



Canada Revenue Agency - Program Delivery and Administrative Services Bargaining Unit /Public Service Alliance of Canada – Pay proposal - September 2013

This document represents the pay proposal of the Public Service Alliance of Canada (the “Union”) for this round of negotiations. This proposal is being submitted without prejudice to any future proposed amendments and/or additions, and subject to any errors and/or omissions. The Union reserves the right to introduce, amend, and/or withdraw its proposal and/or to introduce counter proposals to the Employer’s proposals.

New- Long Service Pay

The following shall take effect November 1, 2012:

XX.01 An employee who receives pay for at least seventy (70) hours for each of twelve (12) consecutive calendar months for which the employee is eligible to receive long service pay, beginning November 1 of each year, is entitled to be paid, in a lump sum, an amount related to the employee’s period of service in the Public Service set out in the following table:

Period of Service in the Public Service	Annual Amount
5 to 9 years	\$740
10 to 14 years	\$ 850
15 to 19 years	\$980
20 to 24 years	\$1110
25 to 29 years	\$1240
30 years or more	\$1370

XX.02 An employee who does not receive at least seventy (70) hours’ pay for each of twelve (12) consecutive calendar months for which the employee is eligible to receive long service pay, beginning November 1 of each year, is entitled to one-twelfth (1/12) of the relevant amount as set out in clause XX.01 for each month for which he/she receives at least seventy (70) hours’ pay.

XX.03 Where an employee does not complete the employee’s specified period of service in the Public Service upon the first (1st) day of a calendar month, the employee shall, for the purpose of clause XX.01, be deemed to have completed the specified period of employment:

- (a) on the first (1st) day of the current month if the employee completes the specified period of employment during the first fifteen (15) days of the month,
- and
- (b) on the first (1st) day of the subsequent month in any other case.

Pay Adjustment

The Union proposes the following economic increases to all rates of pay:

1. Effective November 1st, 2012: 1.0% adjustment
2. Effective November 1st, 2012: 3.0% after wage grid adjustments:
3. Effective November 1st, 2013: 3.0%
4. Effective November 1st, 2014: 3.0%

Duration of agreement

The Union proposes that the new collective agreement expire on October 31, 2015.

Wage Proposal Supporting Data – September 10, 2013

Wage Trends

Wage increases in Canada are projected to improve significantly in 2013. The forecasted average increase in pay for Canadians will be somewhere around 3 per cent according to the Conference Board of Canada, Mercer, Aon Hewitt, Morneau Shepell and Tower Watson:

Forecasters	2012 (Actual)	2013 (projected)	Source (observation)
Conference Board of Canada	3.00%	3.00%	2013 Compensation Planning Outlook's Survey (401 survey respondents, the average pay increase for non-unionized employees).
Mercer	3.20%	3.20%	2013 Compensation Planning Survey for Non-Union Employees.
Aon-Hewitt	3.00%	3.10%	34th Annual Salary Increase Survey The national mean projected salary increase including anticipated wage freezes

Morneau Shepell	2.90%	2.60%	Morneau Shepell's 2013 National Compensation Survey (Mean salary increase projected for 241 organizations with over 1,000,000 employees; Management and Professionals Group)
Tower Watson	2.90%	3.00%	2012/13 Towers Watson Canada salary Budget Report (Based on 366 organisations)

Employment and Unemployment

When we look at the unemployment rate, we can see a downward trend since 2009. After 2008, the unemployment rate has been slowly declining. This trend is another indicator that the Canadian economy is doing well.

Unemployment Rate – Actual & Projected (current to August 2013)

	2009	2010	2011	2012	2013 (projected)	2014 (projected)
BMO					7.1	6.8
CIBC					7.5	6.7
Desjardins					7.1	6.9
National Bank					7.2	7.1
RBC					7.0	6.7
Scotiabank					7.1	7.0
TD Economics					7.1	7.0
Actual, or average projected	8.3%	8.0%	7.5%	7.3	7.2	6.9

Source: BMO Capital Market Economics; CIBC World Markets; Desjardins Economic Studies; National Bank Economic Research; RBC Economics Research; Scotia Economics; TD Economics.

