human rights, Phoenix, the pandemic, mandatory vaccination, advocacy and protection of members' rights with elected officials and federal public service senior management, increased demand for learning and development, as well as the governance and organizational pressures of an increased office and moving from a small union to a medium union (such as information management and technology requirements, HR activities, support of labour relations officers, increased demands on communications and our legal staff, etc.) all have been factored in.

Since the last dues increase, members salaries have gone up every year while the dues have remained the same. But this is covered by the second part of the dues increase, the one that is tied to the negotiated increases in the salaries of the ECs.

48. Why are we not proposing a progressive dues structure associated with levels/salary rather than the same contribution from all members regardless of salary?

CAPE does not segregate the cost of servicing its members by membership groups. The services provided are diverse – negotiations, representation, training, communications, etc. as this goes against basic union principles of solidarity.

49. Why do some members pay more when we all get the same services?

All members pay the same amount of dues. The dues increase will allow for services to improve, and new ones will be added. Labour relations services, including education services, will be improved by the addition of six new positions. The added education and training capacity will allow us to better support our locals and our stewards and to ensure our members are better equipped to advocate for themselves.

50. Why doesn't the union implement a Pay by Service fee instead of all union members paying into services they might not possibly ever use in their career/membership period?

A union is like an insurance policy, you hope you never need to use it, but it's important to have a strong one in case you do. You want to ensure you've got a strong union ready to support you if the unfortunate happens and you need help. All members benefit from our negotiations of improvements to the Collective Agreements.

51. Will CAPE be trying to get greater salary increases than we have in the past for members to account for inflation and cost of living? Our salaries have not been keeping up with inflation.

CAPE is always trying to get salary increases to match projected inflation (for the next four years) and to catch up previous inflation. Collective bargaining updates sent to members reflect that.

52. What are CAPE's plans for reigning in costs?

The costliest expenses for CAPE are legal fees and representation services. Measures to manage the cost of legal fees was the creation of a General Counsel position and the proposed creation of a Legal Counsel position with General Counsel. As demonstrated by the fact that nearly every other union pays more dues, we can honestly say our costs on a per member basis is less than the other unions.

53. Are the plans for CAPE's offices to be moved to a more economic location to support better spending of revenue from dues?

Yes. Our lease is ending at the current location and a new location is in the final stages of being agreed upon. The potential new location is a former government vacated office and is still downtown for ease of access for most members once in-person activities can resume. The new lease includes great economic savings while meeting the needs of CAPE's staff once in the office work returns.

54. If in the future CAPE's membership numbers reduce drastically due to cuts, will there also be a reduction in membership fees?

Our request for these dues increases are based on the reality we are facing today. Previous Deficit Reduction Action Plans (DRAP) have only seen temporary reductions.

55. Would CAPE be open to other models for grievance work? For example, other unions use volunteer shop stewards and only bring in professional labour officers for support and guidance?

CAPE members have always made it clear that they overwhelmingly prefer to get professional Labour Relations Officers to deal with their employment and labour relations matters from the start.

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