Wage Grid Adjustments - Appendix A

The Union proposes to introduce a four steps wage grid. Under the current Appendix A, it takes an employee 4 years (5 step grid) to reach the maximum rate of pay.

The Union proposes to reduce to 3 the number of increments by building a new salary grid with the actual 10 levels of the current SP classification. Three (3) increments is consistent with other federal public sector comparators. Each of these levels would include 3 increments (4 steps wage grid). To be clear, the Union is not proposing to adjust either the minimum rate or the maximum rate of the classification. The proposal is simply that members progress more quickly through the grid by increasing the increment size. The Union is also proposing an adjustment to the SP-07 rate.

The table below presents the new proposed wage grid.

Effective November 1st, 2012 prior to any economic increase

Level	Step 1	Step 2	Step 3	Step 4
SP-01	35159	36336	37553	38811
SP-02	40313	41663	43058	44499
SP-03	44693	46190	47737	49335
SP-04	49015	50986	53036	55168
SP-05	53053	55186	57405	59713
SP-06	57403	59711	62111	64608
SP-07	65217	67838	70565	73402
SP-08	72995	75930	78983	82158
SP-09	81024	84281	87669	91193
SP-10	91433	95108	98931	102907

Wage Grid Adjustments Appendix A-1

The Union proposes to introduce a 8 steps wage grid. Under the current Appendix A-1, it takes an employee 8 years (9 step grid) to reach the maximum rate of pay.

The Union proposes to reduce to 7 the number of increments by building a new salary grid with the actual 6 levels of the current MG-SPS classification. Each of these levels would include 7 increments (8 steps wage grid). To be clear, the Union is not proposing to change either the minimum rate or the maximum rate of the classification. The proposal is simply that members progress more quickly through the grid by increasing the increment size.

The table below presents the new proposed wage grid.

Effective November 1st, 2012 prior to any economic increase

Level	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8
MG-SPS-1	\$50,321	\$52,181	\$54,110	\$56,110	\$58,184	\$60,334	\$62,564	\$64,875
MG-SPS-2	\$55,030	\$57,064	\$59,173	\$61,360	\$63,628	\$65,980	\$68,419	\$70,947
MG-SPS-3	\$59,187	\$61,374	\$63,642	\$65,994	\$68,433	\$70,962	\$73,584	\$76,304
MG-SPS-4	\$62,908	\$65,649	\$68,509	\$71,494	\$74,609	\$77,859	\$81,251	\$84,790
MG-SPS-5	\$75,467	\$78,755	\$82,186	\$85,766	\$89,502	\$93,401	\$97,470	\$101,717
MG-SPS-6	\$82,929	\$86,542	\$90,312	\$94,246	\$98,352	\$102,637	\$107,108	\$111,774

Transitional Provision

- a) On the date of restructure of Appendix A and Appendix A-1, an employee shall be paid at the step in the restructured pay scale which is nearest to but not less than the employee's salary on October 31th, 2012.
- b) For the purposes of determining salary, all employees who are rehired within twelve months of the date of introduction of the new salary grid, shall be subject to the provisions of these pay adjustment.

ARTICLE 64

PAY ADMINISTRATION

64.01 Except as provided in this Article, the terms and conditions governing the application of pay to employees are not affected by this Agreement.

64.02 An employee is entitled to be paid for services rendered at:

- (a) the pay specified in Appendix “A”, for the classification of the position to which the employee is appointed, if the classification coincides with that prescribed in the employee’s certificate of appointment; or
- (b) the pay specified in Appendix “A”, for the classification prescribed in the employee’s certificate of appointment, if that classification and the classification of the position to which the employee is appointed do not coincide.

64.03

- (a) The rates of pay set forth in Appendix “A” shall become effective on the dates specified.
- (b) Where the rates of pay set forth in Appendix “A” have an effective date prior to the date of signing of this Agreement, the following shall apply:
 - (i) “retroactive period” for the purpose of subparagraphs (ii) to (v) means the period from the effective date of the revision up to and including the day before the collective agreement is signed or when an arbitral award is rendered therefore;
 - (ii) a retroactive upward revision in rates of pay shall apply to employees, former employees or in the case of death, the estates of former employees who were employees in the bargaining unit during the retroactive period;
 - (iii) for initial appointments made during the retroactive period, the rate of pay selected in the revised rates of pay is the rate which is shown immediately below the rate of pay being received prior to the revision;
 - (iv) for ~~promotions, demotions, deployments or transfers or acting situations~~ effective during the retroactive period, the rate of pay shall be recalculated, in accordance with the Public Service Terms and Conditions of Employment Regulations **as constituted on the date of signing of this Agreement**, using the revised rates of pay. If the recalculated rate of pay is less than the rate of pay the employee was previously receiving, the revised rate of pay shall be the rate, which is nearest to, but not less than the rate of pay being received prior to the revision. However, where the recalculated rate is at a lower step in the range, the

new rate shall be the rate of pay shown immediately below the rate of pay being received prior to the revision;

- (v) **for promotions or deployments effective during the retroactive period, the rate of pay shall be recalculated, in accordance with this Article, using the revised rates of pay. If the recalculated rate of pay is less than the rate of pay the employee was previously receiving, the revised rate of pay shall be the rate, which is nearest to, but not less than the rate of pay being received prior to the revision. However, where the recalculated rate is at a lower step in the range, the new rate shall be the rate of pay shown immediately below the rate of pay being received prior to the revision;**

(v) (vi) no payment or no notification shall be made pursuant to paragraph 64.03(b) for one dollar (\$1.00) or less.

64.04 Where a pay increment and a pay revision are effected on the same date, the pay increment shall be applied first and the resulting rate shall be revised in accordance with the pay revision.

64.05 This Article is subject to the Memorandum of Understanding signed by the Treasury Board Secretariat and the Alliance dated February 9, 1982, in respect of red-circled employees.

64.06 If, during the term of this Agreement, a new classification standard for a group is established and implemented by the Employer, the Employer shall, before applying rates of pay to new levels resulting from the application of the standard, negotiate with the Alliance the rates of pay and the rules affecting the pay of employees on their movement to the new levels.

64.07

- (a) When an employee is required by the Employer to substantially perform the duties of a higher classification level in an acting capacity and performs those duties for at least three (3) consecutive working days or shifts, the employee shall be paid acting pay calculated from the date on which he or she commenced to act as if he or she had been appointed to that higher classification level for the period in which he or she acts.
- (b) When a day designated as a paid holiday occurs during the qualifying period, the holiday shall be considered as a day worked for purposes of the qualifying period.

64.08 When the regular pay day for an employee falls on his or her day of rest, every effort shall be made to issue his or her cheque on his or her last working day, provided it is available at his or her regular place of work.

New:

64.09 Rates of Pay on Promotion

- a) The appointment of an employee constitutes a promotion where the maximum rate of pay applicable to the position to which that employee is appointed exceeds the maximum rate of pay applicable to the employee's level immediately before the appointment by an amount equal to at least the lowest pay increment for the position to which he or she is appointed.
- b) The rate of pay on promotion is to be the rate of pay nearest to but less than that to which the employee was entitled in his or her level immediately before the appointment that gives the person an increase in pay as specified in a) above.

64.10 Rates of Pay on Deployment

- a) An employee is deployed when the transfer to a position does not constitute a promotion as defined in 64.09 above or a demotion as defined by the Public Service Terms and Conditions of Employment Regulations as constituted on the date of signing of this Agreement.
- b) When the transfer of an employee from one position to another position constitutes a deployment, the employee is to be paid the rate of pay that is nearest to but not less than the rate of pay the employee was entitled to in his or her level immediately before the deployment.

64.11 Acting Pay Acting pay is the rate of pay that an employee is to be paid when required by the Employer to substantially perform the duties of a higher classification as per 64.07, and shall be calculated in accordance with either 64.09 or 64.10, as applicable.

MANAGEMENT GROUP

PAY NOTES

PAY INCREMENT FOR FULL AND PART-TIME EMPLOYEES

1. The pay increment period for employees at levels MG-SPS-1 to MG-SPS-6 is fifty-two (52) weeks. A pay increment shall be to the next rate in the scale of rates.
2. The pay increment date for an employee appointed to a position in the bargaining unit on promotion, demotion or from outside the Public Service on or after November 1, 2010, shall be the pay increment period as calculated from the date of the promotion, demotion or appointment from outside the Public Service.
3.
 - (a) An ~~indeterminate~~ employee who is required to act at a higher occupational group and level ~~for period of six (6) weeks or more~~, shall receive an increment at the higher group and level after having reached fifty-two (52) weeks of cumulative service at the same occupational group and level at the CRA.
 - (b) For the purpose of defining when an ~~indeterminate~~ employee will be entitled to go to the next salary increment of the acting position, “cumulative” means all periods of acting experience ~~of six (6) weeks or more~~, with the CRA at the same occupational group and level.

PAY ADJUSTMENT

4. Subject to Article 66, employees will receive an economic increase in salary of **3%** on November 1, 2012, **3%** on November 1, 2013 and **3%** on November 1, 2014.

TERM EMPLOYEES – FULL-TIME AND PART-TIME

5. Entitlement for an increment after 52 weeks of cumulative service with the CRA.

(a) An employee appointed to a term position within the CRA shall receive an increment after having reached fifty-two (52) weeks of cumulative service with the CRA, at the same occupational group and level.

(b) For the purpose of defining when a determinate employee will be entitled to go to the next salary increment, “cumulative” means all service, whether continuous or discontinuous, with the CRA at the same occupational group and level.

SERVICE AND PROGRAM GROUP (SP)

PAY NOTES

PAY INCREMENT FOR FULL-TIME AND PART-TIME EMPLOYEES

1. The pay increment period for employees at levels SP-01 to SP-10 is fifty-two (52) weeks. A pay increment shall be to the next rate in the scale of rates.
2. The pay increment date for an employee appointed to a position in the bargaining unit on promotion, demotion or from outside the Public Service on or after November 1, 2010, shall be the pay increment period as calculated from the date of the promotion, demotion or appointment from outside the Public Service.
3.
 - (a) An ~~indeterminate~~ employee who is required to act at a higher occupational group and level for period of six (6) weeks or more, shall receive an increment at the higher group and level after having reached fifty-two (52) weeks of cumulative service at the same occupational group and level at the CRA.
 - (b) For the purpose of defining when an ~~indeterminate~~ employee will be entitled to go to the next salary increment of the acting position, “cumulative” means all periods of acting experience of six (6) weeks or more, with the CRA at the same occupational group and level.

PAY ADJUSTMENT

4. Subject to Article 66, employees will receive an economic increase in salary of **3%** on November 1, 2012, **3%** on November 1, 2013 and **3%** on November 1, 2014.
5. Transitional Note - See Appendix “B” Conversion of Previous Occupational Groups and Levels to the SP Occupational Group. This appendix identifies which SP level the former occupational groups and levels were converted to, and the associated rate of pay on conversion.

TERM EMPLOYEES – FULL-TIME AND PART-TIME

- 6.** Entitlement for an increment after 52 weeks of cumulative service with the CRA:
- (a) An employee appointed to a term position within the CRA shall receive an increment after having reached fifty-two (52) weeks of cumulative service with the CRA, at the same occupational group and level.
 - (b) For the purpose of defining when a determinate employee will be entitled to go to the next salary increment, “cumulative” means all service, whether continuous or discontinuous, with the CRA at the same occupational group and level.
 - (c) Transitional Note – Employees who were previously term employees but who were not on strength at the time of the SP conversion will be brought back at the rate of pay that is closest to but not less than the rate of pay at which they left the CRA calculated as if they had been on strength at the time of conversion.
 - (d) Transitional Note – The “cumulative” service accumulated prior to conversion at the same occupational group and level will count towards the increment date in the converted SP group and level.

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28.10 Meals

- (a) An employee who works three (3) or more hours of overtime immediately before or immediately following the employee's scheduled hours of work shall be reimbursed his or her expenses for one meal in the amount of ~~ten~~ **eleven** dollars and fifty cents (\$11.50) except where free meals are provided.

- (b) When an employee works overtime continuously extending four (4) hours or more beyond the period provided in paragraph (a), the employee shall be reimbursed for one additional meal in the amount of ~~ten~~ **eleven** dollars and fifty cents (\$11.50) for each additional four (4)-hour period of overtime worked thereafter, except where free meals are provided.

ARTICLE 66

DURATION

66.01 This Agreement shall expire on October 31, 2015.

66.02 Unless otherwise expressly stipulated, the provisions of this Agreement shall become effective on the date it is signed.

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APPENDIX xx

MEMORANDUM OF UNDERSTANDING SALARY PROTECTION - RED CIRCLING

GENERAL

1. This Memorandum of Understanding cancels and replaces the Memorandum of Understanding entered into between the Treasury Board and the Public Service of Alliance of Canada on June 9, 1978.
2. This Memorandum of Understanding shall remain in effect until amended or cancelled by mutual consent of the parties.
3. This Memorandum of Understanding supersedes the Regulations respecting Pay on Reclassification or Conversion where the Regulations are inconsistent with the Memorandum of Understanding.
4. Where the provisions of any collective agreement differ from those set out in the Memorandum of Understanding, the conditions set out in the Memorandum of Understanding shall prevail.
5. This Memorandum of Understanding will form part of all collective agreements to which the Public Service Alliance of Canada and Treasury Board are parties, with effect from December 13, 1981.

Part I

Part I of this Memorandum of Understanding shall apply to the incumbents of positions which will be reclassified to a group and/or level having a lower attainable maximum rate of pay after the date this Memorandum of Understanding becomes effective.

NOTE: The term “attainable maximum rate of pay” means the rate attainable for fully satisfactory performance in the case of levels covered by a performance pay plan or the maximum salary rate in the case of all other groups and levels.

1. Prior to a position being reclassified to a group and/or level having a lower attainable maximum rate of pay, the incumbent shall be notified in writing.
2. Downward reclassification notwithstanding, an encumbered position shall be deemed to have retained for all purposes the former group and level. In respect to the pay of the incumbent, this may be cited as Salary Protection Status and subject to Section 3(b) below shall apply until the position is vacated or the attainable maximum of the reclassified level, as revised from time to time, becomes greater than that applicable, as revised from time to time, to the former classification level. Determination of the

attainable maxima rates of pay shall be in accordance with the Retroactive Remuneration Regulations.

3.
 - (a) The Employer will make a reasonable effort to transfer the incumbent to a position having a level equivalent to that of the former group and/or level of the position.
 - (b) In the event that an incumbent declines an offer of transfer to a position as in (a) above in the same geographic area, without good and sufficient reason, that incumbent shall be immediately paid at the rate of pay for the reclassified position.
4. Employees subject to Section 3, will be considered to have transferred (as defined in the Public Service Terms and Conditions of Employment Regulations) for the purpose of determining increment dates and rates of pay.

Part II

Part II of the Memorandum of Understanding shall apply to incumbents of positions who are in holding rates of pay on the date this Memorandum of Understanding becomes effective.

1. An employee whose position has been downgraded prior to the implementation of this memorandum and is being paid at a holding rate of pay on the effective date of an economic increase and continues to be paid at that rate on the date immediately prior to the effective date of a further economic increase, shall receive a lump sum payment equal to 100% of the economic increase for the employee's former group and level (or where a performance pay plan applied to the incumbent, the adjustment to the attainable maximum rate of pay) calculated on his annual rate of pay.
2. An employee who is paid at a holding rate on the effective date of an economic increase, but who is removed from that holding rate prior to the effective date of a further economic increase by an amount less than he would have received by the application of paragraph 1 of Part II, shall receive a lump sum payment equal to the difference between the amount calculated by the application of paragraph 1 of Part II and any increase in pay resulting from his removal from the holding rate.

SIGNED AT OTTAWA, this 9th day of the month of February 1982.